



NO ASSEMBLY REQUIRED

Los Angeles is a Global Hub for Toys
and Specialized Design

Otis College Report on the Creative Economy

March 2025

“Los Angeles is a flywheel [for the toy industry]. It continues to attract companies, because the talent is here. The talent continues to come because the companies are here.”

- Chris Down, EVP, Chief Design Officer, Mattel, Inc.

Key Findings

- More than one million workers in the U.S. economy are designers, and since 2012, design jobs in the U.S. have grown at twice the rate as jobs in the rest of the economy.
- Los Angeles is home to the second highest number of these design jobs, behind New York, however design jobs account for a bigger share of total jobs in Los Angeles than they do in New York City.
- The share of Los Angeles’ workers who are designers is 40% higher than in the rest of the country.
- This report examines the source of Los Angeles’ design leadership. It does this through a detailed case study of the region’s toy industry.
- Los Angeles is the leading location for the toy industry in the U.S., if not the world.
- In terms of employment, Los Angeles’ toy industry is more than twice as large as the next largest toy industry center in the country (New York).
- It is home to more national and international corporate headquarters; it has more toy designers, more small- and medium-sized companies, and stronger regional logistics capabilities than any other place. It is the most innovative toy center in the nation.
- El Segundo is at the center of the region’s toy industry, earning the title “Toy Town”.
- Locally grown anchor firms (large influential companies) such as Mattel, MGA, and Jakks Pacific act as a magnet for small- and medium-sized firms, talent, and retailers.
- Anchors are themselves attracted to Los Angeles by three fundamental factors: the presence of the world’s largest content creation complex, a cultural milieu that inspires new products and attracts talent, and a globally connected port complex that links toymakers to markets the world over.

Key Findings (continued)

- Los Angeles has benefited greatly as the edges between toy production and content creation have blurred. TV characters are made into toys, and increasingly, toy properties are the stars of movies.
- Los Angeles' leadership in toys reveals a broader regional strength across a host of entertainment merchandising sectors, including branded fashion and home furnishings, where trademarked content finds a compelling physical form through design.
- Designers are key actors within the entertainment merchandising segment. They are charged with converting stories and characters into compelling merchandise.
- The process through which content is turned into compelling products is a source of well-paying jobs and value creation, and warrants policy attention.

I. Los Angeles is one of America's Leading Design Hubs

Locating Design in the Modern Economy: Design Inputs, Industries, and Complexes

Sometimes you need to look twice to appreciate an elegant design, and this holds true with design in the economy. The design complex in the U.S. can be broadly divided into two major areas. First, design is a service that can be purchased. A household or business may contract with a company whose primary output is design services, such as the design of print materials, a website, or even interiors, such as a new kitchen. This type of design represents the “design industry.”

At the same time, design is a critical input to the creation of other products and services. Consumers buy clothing, footwear, furniture, cars, electronics, and so on. In these cases, consumers are buying a product and not design services; however, designers play a crucial role in creating these products. Design can be thought of, therefore, as both an output—that is, a service to be purchased—as well as a key input to the creation of many other goods and services. Together, these two areas comprise the design complex in the U.S.

The design landscape can be further divided into locally focused and globally oriented work. An example of a local design service would be the purchase of a flower arrangement for a wedding or hiring an interior designer for remodeling work. However, when a designer creates a new toy, this product can be purchased anywhere across the globe. This is an important distinction because of where these types of design work are centered. Most couples purchase flower arrangements from a local firm rather than one from across the country. By contrast, the location of the design of a product that is bought across the world is much more footloose. Because the design of a toy or a car does not have to be tied to a particular location, companies can scope out the best places to design their products.

In a highly competitive global economy, the presence of local design services does not differentiate if one city is a design leader when compared to another. For the most part, every city of a certain size has a cadre of designers who serve local households and businesses. For companies that produce goods and services for global markets, it is a different story. Design is such a critical area of product differentiation that companies are willing to search widely (and pay top dollar) for it. Just as there are centers of excellence in software (the Bay Area), country music (Nashville), and finance (Greater New York), some regions are design centers, accounting for a disproportionate share of design work, where workers command high wages for their talent.

It Matters Where Design Occurs

On their products, Apple famously notes that they are “Designed in California, manufactured [overseas].” Apple is required by law to inform consumers where their products are made; however, they are not required to share where their products are designed. With this message, Apple communicates that while their goods may be manufactured overseas, valuable jobs related to their signature design are located in California.

For local governments, where design occurs is important. In many respects, the design of a product or service is the foundation of a local ecosystem of important jobs. There is a long-standing debate between architects, who design buildings, and engineers, who translate their design vision into reality. This debate works best when architects and designers are able to easily communicate with one another.

For any product, designers must work alongside engineers to determine what is feasible. In turn, designers and engineers must work with workshops and skilled artisans to create prototypes. In addition, designers must work with lawyers to guard intellectual property and ensure that other intellectual property has not been infringed upon. Executives and managers are critical to managing this process and making key decisions in each of these areas. This is demonstrated by census data that identifies the location of different types of occupations within the U.S. For more than 500 different types of occupations, design jobs are most likely to be located in those counties where management and executive positions are found. There is also a high propensity for design work to be located in counties where engineers and lawyers also work.

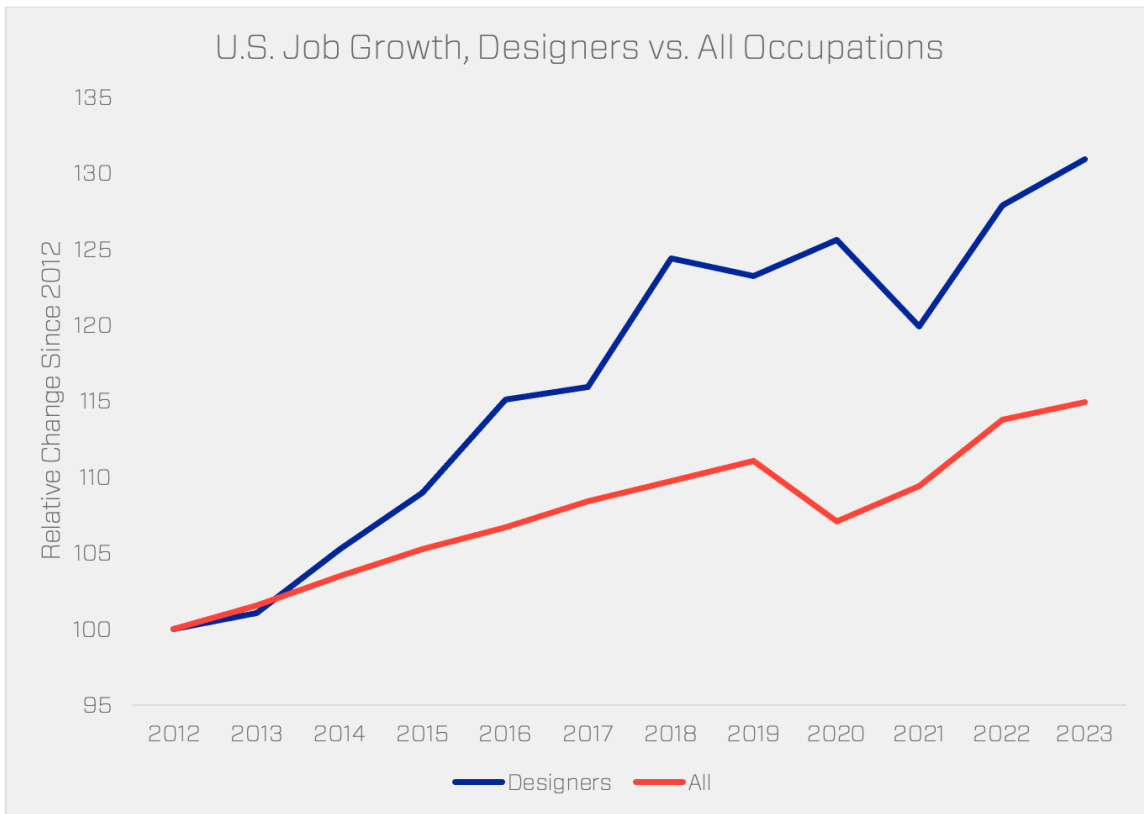
A larger ecosystem branches from the work of designers. Ultimately, the location of design jobs is important to any economy, as it signals where industry leadership will be found. For any region, the biggest economic impact comes from housing the design of products rather than the manufacture of them.

