

Endnotes





Section I

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- ¹¹ Thottam, Jyoti. 2004. Is your job going abroad? *TIME*, March 1, 2004, Vol. 163, No. 9, p. 33 ff.
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Section II

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Section III

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Section III.1 North Valley

- ¹ U.S. Census Bureau <http://quickfacts.census.gov/gfd/states/00000.html>
- ² City of Los Angeles. 2004. Local Population and Housing Estimates by Area Planning Commission.
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www.valleyofthestars.net/Library/Almanac%202000/SFV%20Almanac%202000%20Rev%205.indd.pdf
- ⁴ See Section VIII of our analysis.
- ⁵ Deloitte & Touche's 1999 "Los Angeles Technology Fast 50."
http://www.public.deloitte.com/fast500/fast_50/search/50searchresults.asp?type=f50&subnav=1)
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Section III.2 South Valley

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<http://www.lacity.org/pln/DRU/LocL/LocRpt.cfm?geo=AP>
- ² See Section IX in our analysis.
- ³ The Census Bureau estimates that per capita beer consumption in the U.S. has stayed relatively stable for more than 20 years. However, light beers have managed a much larger market share during that time. Research shows that the U.S. consumes 18.4 percent of global beer sales. While China, with its much larger population, accounted for 20 percent of global beer sales in 2003. See: www.wacresearch.com/
- ⁴ <http://cityplanning.lacity.org>.
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Section III.3 West Los Angeles

- ¹ City of Los Angeles. 2004. Local Population and Housing Estimates by Area Planning Commission.
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³ City of Los Angeles. 2004. Local Population and Housing Estimates by Area Planning Commission. <http://www.lacity.org/pln/DRU/LocL/LocRpt.cfm?geo=AP>

⁴ DeVol, Ross C., Joel Kotkin, Jonathan M. Orszag, Peter R. Orszag, Robert F. Wescott, Perry Wong. 2001. The Impact of an Entertainment Industry Strike on the Los Angeles Economy. Milken Institute Research Report, 2001, p. 79.

Section III.4 Central Los Angeles

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⁴ Kotkin, Joel. 1997. Southern California in the Information Age. Pepperdine Institute for Public Policy and La Jolla Institute with support from the Los Angeles Department of Water and Power. <http://publicpolicy.pepperdine.edu/davenportinstitute/reports/InfoAgeReport.pdf>

⁵ LAEDC Los Angeles County Economic Development Corporation. 2004. Downtown Los Angeles, Los Angeles County, California. 2004 Economic Overview & Forecast. <http://www.laedc.info/pdf/Downtown-2004.pdf>

⁶ LAcity.org. 2004. Economic Opportunity. <http://www.lacity.org/hra/pdf/hrafin9.pdf>

⁷ See Judi A. Kessler. 2001. Tracking L.A. Employee Trends – Beyond the Numbers – Statistical Data Included. http://www.findarticles.com/p/articles/mi_m3638/is_6_42/ai_71969733/print.

⁸ LAEDC. 2004. Downtown Los Angeles, Los Angeles County, California. 2004 Economic Overview & Forecast.

⁹ DeVol, Ross, C. 1999. *America's High-tech Economy. Growth, Development, and Risks for Metropolitan Areas*. Milken Institute Research PaperReport. July 13, 1999, p. 17.

¹⁰ Substantial job increase within electric services is due to a result of Dun & Bradstreet not listing the City of Los Angeles as an major employer in its 1992 dataset.

¹¹ Miller, D. W. 2000. The New Urban Studies. Los Angeles scholars use their region and their ideas to end the dominance of the 'Chicago School'. *The Chronicle of Higher Education*. Research and Publishing, p. 5. <http://chronicle.com/free/v46/i50/50a01501.htm>

Section III.5 East Los Angeles

¹ Ong, Paul, James Spencer, Michela Zonta, Todd Nelson, Douglas Miller and Julia Heintz-Mackoff. 2003. The Economic Cycle and Los Angeles Neighborhoods; 1987-2001. The Ralph & Goldy Lewis Center for Regional Policy Studies. UCLA School of Public Policy and Social Research, March 2003, p. 48.

