



CALIFORNIA FASHION ASSOCIATION

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A Shift in Global Creativity!

No longer the ‘other coast’, the Los Angeles region is now a beacon for designers, retailers and global manufacturers

Presently, the biggest “thing” about L.A. is its fashion ‘heat’.

Yes, the region still has the largest cluster for domestic manufacturing facilities (albeit less than there used to be...for various reasons), the U.S.A.’s biggest retail market, the entertainment industry connection, and a vigorous art/cultural scene. That’s led to the growing number of designers proudly saying ‘I am a California designer’.

This sensibility shift to the West Coast has been happening for the past several years – so why does it seem that the fashion media and the financial gurus are just now starting to pay attention? With all the ‘noise’ about the disruption of the century old business model of manufacturer-to-buyer-to consumer, the new mantra of “the right offer for the right consumer in the right channel with the right voice” is in keeping with the type of fashion people want today; in-store and on-line!

New York will always be a corporate home for the monster multi-brand conglomerates and the publishing world, but Los Angeles is currently the eye of the storm for the latest in fashion, food and art.

In 2017, New York’s mayor announced plans to contribute \$136 million to the creation of a “Made In New York” campus in Brooklyn to serve as an incubator for local garment production because the NYC garment industry lost 83% of manufacturing jobs in the last 30 years. After that, an alliance of the NY Economic Development Corporation, CFDA and the GDA promised another \$51 million toward investments in technology, business development and grants for relocation (*source, WWD May 2017*). Yet momentum is still weak.

The largest slice of America’s apparel manufacturing is concentrated in Los Angeles, where, according to the latest 2019 Otis Creative Industry Report, over 80,000 people are still employed in the craft of apparel production....and this does not count the ‘other’ uncounted employment due to those new technologies necessary for success. Niche brands are proliferating and small-batch, vertically integrated, quick-turn production is merrily rolling along; however, large-scale cut-and-sew factories are much harder to find, and there is no government support at the city or state level.

Designers and brand owners realize that they can create a business model from anywhere; the city’s sprawling geography allows for plenty of breathing room, literally and creatively. A transplanted designer said : “Between having palm trees and blue skies and good bookstores and nice galleries, it’s a good place to think over what just happened in Europe or New York and get away from that narrow fashion crowd. The culture of L.A. is open and supportive, not just for a start-up but to commercialize new ideas.”



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Some players see great potential in US garment manufacturing. How do they compete with off-shore pricing? There is no elongated complex supply chain that goes through an agent to China or Vietnam, where, by the time less-than-carload product lands at US Customs, it has the equivalent cost of \$15 an hour; and yes, that will be the California minimum wage by 2020.

Besides the hip factor, manufacturers and retailers see many good reasons to go west. As of August 2018, estimates say that Los Angeles County employed 131,800 people *directly* working in apparel manufacturing, textile mills, and the wholesale business for imported apparel and piece goods (*source: NAIC codes, household income data, 'gig' economy, etc.*) This does not reflect the statistics for the apparel and accessory retailers and their employees.

Retailers from mass market to the luxury world consistently rank L.A. as a top-performing city, and new retail 'fashion streets' continue to spring up, with the 'pop-up' proliferation everywhere. While established stretches like Rodeo Drive, Melrose Place and Abbot Kinney Boulevard are still must-sees for brands, there is a resurgence for Robertson Boulevard, Melrose Avenue, Sunset Boulevard, and the Arts District in downtown L.A.

There certainly are hurdles in the way of Los Angeles becoming the media's darling as a fashion capital. The uninspired nature of any Los Angeles Fashion Week is disproportionate to the city's importance to the retail and wholesale market, and is certainly not representative of the local design and branded talent displayed in the nation's retail establishments, large and small.

Just putting the words 'fashion week' in the same sentence as 'Los Angeles' is the first problem. Designers don't want to be forced to show their lines on a runway at the same time, in the same space, one after the other; attempting to emulate other city's fashion weeks has always been L.A.'s biggest mistake. Besides, if a "return-on-investment" is the criteria for success, then existing formulas in New York, Paris and Milan are not working either!

And now.....Los Angeles is a real place to do business; and not just a set. Let's be clear; one of the driving factors is the power of celebrity. *Hollywood and 'Fashion 'star power' creates fashion and consumer interest...not the runway 'scenes' of Europe and New York!* The economic drivers of American entertainment are now fixated on the opportunity of fashion becoming a real pillar of popular culture. 'California' resonates far beyond its borders, and 'designed in California' refers more to inspiration than geography.



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Ilse Metchek,
President
California Fashion Association