The Design Industry by the Numbers

More than one million people in the U.S. economy work as designers.

As a whole, the design profession has seen strong job growth over the past decade, with design jobs growing twice as fast as those across the rest of the economy.

Figure 1: U.S. Job Growth, Designers vs. All Occupations



Source: *Census Bureau, ACS Public Use Microdata Sample (PUMS)*

Designers are employed across a diverse array of industries. The table below shows that one-quarter of designers in the U.S. work in “Specialized Design Services,” which includes companies that provide design services (i.e., design as an output). Yet the vast majority of designers work outside the design industry, reinforcing the fact that designers are critical to many industries. While the “Architectural, Engineering, and Related Services” and “Computer Systems Design and Related Services” industries employ the next-largest share of those working in design, designers are scattered across industries that produce entirely different types of goods and services—everything from floral arrangements to advertising services.

Table 1: Industries Employing the Most Designers in the U.S., 2023

Rank	Industry	Employment	Share of Total
1	Specialized Design Services	249,646	24%
2	Architectural, Engineering, And Related Services	61,785	6%
3	Computer Systems Design And Related Services	52,787	5%
4	Florists	44,636	4%
5	Construction	39,031	4%
6	Advertising, Public Relations, And Related Services	34,411	3%
7	Management, Scientific, And Technical Consulting Services	26,982	3%
8	Printing And Related Support Activities	25,562	2%
9	Clothing And Clothing Accessories Retailers	20,852	2%
10	Junior Colleges, Colleges, Universities, And Professional Schools	20,806	2%

Source: *Census Bureau, ACS Public Use Microdata Sample (PUMS)*

Who Are Designers?

Like much of the creative economy, designers have higher levels of educational attainment than those in other sectors of the economy. About 66% of those working as designers hold a college degree, which is well above the economy-wide average of 35%. While 31% of design graduates hold a design degree, the majority hold a degree in another discipline. The design industry pays slightly higher wages than the economy-wide average. Designers earn an average of \$78,000 per year compared to an average of \$75,000 in other sectors of the economy. Designers are more likely to be self-employed, at about 2.5 times the rate of those across the rest of the economy. This speaks to the project-oriented nature of design work, in which designers can be employed in a freelance capacity on a project-by-project basis.

Table 2: The Most Popular Types of Degrees Held by Designers, 2023

Rank	Occupation	Employment	US Share
1	Commercial Art And Graphic Design	208,677	31%
2	Fine Arts	49,687	7%
3	Architecture	35,634	5%
4	Psychology	20,104	3%
5	Communications	19,407	3%
6	Business Management And Administration	17,450	3%
7	General Business	16,161	2%
8	Marketing And Marketing Research	16,128	2%
9	English Language And Literature	15,418	2%
10	Mass Media	11,030	2%

Source: *Census Bureau, ACS Public Use Microdata Sample (PUMS).*

Where Designers Are Found in the United States

Los Angeles is home to one of the largest design complexes in the U.S.—second only to New York in raw numbers. There are 76,143 design workers in Los Angeles, with approximately 40% of those working in the design industry. The remainder work as designers in other industries. In general, Los Angeles punches well above its weight in design. It has a “location quotient” of 1.4 for design work. This means that there are 40% more people employed by the design complex in Los Angeles than is the case for the entire U.S. economy. Design workers in Los Angeles, where annual wages stand at around \$96,000, earn much more compared to their counterparts across the rest of the U.S. at \$78,000. Designers earn a premium there because they are engaged in high-value and high-impact work. A host of industries locate design functions in Los Angeles because it is a center of design excellence.

Table 3: America’s Largest Design Complexes, 2023

Rank	Region	Employment	Location Quotient
1	New York	106,258	1.3
2	Los Angeles	76,143	1.4
3	Chicago	34,520	0.8
4	The Bay Area	28,602	1.4
5	Atlanta	28,284	0.9
6	Dallas	27,568	0.7
7	Miami	27,468	1
8	Philadelphia	25,410	0.9
9	Washington DC	24,459	0.8
10	Boston-Providence	23,265	1

Source: Census Bureau, ACS Public Use Microdata Sample (PUMS).

Outside the design industry, the table below charts the ten non-design industries in Los Angeles where designers are most commonly found. The list of industries here is quite different from Table 1 above, which provides similar data for the U.S. When compared to the rest of the nation, Los Angeles has many more designers in the fashion industry, the motion picture industry, sporting and athletic goods, and doll, toy, and game industries, a testament to regional strengths in design in these areas. The difference between Tables 1 and 3 demonstrates that the design complex in Los Angeles is closely tethered to the broader creative economy in the region.

Table 4: Top-Paying Design Jobs in Los Angeles, 2023

Rank	Industry	L.A. Employment	L.A.'s Share of U.S. Total
1	Computer Systems Design And Related Services	3,172	6%
2	Motion Pictures And Video Industries	2,920	24%
3	Cut And Sew, And Apparel Accessories And Other Apparel	2,899	21%
4	Clothing And Clothing Accessories Retailers	1,955	9%
5	Florists	1,752	4%
6	Architectural, Engineering, And Related Services	1,568	2%
7	Advertising, Public Relations, And Related Services	1,544	4%
8	Construction	1,353	3%
9	Sporting And Athletic Goods, And Doll, Toy And Game	1,140	36%
10	Management, Scientific, And Technical Consulting Services	1,073	4%

Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau.