² City of Los Angeles. 2004. Census 2000 Statistical Profile. Census Tract 203100. <http://lacity.org/pln/DRU/C2K/C2KPfl.cfm?geo=ct&loc=203100&sgo=ct>



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<http://lacity.org/pln/DRU/C2K/C2KPfl.cfm?geo=ct&loc=203100&sgo=ct>
- ⁴ Southern California Association of Governments. 1996. Livable Places Profiles. Whittier Boulevard, East Los Angeles, CA.
<http://www.scag.ca.gov/livable/download/pdf/whittier.pdf>
- ⁵ See Section VIII in our analysis.
- ⁶ DeVol, Ross C. 1999. *America's High-tech Economy. Growth, Development, and Risks for Metropolitan Areas*. Milken Institute Research Report, July 13, 1999.
- ⁷ The more than 1,500 employees recorded within East Los Angeles' drug industry in 2002 are primarily employed by Baxter Healthcare Corporation (1000 employees), the principal domestic operating subsidiary of Baxter International Inc., and Grifols Biologicals, Inc. (>500 employees) founded in 2003.

Section III.6 South Los Angeles

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Section III.7 Harbor Area

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http://www.lapdonline.org/community/op_south_bureau/harbor/habor_home_frame.htm
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- ⁴ See Section VIII of our analysis.
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- ⁷ DeVol, Ross, C. 1999. *America's High-tech Economy. Growth, Development, and Risks for Metropolitan Areas*. Milken Institute Research PaperReport. July 13, 1999, p. 31.
- ⁸ Business Wire. September 30, 2004. "From Bridge to Breakwater:" Master Plan for the San Pedro Waterfront Gets the Green Light from Los Angeles Harbor Commissioners." http://www.findarticles.com/p/articles/mi_m0EIN/is_2004_Sept_30/ai_n6218273/print



Section IV

¹ U.S. Department of Labor, Bureau of Labor Statistics. 2001. Issues in Labor Statistics. New and emerging occupations, Summary 01-06 December 2001, p. 1.

² In light of the substantial employment decline within Los Angeles County's search and navigation equipment industry, it is important to note that Dun & Bradstreet did not list Raytheon Company (listed with 5,000 employees in 1992) in their 2002 dataset. However, Raytheon Space and Airborne Systems, headquartered in El Segundo, California, is a major component of the Raytheon Company.

³ Boeing.com. 2004. Boeing 717 Manufacturing Plant – Long beach, Calif., p. 1.
<http://www.boeing.com/commercial/facilities/longbeachsite.html>

⁴ Janes.com. 2004. Raytheon Electronic Systems FIM-92 Stinger low-altitude surface-to-air missile system.
http://www.janes.com/defence/air_forces/news/jlad/jlad001013_2_n.shtml

⁵ LAEDC. 2004. http://www.laedc.org/data/pdf/LAAFB_Summary-REVISED.pdf

⁶ The Dun & Bradstreet dataset did not list The Boeing Company with its location in Canoga Park in the 2002 dataset.

Section V

¹ The mining group includes oil extraction and exploration.

² This admittedly assumes some degree of proportionality between total sales and profits and also competitive labor markets; however, neither of these assumptions is particularly heroic.

³ Indeed, Mattel's manufacturing facilities are located in China, India, Indonesia, Italy, Malaysia, Mexico, and Thailand.

⁴ The skewness statistic for the distribution of minority-owned firms by sales is 17.29 (less than 118.78 for all firms) and for firms by employment is 70.59 (less than 80.74 for all firms). Similarly, the kurtosis statistic for the distribution of minority-owned firms by sales is 404.38 (less than 18,389.97 for all firms) and for firms by employment is 5,543.793 (less than 10744.10 for all firms).

⁵ We choose to use a t-test with unequal variances when testing differences between minority-owned and nonminority-owned firms to account for the likelihood that the distribution of minority-owned firms' sales and employment is not the same as that of nonminority-owned firms. A Kolmogorov-Smirnov equality of distributions test conducted on sales and on employment cannot reject the null hypotheses that the distributions of these variables are different for minority-owned versus non-minority-owned firms and for women-owned versus nonwomen-owned firms.

⁶ The skewness statistic for the distribution of women-owned firms by sales is 34.16 (less than 118.78 for all firms but more than 17.29 for minority-owned firms) and for firms by employment is 10.39 (less than 80.74 for all firms and 70.59 for minority-owned firms). Similarly, the kurtosis statistic for the distribution of women-owned firms by sales is 1,846.28 (less than 18,389.97 for all firms but more than 404.38 for minority-owned firms) and for firms by employment is 172.66 (less than 10744.10 for all firms and 5,543.79 for minority-owned firms).

