Q: Los Angeles and San Francisco seem to be following very different approaches to economic success with very different results. Is this accurate?

Based on research funded by the Haynes Foundation, Professor Michael Storper of UCLA argues that since 1970, the San Francisco economic region has surpassed the Los Angeles region in every important economic measure. Using per capita personal income as the yardstick, the research finds that the economy of Los Angeles was ranked #4 in 1970 behind San Francisco, New York and Chicago. However, by 2009, Los Angeles had fallen to #25, with San Francisco still #1, Washington, D.C. #2 and New York #3.

According to Professor Storper, there are many factors that help to explain Los Angeles’ fall, such as the decline of aerospace and defense industries, the growth of low-margin light manufacturing jobs, and a business community that suffered from relocations and reductions. Similarly, explanations for San Francisco’s rise include the growth of IT and biotech and concentrations of new corporate headquarters and high-end finance in Silicon Valley. Professor Storper also noted the cohesive business leadership that developed in San Francisco, in contrast to the more scattered business leadership in Los Angeles.

However, Los Angeles based organizations, like the Los Angeles County Economic Development Corporation, are asking the important questions: Is LA’s past a reliable guide to LA’s future? What are the key elements of a pathway to success for an economic region? Is there only one pathway? What should Southern California do now? One suggestion for the citizens of Los Angeles: become involved and offer your own suggestions.

CITATION
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