II. The Toy Industry as a Window into Los Angeles' Design Strength

How did Los Angeles acquire its position as a major design hub, where design is more important to its local economy than in New York? To accompany data analysis and answer questions like “why?” and “how?,” it is helpful to zoom in on a particular segment of design in Los Angeles.

The remainder of this report seeks to understand Los Angeles' design strength through a case study of the toy industry. The toy industry is perfectly suited to in-depth study because (1) Los Angeles is the primary U.S. center for the toy industry, and (2) design is critical to the performance of the industry.

The Serious Business of Toymaking

Each year, Americans spend around \$28 billion on toys. For families with children under the age of six, \$1 out of every \$250 is spent on toys (during the pandemic, this number jumped to \$1 out of every \$142 when toy-buying surged in response to other recreational opportunities becoming inaccessible). These households spend nearly as much money on toys as they do on fresh fruit each year.

However, toys are more than just a source of recreation. They are also a conduit for learning and development. With age, a child outgrows certain toys but develops an interest in others, revealing a near-insatiable appetite for new toys during their formative years. Children develop an emotional bond to toys that lasts well into adulthood. Nearly every adult has a story to tell about their favorite toy or the “one that got away” – a toy they wished they had but never owned. Increasingly, play time and toys are recognized as critical to childhood development and are foundational pillars of educational philosophies such as Reggio Emilia and the Montessori method. Psychologists believe that play time and toys improve cognitive, motor, social, and emotional skills.

Also, toys are not just for kids. The ‘kidult’ and collectibles market, which primarily consists of collectible artifacts, is a growing segment that accounted for more than 18% of U.S. toy sales last year. This trend is driven by interest in toy-friendly entertainment segments like superhero franchises and manga, and perhaps a general desire in the marketplace for nostalgia and play.

The Stages of Toy Production

The journey of a toy from concept to play can take around two years and follows nine stages of development (see Table below). At each key juncture of development, different types of workers, possessing unique skillsets, are needed, and each phase of development may occur in different locations across the globe. For example, toy design could occur in one country, while toy production occurs in another.

Table 5: The Stages of Toy Development

Stage of Toy Development	Description
Conceptualization	The process through which a new toy is imagined. This process can be informed by market research, a viral show that emerges, or any other form of inspiration that identifies a market opportunity.
Design and Prototyping	Visualizing the physical form of a toy, and identifying its dimensions (such as its size, and weight) and function (how the toy will be used). Creating the first physical version 'prototype' of the concept.
Quality Control	A working prototype is subject to a variety of tests for functionality, durability and safety, a process of quality control.
Legal Compliance and Protection	Once a new toy is created, legal protections are required to ensure a product cannot be easily imitated. Checks must be made to ensure a toy does not infringe any copyrights or trademarks, or licensing agreements.
Market Validation	Products are typically showcased to retailers who assess its market potential. At this stage, purchasing agreements between retailers and toy producers determine whether a toy will be produced in volume. Tradeshows in New York, Nuremberg, and Hong Kong help to connect buyers and sellers.
Production and Assembly	Subject to a purchasing agreement, a toy moves into production, usually at a manufacturing facility.
Marketing and Advertising	Marketing and advertising campaigns inform users of the launch of a new product.
Distribution	Toys are shipped from manufacturing facilities to distribution centers, wholesalers, directly to retailers, or to consumers. Distribution networks ensure products reach various geographic regions, balancing costs, efficiency and timeliness.
Retail	Toys appear in retail stores and online marketplaces.

Source: Westwood Economics and Planning Associates, based on informant interviews.

The Global Geography of the Toy Industry

Of the different phases of toy development, manufacturing is the least likely to be found in the U.S. today. This is a marked difference from how the U.S. toy industry operated until the 1980s, when toy manufacturing was its backbone, driven by global leaders like Parker Brothers, Mattel, and Fisher-Price. Today, 95% of U.S. toys are imported, and roughly 80% of them come from China.

While toy manufacturing may have moved overseas, the highest value stages of toy production within the industry—management, conceptualization, design, licensing, marketing, and logistics—are centered in the U.S.

Conceptualization, design, testing, and the management thereof account for around 11,000 toy industry jobs in the U.S., with workers in these areas earning around \$115,000 per year on average. An additional 24,000 workers are engaged in toy distribution, where workers earn around \$96,000 per year on average. A further 115,000 workers are employed in toy stores that are scattered throughout the U.S.

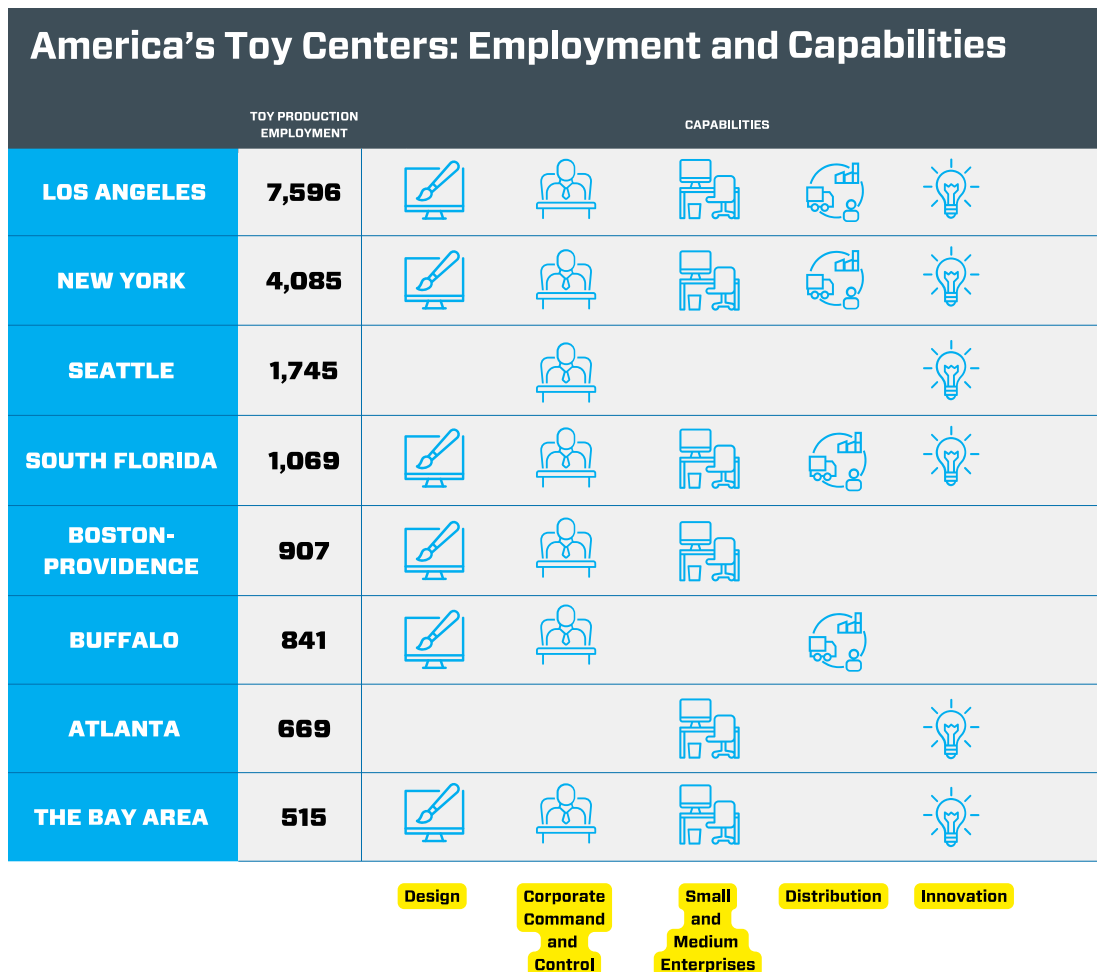
Indirectly, the toy industry contributes to employment in other sectors of the economy, most notably through its use of other business services, including lawyers, marketers, and advertisers.