⁷ We choose to use a t-test with unequal variances when testing differences between women-owned and nonwomen-owned firms to account for the likelihood that the distribution of women-owned firms' sales and employment is not the same as that of nonwomen-owned firms.



Section VI

¹ Capital access programs are not large employers of civil servants, employing on average 1 to 1.5 full-time equivalents. Department of the Treasury (2001). *Capital Access Programs: A Summary of Nationwide Performance*. Department of the Treasury Washington: D.C.

² Examples of inventory securitizations are LTV Steel (steel) and Rosey Blue (diamonds).

³ There are already a number of certified securitization programs (eligible to apply for NMTCs) in Los Angeles including: Alliance Community Development, Broadway Capital, California New Markets Fund, Community Commerce Bank, Community Financial Resource Center, CVE Investments, Homes and Community, New Markets Community Capital, PCR, Southern California Urban Opportunities, Vermont Slauson Local Development Corporation, Watts Cinema and Education Center, and WORKS.

⁴ Pacific Community Ventures (PCV) invests in businesses located in or near a LMI California area, having employees living in a low-income community with a minimum of a 2-year operating history and \$5-30 mm in annual revenues. The fund raised \$27.25 million (including \$10 million from CalPERS; Fund I launched in 2000 and Fund II in mid-2002); committed over \$7 million to 13 companies and created or preserved 783 jobs. PCV provides advisors to its portfolio companies who work one-on-one or in teams of 2 or 3 with one company over a 6-12 month period. Advising projects are general (e.g., strategic planning) and specific/project-based (e.g., marketing plans). All businesses must go through the advisory program prior to being eligible for investment consideration. PCV is exploring launching a Los Angeles-based loan fund.

Section VII

¹ A review of government policies and efforts to promote entrepreneurship and new business formations is contained in David Hart (editor), *The Emergence of Entrepreneurship Policy: Governance, Startups, and Growth in the U.S. Knowledge Economy*, Cambridge University Press, 2003. The Kauffman Foundation, committed to promoting entrepreneurship, includes an overview of entrepreneurship training in the United States on its website, www.kaufmann.org. See also Carl Schramm, "Building Entrepreneurial Economies," *Foreign Affairs*, Vol. 83, No. 4, July/August 2004, Steve Kreft & Russell Sobel, *Public Policy, Entrepreneurship and Economic Growth*, University of Indiana, June 2004.

² Corporation for Enterprise Development, "Building Assets for Stronger Families, Better Neighborhoods, and Realizing the American Dream," Corporation for Enterprise Development, Washington D.C., 1998; Corporation for Enterprise Development, "Building Assets: A Report on the Asset-Development and IDA Field," Washington D.C., 2001; Michael Sherraden, "Saving Patterns in IDA Programs," Center for Social Development, Washington University, St. Louis, 2000.

³ This percentage is consistent with the role of mid-sized firms in other regions of California. In San Francisco, for example, firms of between 10 and 99 employees constitute 18 percent of employers, and 36 percent of jobs.

Section IX

¹ This is similar to the "marginalization thesis" elsewhere in the literature on informal employment. See Marcelli, E.A. (2004). Unauthorized Mexican Immigration, Day Labour and other Lower-wage Informal Employment in California. *Regional Studies*, 38.1: 1-13.

² State of California, Department of Finance, Race/Ethnic Population with Age and Sex Detail, 2000-2050. Sacramento, CA



