



**FOR IMMEDIATE RELEASE**

**STUDY FINDS LOS ANGELES APPAREL INDUSTRY  
HAS POTENTIAL FOR EXPANSION**

***Image of Sun, Nature and Easy Living Drive Demand for “L.A.-Style” Brand***

- *Los Angeles brands and designer names command a price premium based on reputation.*
- *With \$13 billion in local revenues, L.A.’s apparel industry is dominated by smaller, privately owned companies.*
- *Technology helps L.A.’s design shops stay competitive -- shortening product cycles and reducing costs.*

**LOS ANGELES** – November 15, 2011 – Los Angeles’ apparel industry success is driven by design talent, favorable cost economics and the appeal of casual clothing. According to a new study sponsored by [CIT Group Inc.](#) (NYSE: CIT), a leading provider of factoring and financing to consumer product companies, even though the apparel business is one of the larger industries in the Los Angeles five-county area, the industry has potential for expansion.

The research report, [“The Los Angeles Area Fashion Industry Profile,”](#) prepared by John Blank, Deputy Chief Economist for the Los Angeles County Economic Development Corporation, in association the California Fashion Association, compiles recent apparel manufacturing and textile mill data, as well as apparel, piece goods, and merchant wholesaler data.

Counting all 2011 apparel and textiles operations in California, 994 companies each earned above \$1 million in annual revenue. Of that number, L.A. County had 692 companies and Orange County had 96.

“L.A. is one of the fashion centers of the world, along with New York, Paris and Milan,” noted Mitchell Cohen, Western Regional Manager of [CIT Trade Finance](#). “In L.A. the fashion industry is dominated by smaller-sized companies that are managed by owner-operators who have a significant portion of their net worth tied to their businesses. To expand their business without risking additional capital, they may want to consider financing solutions like factoring.”

The L.A. “Fashion District” is visible and geographically identifiable. L.A. has a geographic access to seaports and airports needed for distribution to the rest of the United States. “The very geography of L.A. and its proximity to Asia creates a natural driver of growth in the industry,” said John Blank. “Shipments from Asia are weeks faster to Long Beach than to the East Coast. This allows apparel manufacturers to maintain better liquidity through faster inventory turns.”

Ilse Metchek, president of the [California Fashion Association](#), adds, “Los Angeles is the home to 14 private and public undergraduate and graduate schools with programs dedicated to apparel manufacturing, design and merchandising. These schools also attract foreign students, which lends an international flavor to their programs. Many of their graduates stay to work and establish their own brands and businesses of tomorrow, further helping to build the L.A. brand.”

#### **Key Findings from the Report:**

- **L.A. IS THE U.S. GATEWAY FOR APPAREL IMPORTS:** The Los Angeles Customs District is the gateway for over half of the apparel that is imported into the United States each year. Most of the apparel worn in the US is imported. In 2010, the US imported \$71.4 billion worth of apparel. \$40.6 billion of that arrived through the Los Angeles Customs District (LACD) which

includes the twin ports of LA and Long Beach, Port Hueneme, LAX, Ontario International and McCarran Field (Las Vegas).

- **LOS ANGELES' RETAILERS DOMINATE:** The U.S. fast-fashion industry is dominated by L.A.-based retailers such as Forever 21 Inc., Wet Seal, and Papaya. They have conditioned shoppers to see fashionable apparel on store shelves much sooner than in the past. It may take three to four months to get a new item from China. In L.A., fast-fashion firms can obtain the fabric in a couple of weeks, have the apparel made in three weeks, and ship it to the stores in five weeks.
- **THE INDUSTRY IS CLUSTERED IN L.A. COUNTY:** Locating near other firms offers the chance for apparel manufacturers and merchants to share information and paid resources, and keep design trends up-to-date. In recent years, L.A. County accounted for 86% of the apparel manufacturing employment and 84% of wholesale merchant employment in the five-county area.

**EDITOR'S NOTE:** Complimentary copies of the complete report are available for download at [cit.com/lafashion](http://cit.com/lafashion) .

### **About the Profile**

This report was prepared by the [Los Angeles Economic Development Corporation's](http://www.laedc.org) (LAEDC), whose mission is to attract, retain, and grow businesses and jobs in the regions of Los Angeles County, as well as to identify trends and affect positive change for the local economy. This report incorporates apparel manufacturing and textile mills data, as well as apparel, piece goods, and notions merchant wholesaler data found in NAICS 4243. [www.laedc.org](http://www.laedc.org)

### **About the California Fashion Association**

The [California Fashion Association](http://www.calfashion.org) (CFA) is a non-profit organization established to provide information for business expansion and growth to the apparel and textile industry of California. [www.calfashion.org](http://www.calfashion.org)

### **About CIT Trade Finance**

[CIT Trade Finance](http://www.cit.com) is the nation's leading provider of factoring and financing to consumer product companies. CIT tailors financial solutions that help companies of all sizes increase sales, improve cash flow, reduce operating expenses and eliminate customer credit losses. Our clients (vendors) range in size from \$2 million to \$1 billion in annual sales and sell to approximately 230,000 customers nationwide. Our internet-based platform provides clients with real-time credit approvals and comprehensive accounts receivable information.

### **About CIT**

Founded in 1908, CIT (NYSE: CIT) is a bank holding company with more than \$34 billion in finance and leasing assets. A member of the Fortune 500, it

provides financing and leasing capital to its more than one million small business and middle market clients and their customers across more than 30 industries. CIT maintains leadership positions in [small business](#) and [middle market lending](#), [factoring](#), [retail finance](#), [aerospace](#), equipment and [rail leasing](#), and [global vendor finance](#). [cit.com](#)

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