III. Los Angeles Is the Leading Toy Industry Center in the United States

Across all stages of toy development, Los Angeles employs more workers than any other region in the U.S. The toy industry in Los Angeles has a location quotient of 5.1. This means that the toy industry’s contribution to the total number of jobs in Los Angeles is 5.1 times greater than it is for the U.S. economy. New York City, where the location quotient stands at 1.8, and South Florida at 1.6, rank a distant second and third, respectively.

Yet these figures, as remarkable as they are, don’t fully represent the extent to which the toy industry is centered in Los Angeles. The region’s strength in toys isn’t just a function of how many toy workers there are, but also the range of industry capabilities present there. No U.S. region is as capable across as many dimensions of toy production as Los Angeles (See Figure 2). If the Los Angeles’ toy industry played major league baseball, it would be a “five-tool player,” excelling in every dimension on the field. The city specializes in all aspects of the modern toy industry, from design (conceptualization and prototyping) to corporate management (conceptualization, quality control, legal protection, logistics), firm density, distribution, and cutting-edge innovation.

Figure 2: Los Angeles Is the Leading American Toy Center



A Center of Industrial Design Excellence

Around 36 percent of toy designers across the nation call Los Angeles home. This reveals a broader strength in industrial design, which traditionally includes toy design. Industrial designers are engaged in the creative process of designing products for mass production. Across the country, industrial and commercial designers are concentrated in a small number of regions, with New York (3,370) and Los Angeles’ (2,550) companies employing the most. Again, industrial designers account for a larger share of the workforce in Los Angeles than is the case in New York. In the design of creative goods, New York and Los Angeles benefit from the presence of top design schools, such as the Fashion Institute of Technology (New York) and Otis College of Art and Design (Los Angeles).

Detroit, with 1,140 designers, has the highest concentration of industrial designers relative to its size (its location quotient of 2.97 reveals that there are roughly three times more industrial designers as a share of the labor force in Detroit than there are in the entire U.S. economy). Detroit’s industrial design strength is narrowly focused, and is largely associated with the design of automobiles.

Table 6: America’s Major Industrial Design Labor Markets, 2024

Rank	Region	Employment	Location Quotient	Average Wage
1	New York	3,370	1.75	\$86,110
2	Los Angeles	2,550	2.04	\$89,040
3	Detroit	1,140	2.97	\$79,040
4	Boston-Providence	580	1.03	\$93,540
5	South Florida	830	1.5	\$69,090
6	The Bay	570	1.17	\$114,670
7	Minneapolis	690	1.79	\$85,570
8	Chicago	560	0.61	\$71,160

Source: Bureau of Labor Statistics, Occupational Employment and Wage Statistics.

Mission Control for Major Toy Corporations

Ultimately, major corporate headquarters are where industry leadership and strategic decision-making occur. The largest corporate entities in the industry have an outsized influence on how it develops. In the U.S., the top five companies account for around 15% of revenue^{iv}. Headquarters are the central nervous system for these companies. They are where market opportunities are identified, products are conceived, licensing deals are pursued and executed, and company strategies are developed.

Los Angeles is the most prominent location for toy industry headquarters in the world. The region is home to the global headquarters of the fourth (Mattel), fifth (MGA), and eleventh (Jakks Pacific) largest toy companies in the world, based on revenue. Across the globe, only Tokyo is home to as many toy industry headquarters as Los Angeles. Additionally, Los Angeles is the U.S. headquarters for five major international toy companies, including Bandai Namco, Spin Master, SIMBA DICKIE, Mega Brands, and Pop Mart. Los Angeles is clearly the national— if not the global— leader of the toy industry.

Table 7: Headquarters Locations for the World’s 20 Largest Toy Manufacturers, 2024

Rank	Firm	Revenue (\$) *	HQ Region	LA Office?	US HQ
1	The Lego Group	8,000,000,000	Billund	No	Boston
2	Bandai Namco	7,560,000,000	Tokyo	Yes	
3	Hasbro	5,860,000,000	Boston-Providence	Yes	
4	Mattel	5,400,000,000	Greater Los Angeles		
5	MGA	4,000,000,000	Los Angeles		
6	Spin Master	2,020,000,000	Toronto	Yes	Los Angeles
7	Tomy Company	1,500,000,000	Tokyo	No	Dubuque
8	Funko	1,320,000,000	Washington	Yes	
9	Fisher-Price	1,003,000,000	Buffalo	Yes	
10	Simba-Dickie	800,000,000	Nuremberg	Yes	Los Angeles
11	Jakks Pacific	700,000,000	Los Angeles		
12	Mega Brands	678,000,000	Montreal	Yes	Los Angeles
13	Pop Mart	670,000,000	Beijing	Yes	Los Angeles
14	Ravensburger	650,000,000	Ravensburg	No	Seattle
15	Melissa & Doug	348,000,000	New York	No	
16	Jazwares	59,000,000	Miami	Yes	
17	Playmobil	27,400,000	Zirndorf	No	New York
18	McFarlane Toys	20,000,000	Phoenix	No	
19	Green Toys	6,000,000	San Francisco	No	
20	Epoch Co.	3,500,000	Tokyo	No	None

Source: Westwood Economics and Planning Consultants analysis of Market Watch data, using corporate reports and secondary sources.

Home to Mid-Sized Toy Firms

Outside the major global toy companies, there are dozens of smaller firms that build out Los Angeles’ toy industry ecosystem. In addition to serving as the leading location for toy industry headquarters, Los Angeles is also home to a vibrant community of mid- and small-sized firms. Los Angeles has twice as many toy industry companies (of all size categories) than any other city in the U.S. Mid-sized firms are key sources of innovation and fill important niches in the market, which may be too small for the largest toy producers. Primarily, they form symbiotic partnerships with larger firms, acting as friendly rivals, sources of overflow labor during peak periods, and incubators of talent.