- ³ Regional Economic Indicators Statistics (REIS) data from the Bureau of Economic Analysis, which produces this employment data, was available only through 2003. Data for 2004 was estimated based on the year-to-year change in employment from 2000 through 2003. This data series represents the federal government's best estimate of total average monthly employment for the year, including self-employment and informal employment.
- ⁴ Current Population Survey, U.S. Department of Labor Bureau of Labor Statistics.
- ⁵ California Employment Development Department, Labor Market Information Division, March 2003 benchmark.
- ⁶ Burns, P. et.al. (2003). Prisoners of Hope: Welfare to Work in Los Angeles. Los Angeles: The Economic Roundtable. Visit <http://www.economicrt.org> to download an electronic version of the report.
- ⁷ Hart, K. (1973). The informal income opportunities and urban employment in Ghana. *Journal of Modern African Studies*, 11: 61-89.
- ⁸ Portes, Alejandro, Manuel Castells, and Laura Benton (eds), 1989, *The Informal Economy: Studies in Advanced and Less Developed Countries*, Baltimore, MD: Johns Hopkins University Press.
- ⁹ Sassen, S. (1997). *Informalization in advanced market economies*. Issues in Development Discussion Paper 20. Geneva, Switzerland: International Labour Organization.
- ¹⁰ See Hernando De Soto, 1989, *The Other Path*, New York: Harper and Row.
- ¹¹ In these suburban counties the gap between CPS and EDD data is even higher than in Los Angeles County. While some of this differential could be attributed to informal economic activities, a significant part can be linked to the fact that many local residents commute to Los Angeles for work.
- ¹² The U.S. Census Bureau's 2000 commuting data show that:
- 3,668,000 residents live and work in Los Angeles County.
 - 431,800 people reside outside Los Angeles County and commute in to work (10.5% of the labor force).
 - 285,400 residents commute out to other counties to work (7.2% of employed residents).
 - This means that Los Angeles County is a net importer of 146,400 workers.
- ¹³ We used IMPLAN's disaggregated REIS data from 2001 rather than from 2000, because the 2000 data was linked to the Standard Industrial Classification (SIC) coding system whereas the 2001 data was linked to the North American Industry Classification System (NAICS), greatly reducing the technical problems entailed in matching employment with PUMS industry classifications from the 2000 Census. When one or both of these benchmark percentages were higher for an industry than the corresponding percentage of ES-202 employment shown for that industry, we
- Subtracted the ES-202 percentage from the benchmark percentage.
 - Multiplied the residual percentage amount by total ES-202 employment, with total employment expanded by 15 percent to reflect our mid-range estimate of how large ES-202 employment would be if there was no informal employment.
 - Averaged the results if the above calculation was made for both of the two benchmark percentages. Used this result as an estimate of the possible level of unreported point-in-time informal employment in the industry.
- ¹⁴ U.S. Bureau of Economic Analysis' Regional Economic Indicators System (REIS) data, was disaggregated based on IMPLAN data showing the percent of county residents employed in each industry in 2001.



- ¹⁵ Each record in the Census Bureau's Public Use Microdata Sample (PUMS) 5 percent sample is individually weighted, with a typical record representing 20 people, allowing the sample to be expanded to represent the full population. Thus, about 50 PUMS records typically represent 1,000 residents. We established this as the lower employment limit for industries included in this analysis in order to avoid basing industry estimates of informal employment on unreliably small samples.
- ¹⁶ The average length of training for the labor force in each industry was determined by applying O*NET job zone ratings to an industry-occupation matrix for Los Angeles County to produce a weighted average job zone for each NAICS industry, and then rolling up these averages to produce a weighted average job zone for each PUMS industry. Industries with an average job zone rating of 3.1 or higher were excluded from the analysis. A job zone of 3.0 is equivalent to a Dictionary of Occupational Titles Standard Vocational Preparation (SVP) code of 6.0 to <7.0. An SVP code of 6 represents a vocational preparation period of over one year, up to and including two years, and a code of 7 represents preparation period of over two years, up to and including four years. Based on these classifications, an average job zone value of 3.1 or greater for an industry is estimated to represent an average period of vocational training greater than two years.
- ¹⁷ The four indicators of informal employment based on discrepancies in industry data are based on the following methodologies:
- High rate of self-employment: Employers of informal workers sometimes claim that workers who should be covered by payroll tax benefits are self-employed independent contractors. We identified possible occurrences of this practice by creating a ratio of the rate of self-employed workers in each industry locally to the rate for the entire U.S. labor force in the same industry. The average ratio for the county is 1.2 (i.e., a self-employment rate that is 20 percent higher than the U.S. rate) and the average ratio for the city is 1.3. For this analysis a ratio of 1.3 or higher based on Public Use Microdata Sample (PUMS) data from the 2000 Census is considered to be an indicator of informal employment.
- The PUMS data are based on the subset of households that received a long-form questionnaire for the 2000 Census. Most households received a short-form questionnaire. The long-form contained all the questions of short-form plus additional detailed demographic and housing questions. The PUMS 5 percent sample is carefully crafted by the U.S. Census Bureau to be representative of the U.S. population. Since this data is based on household responses rather than employer reports it includes workers in the informal economy, although these workers are probably under-represented among Census respondents because they are often difficult to locate and cautious about providing information to the government. The PUMS data includes information about the industry and occupation of workers, whether they were employed in the past year or at the time of the Census, year of immigration, citizenship status and whether they were self-employed.
- High level of foreign-born, noncitizen workers: Immigrant workers who are not citizens are more likely than other residents to find it necessary to accept jobs in the informal sector. Consequently, a high level of foreign-born noncitizens in an industry's labor force is an indicator of possible informal labor practices. PUMS data show 24 percent of county workers and 30 percent of city workers to be foreign-born noncitizens. We consider it to be an indicator of informal employment if 32 percent or more of the workers in an industry are foreign-born noncitizens.
 - High concentration of foreign-born, noncitizen workers compared to the United States: A variation of the preceding indicator is to identify industries with atypically high concentrations of foreign-born, noncitizen workers compared to all U.S. workers in the same industry. PUMS data show the county's labor force to have 3.5 times as many foreign-born, noncitizen workers as the U.S. labor force, and the city's labor force to have 4.3 times as many. We consider it to be an indicator of informal employment practices if the percent of foreign-born, noncitizen workers in an industry is 4.1 times or more, greater than the U.S. percent in the same industry.



Lower share of the labor force in local employer-reported data than in nationally-reported household data: We compared the percent of the city and county labor force shown by ES-202 data to work in each industry (excluding the agriculture, mining, utility and manufacturing sectors, because Los Angeles' industrial structure differs from that of the U.S. in many industries within these sectors) to the percent of all U.S. residents reporting to the Census Bureau that they work in the same industry. For many industries in Los Angeles' distribution and service sectors the U.S. labor market provides a reliable template for the share of the work force that we can reasonably expect to see employed in an industry, and if a lower share shows up in county or city data for the formal economy, it is possible that the missing workers are in informal jobs. We consider it to be an indicator of informal employment if the ratio of the percent of local employer-reported employment in an industry (outside the agriculture, mining, utility or manufacturing sectors) to the percent of U.S. household-reported employment in an industry is 0.8 to 1.0 or less.

¹⁸ See the U.S. INS Office of Policy and Planning Publication, *Estimates of the Unauthorized Immigrant Population Residing in the United States: 1990 - 2000*.

¹⁹ See Losby, J.L. et. al. (2002). *Informal Economy Literature Review*. The Aspen Institute Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination: Washington D.C.

²⁰ See:

- Aponte, R. (1997). "Informal Work in the U.S.: Case Studies and a Working Typology." *The International Journal of Sociology and Social Policy* 17: 18 – 36.
- Leonard, M. (2000) "Coping Strategies in Developed and Developing Societies: The Workings of the Informal Economy." *Journal of International Development* 12: 1069-1085. Williams C.C. and J. Windebank (2003). "Reconceptualizing Women's Paid Informal Work: Some Lessons from Lower-Income Urban Neighborhoods." *Gender, Work and Organization* 10(3): 281-300.

²¹ March 2000 Current Population Survey for Los Angeles County.

²² U.S. Census Bureau 2000, PUMS 5% sample, Los Angeles County.

²³ The 4,407,600 employment number is from the CPS Local Area Unemployment Statistics for April 2000. The 7.4% factor for self-employed persons is from Census 2000 PUMS data for Los Angeles County. This is the lowest of three rates for self-employment in Los Angeles County from three different data sources. The other two rates are: Current Population Survey data March 2000, which shows 11.9% of employed persons being self-employed, and Bureau of Economic Analysis REIS data for 2000 (Table CA04), which shows 19.8% of employed persons as proprietors. It seems likely that informal workers who do appear in official data are likely to be classified as self-employed or proprietors. Therefore, we used the lowest rate for self-employment, the rate from PUMS, to minimize the inclusion of informal workers in this category.

²⁴ U.S. Census Bureau 2000, PUMS 5% sample, Los Angeles County.

²⁵ California Employment Development Department, monthly employment, Los Angeles County, 2003 Benchmark.

²⁶ The ES-202 labor force of 3,908,652 wage and salary workers combined with our mid-range estimate of 647,500 informal workers comes to a total wage and salary labor force of 4,556,100 workers, with informal workers making up 14.2% of this total labor force. Our mid-range estimate of informal employment amounts to 13.3% of the estimated 4,881,200 wage and salary workers shown in BEA REIS data, and 15.9% of the Current Population Survey labor force of 4,083,500 wage and salary workers (with 7.4% of the total CPS labor force excluded as self-employed).