Los Angeles’ strength among this “middle class” of toy companies is evident in attendance data for the New York Toy Fair. Often simply called “The Toy Fair,” this winter event is one of the major marketplaces for mid-sized American firms, which many rely on to showcase products to key retailers. While corporate entities are well-represented at the event, the median-sized firm at the event has fewer than 100 employees.

Table 8 shows where the 830 exhibitors attending the 2025 event are based. While New York firms had the most representation at the fair, it also had the home-field advantage. It was much less expensive for local firms to attend the fair than a Los Angeles-based firm. Even so, twice as many Los Angeles firms attended the fair as those from other U.S. locations.

Table 8: U.S. Regions with 10+ Firms Exhibiting at the New York Toy Fair

Rank	Region	Exhibiting Firms	Per 1 Million Residents
1	New York	109	4.6
2	Los Angeles	96	5.1
3	South Florida	39	5.7
4	Chicago	30	3.0
5	Boston-Providence	23	2.7
6	Philadelphia	22	3.0
7	The Bay Area	21	2.2
8	Washington DC	12	1.2
9	Atlanta	10	1.4

Source: Westwood Economics and Planning Consultants analysis of 2025 Toy Association data.

Leading Toy Logistics Center

Logistics and distribution are integral to the toy industry, as they are for most manufactured goods. Logistics is the process linking toy production to consumers. The logistics industry is primarily associated with the physical movement of goods, from their shipment to their movement from ports of entry and their distribution through national warehouses and transportation networks.

At the same time, logistics represents the management of complex supply and distribution networks. It is focused on sourcing products in the most efficient and cost-effective way, navigating complex trade and customs rules, ensuring goods reach markets as quickly as possible, solving bottlenecks in supply chain and distribution networks, and anticipating trends in consumer demand and, therefore, inventory management. These functions rely on management specialists.

Los Angeles’ toy logistics center employs more workers than any other toy logistics center in the U.S. and is home to four times more toy logistics jobs than the entire U.S. combined. While the port complex ensures more physical aspects of the logistics industry are found in Los Angeles, the region’s true logistics strength lies in the management of goods movement. This dichotomy of logistics workers—goods movement on the one hand, logistics management on the other—is clearly shown in the table below. Logistics wages are twice as high in Los Angeles as they are in Riverside. This is due to the fact that Los Angeles is the center of logistics management, whereas Riverside is home to the physical storage and distribution of goods.

Table 9: America’s Major Toy and Hobby Goods Wholesaling Labor Markets, 2024

Rank	Region	Employment	Employment LQ	Wages
1	Los Angeles	4161	4.4	\$109,703
2	Seattle	1514	4.76	\$142,238
3	Chicago	969	1.44	\$108,920
4	South Florida	737	1.72	\$135,095
5	Buffalo	623	7.72	\$97,710
6	San Diego	513	2.19	\$92,705
7	Atlanta	319	0.73	\$94,895
8	Riverside	259	1.01	\$59,544
9	St. Louis	225	1.12	\$53,600
10	Bridgeport	221	3.66	\$605,085

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

Center of Innovation

Finally, Los Angeles is at the center of the newest and most innovative activities happening in the toy industry. The industry has seen a growing trend toward direct-to-consumer production from online creators using platforms such as Kickstarter and Etsy. Theoretically, platform-based toymaking represents a disruptive challenge to the traditional two-year development model because it allows creators to take their concepts directly to dedicated consumers, circumventing complex distribution channels and retailers. Online platforms can be thought of as the most accessible toy fairs in the world in that they never close and they democratize participation. Between 2020 and 2024, more than 33 million pledges were made to fund new toys on the Kickstarter platform.

Kickstarter data reveals that in addition to being the corporate center of the toy industry, Los Angeles is also the center for independent toy creators and new start-ups. Los Angeles leads all regions with 110 creators, accounting for 9% of the total. It also attracts the most backers (34,682 or 13.0% of the total) and the most funding pledged at \$3.33 million, making up 10.1% of the total pledges. These figures highlight Los Angeles' strong creative ecosystem and its ability to generate crowdfunding support for toy innovation.

New York follows in second place with 49 creators (4%) and \$1.96 million pledged (5.9% share). Other notable areas of toy creation include the Bay Area, Chicago, and Atlanta. The chart also includes international creators found in Hong Kong-Shenzhen, London, and Singapore, revealing that in many respects, Los Angeles is not just the toy industry leader in the U.S., but also the world. Again, it speaks to Los Angeles' leadership in the toy industry that a region with such a density of corporate activity is also a center for start-up-type, platform-based innovation.

Table 10: America’s Largest Toy Creator Centers on Kickstarter 2020-2024

Rank	Region	Funded	Share	Creators	Share	Backers	Share	Pledged	Share
1	Los Angeles	150	10.1%	110	9.0%	34,682	13.0%	\$3,327,807	10.1%
2	New York	62	4.2%	49	4.0%	19,472	7.3%	\$1,965,580	5.9%
	<i>Hong Kong-Shenzhen</i>	61	4.1%	54	4.4%	5,085	1.9%	\$675,989	2.0%
3	The Bay Area	43	2.9%	37	3.0%	6,992	2.6%	\$919,149	2.8%
	<i>London</i>	36	2.4%	31	2.5%	2,031	0.8%	\$147,944	0.4%
	<i>Toronto</i>	33	2.2%	30	2.5%	1,918	0.7%	\$143,389	0.4%
	<i>Singapore</i>	32	2.2%	28	2.3%	2,601	1.0%	\$209,941	0.6%
4	Chicago	29	2.0%	27	2.2%	1,944	0.7%	\$135,348	0.4%
5	South Florida	28	1.9%	23	1.9%	4,513	1.7%	\$784,353	2.4%
6	Portland	26	1.7%	20	1.6%	6,996	2.6%	\$527,385	1.6%
7	Atlanta	25	1.7%	23	1.9%	8,425	3.2%	\$896,939	2.7%
8	Seattle	24	1.6%	21	1.7%	6,746	2.5%	\$511,096	1.5%
9	Denver	23	1.5%	18	1.5%	2,302	0.9%	\$160,215	0.5%
	<i>Vancouver</i>	22	1.5%	14	1.2%	2,164	0.8%	\$149,070	0.5%
10	Salt Lake City	19	1.3%	14	1.2%	5,389	2.0%	\$516,952	1.6%
	<i>Tokyo</i>	18	1.2%	14	1.2%	2,575	1.0%	\$346,301	1.0%
11	Philadelphia	17	1.1%	11	0.9%	2,708	1.0%	\$217,548	0.7%
12	Orlando	17	1.1%	13	1.1%	624	0.2%	\$60,387	0.2%
13	Dallas	16	1.1%	15	1.2%	1,938	0.7%	\$479,243	1.4%
14	Austin	15	1.0%	14	1.2%	1,292	0.5%	\$94,016	0.3%

Source: Westwood Economics and Planning Consultants analysis of Kickstarter data.