- ²⁷ State of California, Department of Finance, Race/Ethnic Population with Age and Sex Detail, 2000–2050. Sacramento, CA, May 2004.
- ²⁸ California Employment Development Department, Labor Market Information Division, annual average employment in 2004 (March 2004 Benchmark).
- ²⁹ Los Angeles County's estimated informal labor force is equal to undocumented workers plus 6.46% of workers shown by ES-202 data. This formula was used to estimate informal employment in the City of Los Angeles in 2000. Los Angeles city's informal employment number and rate for 2004 are both calculated by applying the city-county ratio from 2000 to Los Angeles County's informal number and rate in 2004.
- ³⁰ The percent of household expenditures that are subject to sales tax was estimated using data in the IMPLAN 2001 input-output model for Los Angeles County that is derived from the U.S. Bureau of Economic Analysis' Benchmark I-O Study and Consumer Expenditure Study. This model breaks out expenditures for household by income group into 515 industry categories. Industries whose sales to consumers are subject to sales tax are estimated to absorb 49.1 percent of total household income of low-wage workers.

Section X

- ¹ Harry Holzer, *What Employers Want: Job Prospects for Less-Educated Workers*, Russell Sage Foundation, New York, 1996
- ² The L.A. Workforce Literacy Project, "Literacy@Work," Literacy Network of Greater Los Angeles, Los Angeles, 2004.
- ³ The Literacy Action Plan describes the Los Angeles workforce as "ill prepared to meet the challenges of the global digital economy", and describes the city as having "the highest rate of undereducated adults of any major city in the United States." Fifty-three percent of the county's working-age population, 3.8 million people, are described as possessing "low literacy skills, a serious barrier to employability and workforce productivity." Further, the literacy needs are described as exceeding the literacy resources, in 2002-2003, approximately 592,000 adult learners were being served by literacy agencies, 16 percent of the county's low-literacy population.
- ⁴ One of these workplace projects is by Retention Education, a Southern California-based firm that has developed a handheld computer program, focused on limited-English-speaking workers in the hospitality field. The program is being marketed initially to major employers in the fast food field, with workers taking the training on their own time. Several major hospitality employers have committed to purchasing programs for their workers (the programs becoming available in January 2005), and a pre-program and post-program skills measurement is built into the training, as is tracking of participants over a period of years.
- ⁵ Several researchers over the past decade have compiled lists of the elements of effective job training: the National Governors' Association in 1997 compiled 10 principles of effective workforce programs, the Department of Labor has compiled lists of "what works," the Levi Strauss Foundation and the San Francisco Foundation have published criteria for training success. See National Governors' Association, "Ten Principles for Effective Workforce Development Programs," Washington D.C., 1997; Council of Experimental Learning, "Managing Non-Profits in Workforce Development: A Roadmap to Success," 2002; Gary Hoachlander and Susan Stoddard, "What Works and Why," San Francisco Foundation, 1987.
- ⁶ Information Technology Association of America, "Bridging the Gap: Information Technology Skills for a new Millenium," ITAA, Arlington, Virginia 2001; annual workforce survey, www.ita.org.



- ⁷ Center for Law and Social Policy, “The Workforce Investment Act: A First Look at Participation, Demographics and Services,” CLASP Program Update, March 2003; Aspen Institute, “Key Research Findings and Implications for the Workforce Investment Act,” Aspen Institute, Washington D.C., 2003.
- ⁸ Amanda Ahlastrand, Laurie Bassi, Daniel McMurrer, *Workplace Education for Low-Wage Workers*, W.E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, 2003. The authors survey major employers on training provided to low-wage workers. Though they profile a number of major employers who are investing in their low-wage workers, they acknowledge that most employers do not see the benefits of doing so. The movement of low-wage workers among firms, the costs of training (both direct costs and wages paid during training), and limited discretionary income for small and mid-size firms, mean that training is not conducted. The authors recommend forming multi-employer organizations to spread costs among employers in an industry sector, as one means of overcoming these obstacles.
- ⁹ John Coburn, “Workforce Development Financing and the Workforce Intermediary Function: A Discussion Primer,” Ford Foundation, New York, 2004; Robert Giloth, *Workforce Intermediaries for the Twenty-First Century*, Temple University Press, Philadelphia, 2004.