IV. Barbie and Beyond: Explanations for Los Angeles’ Centrality in the Toy Industry

Overview: Explaining “Toy Town”

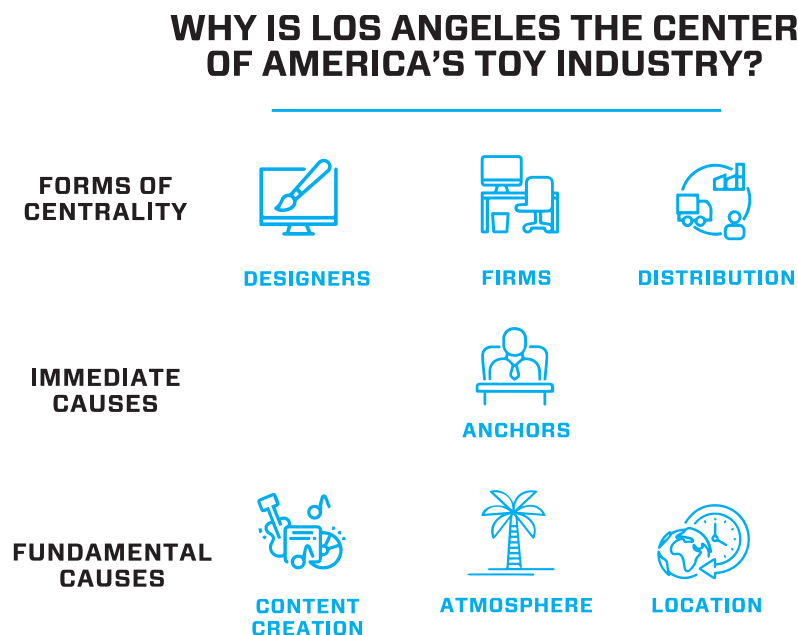
Los Angeles is the national leader in the toy industry, and the center for this activity is found in El Segundo, or “ToyTown.” Los Angeles is as dominant in toys as it is in the entertainment industry, as Silicon Valley is in tech, and New York in finance. The Los Angeles’ toy industry does not receive as much acclaim (or any acclaim, really) as these other examples because its strength in toys is largely unknown outside of the industry. Hollywood and Silicon Beach are certainly on the map, but “ToyTown” is less so.

For any region to lead so many functions within a single industry is rare. The reasons for such industrial leadership should be understood, as they provide lessons for other industries and serve as a source of inspiration for the broader business community.

Interviews with a myriad of toy industry representatives reveal two types of explanations for Los Angeles’ primacy in the toy industry. One focuses on anchor-driven causes, while the other focuses on the fundamental factors.

- An anchor-driven view suggests that Los Angeles has outperformed other places because it is home to several very successful toy companies, which creates a forcefield effect, attracting talent and other firms to the region.
- A fundamentals-driven view accounts for the reasons these anchors emerged in Los Angeles and why Los Angeles provided a fertile place for these firms to succeed.

Figure 3: Explaining Los Angeles’ Centrality in the Toy Industry



Toy Anchors Generate Gravity for Every Member of the Wider Toy Complex

In Mattel, MGA, and Jakks Pacific, Los Angeles is home to three of the top 10 toy producers in the U.S. Five non-U.S. toy producers also base their U.S. headquarters in the region. Each U.S. toy producer that calls Los Angeles home has a long-standing presence in the region. Mattel was founded in El Segundo in 1945 and employs roughly 2,000 employees at its headquarters. MGA is based in Chatsworth, where it employs about 1,000 workers, and Jakks Pacific, founded in 1995, calls Santa Monica home, employing around 300 workers.

Such a density of industry leadership is unparalleled in the U.S. and has created a toy industry ecosystem in Los Angeles. The presence of these firms generates “spillover” effects, which can be understood as the benefits that toy designers, small- and medium-sized firms, institutions, and start-ups gain from locating close to these anchors. This ecosystem, in turn, benefits the anchors themselves, providing them with advantages over their competitors in other sectors.

This anchor effect can be clearly seen in how the labor market operates. The presence of these large firms means that Los Angeles is a primary destination for toy industry talent—those seeking to work in the industry—in the same way actors move to Hollywood in search of their big break. As larger firms draw talent to the region, smaller toy firms locate close to them, which aids their own search for talent.

Not only does talent move to Los Angeles, but in many ways, these larger companies act as finishing schools for talent. On-the-job training is a critical part of career development. By virtue of working at these larger firms, Los Angeles is home to a pool of fully trained workers that is unparalleled in other locations. This density of talent serves as a “public good,” since other companies gain from recruiting talent trained by these firms.

“I think of Jakks as my graduate school. Coming out of [undergrad], I had a lot of talent [...] I could even come up with some good ideas but I didn’t know anything about product. Parents and kids buy products, not ideas. They have to instantly understand why a toy works as soon as they see it, but that doesn’t just come from design, it comes from where you see the product for the first time, it comes from the copy on the packaging, it comes from the packaging. At Jakks I had all these co-workers who were thinking about all these things, not just the concept. They taught me how it all fit together and that made me a capital ‘P’ product designer”

- Los Angeles-Based Mid-Career Freelance Designer

Los Angeles also has the added advantage that a toy designer can work in other creative sectors of the local economy. The opportunity for toy designers to work in the toy divisions of large entertainment companies or design-related aspects of the entertainment industry is another source of talent attraction that sets Los Angeles apart from other places.

Beyond training, workers build industry networks at these anchor firms. They build relationships with retailers, local manufacturers, distributors, local entertainment firms, and licensors. These relationships are also embedded with workers as they move to other companies, creating value for those other companies. These anchor firms are a breeding ground for building such networks.

Access to retailers (toy purchasers) is another benefit smaller firms gain from locating close to these anchors. Larger retailers, such as big-box stores, and online retail platforms, frequently visit the largest companies' toy showrooms in Los Angeles, where they showcase new toys and toys in development. During these visits, retailers take the opportunity to visit other local firms and scope out potential new product lines. Once a retailer has travelled to Los Angeles, the additional cost of visiting other proximate firms is small. As such, these smaller firms benefit from proximity to the anchors and receive attention that is simply not available to smaller firms outside the Los Angeles ecosystem.

“Mattel was there, MGA was there. These are big, big companies that buyers from all the majors [retailers] are going to come and see. They are not going to necessarily rely on the 10 to 15% of a line that Mattel can show at a trade show in a booth at the Javits Center. For example, if you are buying Fisher-Price, you will want to see all of Fisher-Price [...] that used to be in East Aurora, New York, but now more of that is happening in Los Angeles [...] I think the idea was [that if] all these guys are coming to L.A. to see Mattel, first and foremost, can we steal you for half a day so you can see my little toy company?”

- New York-Based 30-Year Industry Veteran

Generating a pool of talent, nurturing networks, and providing access to buyers are just three ways in which anchors generate a “snowball effect.” The combined presence of the three global behemoths brings other toy firms into their orbit, which benefit from a spillover effect. In recognition of Los Angeles as the center of the U.S. toy industry, the Toy Association, the industry association for the toy industry, has announced the location of a year-round toy showroom in Los Angeles. The “Toy Building” will open in El Segundo in August 2025.

V. Are Anchor Firms the Chicken or the Egg?

The anchor-based explanation for Los Angeles' role at the center of the toy industry fails to answer two simple questions. First, why are anchors located in Los Angeles in the first place? Second, why did the industry in other parts of the U.S., where other large firms are found, not develop in the same way? Take New England, for example, where Parker Brothers was founded in Salem, Massachusetts, in 1883. The Hassenfeld Brothers founded Hasbro in Providence, Rhode Island, in 1923, and Lego has also had a presence in New England for decades. A similar story holds true for Buffalo, where Fisher-Price was founded, and New York City, where one of the three major toy industry fairs is located. Three fundamental-based explanations can help to answer these questions.

Los Angeles Is the Center of Intellectual Property and Broadcasting

Licensing deals account for as much as two-thirds of toy company revenues. Licensing deals are the process through which toy companies enter into contractual relationships with other companies to become the exclusive producer of toys for a particular intellectual property. In the toy industry, much of this intellectual property is owned by entertainment industry companies. Kenner Product's license to produce Star Wars toys is a seminal example of this relationship.

Major content creators house toy divisions that seek out partnerships with toy producers. This relationship involves more than selling a license to the highest bidder. Toy divisions work closely with toy producers to co-develop products. As an example, licensor and producer must be in regular contact to ensure the pigmentation of a toy character's skin matches how the character appears on a TV show, or that it makes the same sounds, says the right things, or wears the same clothes, and so on. The nature of this interaction requires continuous, trust-based communication and relationships that are much easier to forge without the barrier of distance.

“Studios and entertainment companies set up a licensing group or consumer products team and toy is a big part of that. On the manufacturing side, they also have licensing departments for inbound and outbound licensing. Their business teams look at the properties and establish who may be the best toy partner for a new brand. They’re overseeing pitches and making decision of whom to sign on to a master toy deal. Meanwhile, the creative team on the consumer product side is responsible for developing innovative products and making sure they remain true to the property. Both work together very closely, hand-in-hand, back and forth.”

- Los Angeles-Based 30-Year industry veteran

In an interesting twist to the traditional licensing arrangement, licensing deals now run in two directions. Traditionally, toy companies licensed properties from content creators. Increasingly, toy companies license their properties to content producers. Three very prominent and recent examples include “Barbie”, “The Lego Movie”, and “Battleship.” The most prominent example of this fusion of toys and content is PAW Patrol, a cartoon property developed by Toronto-based toy producer Spin Master and cartoonist Keith Chapman.

As the boundaries between content creators and toy producers have blurred, Los Angeles has become an increasingly important destination for the toy industry. Quite simply, a presence in Los Angeles provides prime access to the studio system and its vast array of properties.

The proliferation of content creation from nontraditional spaces like social media platforms and the emergence of streaming services has altered the traditional licensing agreement relationship, and the partners with whom toy producers work. In the past, Nickelodeon might have partnered with Mattel to produce branded toys. These relationships were structured around the TV release schedule, meaning there was a regularity to when TV shows and toys were released. In addition to working with these traditional content producers, toy companies now work with companies like YouTube or Netflix, which deliver content in nontraditional ways and at untraditional times.

As content creation has changed, licensing arrangements have also changed. Outside of traditional structures, deals are unconventional and have become ever more complex and expensive to administer. Different models are required in the licensing world today than in years past. While content creation has changed, it remains centered in Los Angeles. The rise of this greater entertainment complex in Los Angeles means the region remains a critical location for toy producers. While Hasbro notably tried to merge toy production and content creation under one umbrella, the relationship works best when the entertainment industry does what it does best, and toy producers do what they do best. The best content creators are in Los Angeles, which is why some of the best toy producers also have a presence here.

Charismatic Atmosphere for Consumers and Designers

Los Angeles has an appealing aesthetic and a particular “vibe”. It symbolizes a lifestyle oriented around sun-kissed boulevards, palm trees, miles of beaches that are accessible 365 days a year, open-top cars, surfing, theme parks, hilltop mansions, and movie stars. While this Los Angeles does not represent the lived experience of most Angelenos, it is a powerful and inseparable image that has been projected by movies and TV shows over time. When people buy a toy inspired by Los Angeles, they are buying a piece of Los Angeles. Los Angeles as a laboratory has been a source of inspiration for some of the region’s most successful toy brands. For example, Barbie and Hot Wheels emerged out of a distinctly Los Angeles milieu.

“The idea that Barbie has a Malibu house and lives among the sun and palm trees and drives a Corvette is natural. They are inherent to the storyline that remains with her. Now, she’s bi-coastal with Barbie Brooklyn living in New York and her story has broadened, but her heritage will always be specifically located in California. As another example, Hot Wheels launched in 1968 and was founded by the husband of [Barbie Founder] Ruth [Handler]. Elliot Handler was inspired by muscle car culture in California. Mustang was launching as was the Camaro. It was California cool culture again with palm trees, sun, sand, and going fast with the rag top down. These overt expressions of power fundamentally inspired Hot Wheels.”

- Los Angeles-Based 25-Year Industry Leader

This idea of Los Angeles as a source of inspiration and creativity continues to this day, and toy designers move to the region to be part of this creative landscape.

“For me, the difference that the Hollywood influence has in LA is very well-suited to girls’ brands. It’s very-well suited to superheroes. There’s a sensational quality about some of the action play category, the dolls category, those are very well-suited to LA.”

- Los Angeles-Based 30-Year Industry Expert

Industry experts also believe that Los Angeles supports product development for a diverse range of markets, inspired by its community of first and second-generation immigrants from around the globe and especially Latin America and Asia.

“Monster High, which really has no direct connection to Los Angeles, was born here, and I think that’s the beautiful thing about LA. It isn’t just the sun and the sand or the palm trees. It’s not only the stereotypical things. LA is such a melting pot of creative inspiration and culture. And because of that, it also attracts and is built of a diverse culture of people and creativity.”

- Los Angeles-Based 25-Year Industry Leader

Immigrants, in fact, are a key to the presence of the region’s anchor firms. Ruth and Elliot Handler, the co-founders of Mattel, were both second-generation immigrants whose parents emigrated to the U.S. from Eastern Europe. Isaac Larian, the founder of MGA, moved to Los Angeles during the Iranian revolution.

The Right Location for Global Toy Firms

Section 3 describes the logistical challenges posed by the modern toy industry, and how Los Angeles has emerged as a leader in this area. Los Angeles has always been the primary U.S. gateway to Asia, and the emergence of Asia as a major manufacturing hub has cemented Los Angeles' position in this regard. Between the ports of Long Beach and Los Angeles, the region is home to one of the largest port complexes in the world. Therefore, not only is Los Angeles an industry leader in logistics, but also the neighboring Inland Empire has emerged as the largest ecommerce logistics hub in the country.

Los Angeles' relative proximity to Asia—which means travel by air and sea is faster than if traveling from the East Coast—also means there is more overlap in regular business hours between Asia and the West Coast, facilitating easier management and coordination between the two areas.

Los Angeles' logistical prowess, as well as China's emergence as the world's primary toy manufacturer, greatly favors Los Angeles as the center of the U.S. toy industry when compared to potential East Coast destinations.

Beyond Design: Los Angeles is the Center of Value Creation in the Toy Industry

This study began with the suspicion that Los Angeles might be the world's leading toy design center. The evidence the study uncovered confirmed this, but it also revealed the city to be the national leader across many aspects of the modern toy industry.

Virtually every important toy industry function that does not involve the mass production of toys occurs in Los Angeles, to a greater extent than any other place in the country. Los Angeles is the global and national headquarters to more toy companies than any place on Earth. It has a deep bench of small- and mid-sized toy creators and is second only to New York with respect to the number of exhibitors that appear at the New York Toy Fair. Perhaps most surprisingly, it also performs best as a toy start-up center, with more crowdfunded toy start-ups than any other place.

That said, the toy industry does not only revolve around where toys are designed and manufactured. Many toy concepts originate from greater entertainment—television, film, and the internet—and are developed into toys by skilled professionals from both entertainment and toy companies. The delicate job of transforming cool characters and stories into workable toys requires the coordination of many key players. Much of this collaboration occurs in-person in Los Angeles.

Once toys are conceived and designed, they must be manufactured, plugged into global supply chains, and distributed to final markets. Los Angeles, with its extensive port and warehouse infrastructure, is also a center of excellence in toy wholesaling and logistics.

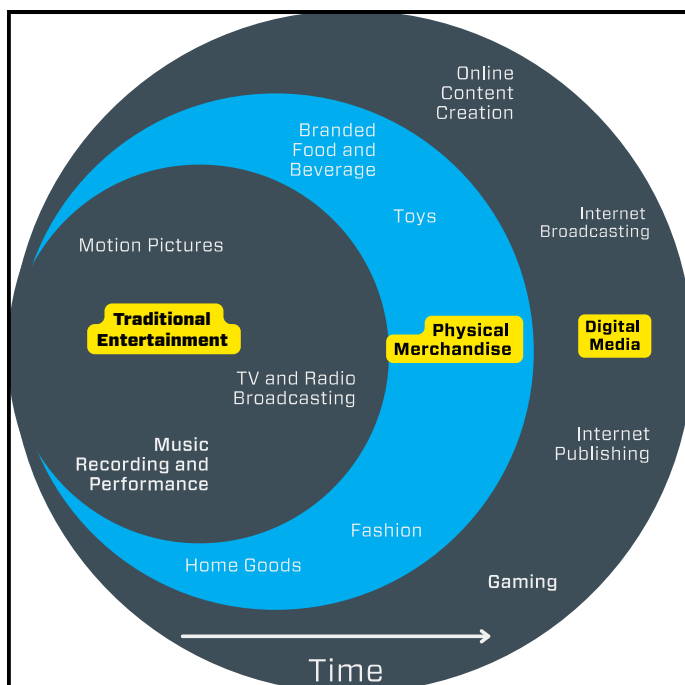
Los Angeles as the Center of Lifestyle Merchandise Industries

The *Day After Tomorrow*, Otis College’s 2024 report on the state of the modern entertainment industry, revealed that a regional preoccupation with the film and TV industry does not acknowledge that modern content creation occurs across a variety of new media. This modern entertainment industry, from the creator economy to video gaming, like the film and TV industry, is increasingly centered in Los Angeles. This year’s report is an improbable sequel to that study. The fingerprints of traditional film and TV companies are all over the modern toy industry. Toy production is an essential revenue source for media companies, but also toy brands are increasingly a source of inspiration for scripted content. Likewise, the creator economy, such as YouTube sensations, is also inspiring toy producers.

As such, the broader entertainment complex in Los Angeles extends not just beyond traditional media, like film and TV, and into new media, like the creator economy, but also into the legacy creative goods economy. Merchandising—where content is turned into products—is a crucial source of jobs and value creation, as the toy industry reveals. This sector includes not only toys, but also “branded fashion” (from t-shirts and hats to made-to-measure suits), endorsed home furnishings (including cookware, appliances, paints, and more) and lifestyle goods (including coffee, alcoholic beverages, cookbooks).

Designers are key actors within the entertainment merchandising segment. They are charged with converting stories and characters into compelling merchandise. Ultimately, the success of an action figure, or a branded t-shirt, depends on compelling design. This report suggests Los Angeles has a natural advantage in this area.

Figure 4: Merchandising Within the Evolution of Entertainment



Policies to Support Toys and Similar Industries

1. Track Merchandising Industries with the Same Fervor as Entertainment Production

Just as the local toy industry has benefited from a close relationship with the entertainment industry, there are similar opportunities for Los Angeles in other forms of merchandising intellectual property. The entertainment industry inspires intellectual property for production in fashion and home goods, and a lot of Los Angeles' advantages in toy production – design rich region, density of entertainment firms, logistics prowess – apply to production in these other areas. The County of Los Angeles generates statistics on local film and television production through its excellent FilmLA division. The importance of merchandising IP should be recognized as another area of local strength. In a similar exercise that has been undertaken here with respect to the toy industry, local officials should seek to measure the size of other areas of merchandising IP, and how these industries can be supported.

2. Support the El Segundo Toy District

The Toy Association's planned "Toy Building" in El Segundo shows the private sector is making large investments in a physical hub for the toy industry in Los Angeles. State, county, and city officials should use their planning powers to ensure that:

- a) There is sufficient hotel capacity near the venue for out-of-town visitors.
- b) There is a supply of local office space sufficient to support a range of different company sizes in the area, particularly the start-up community.
- c) Community colleges incorporate toy design elements into their programs and become feeders to specialized programs in the field.
- d) Ensure that every major function required to develop toy prototypes (e.g., injection molding tooling, die cutting, prototype tooling) is available to toy creators and start-ups, if necessary, through public workshop facilities.

3. Recognize Los Angeles' Logistics Services Advantage

Toys are simply one sector that relies on shrewd logistics management to ensure efficient distribution channels between producers and consumers. As global supply chains have become more vulnerable (for example, to pandemics and tariffs), wholesale and logistics services have become more important to navigate this terrain. This study shows that logistics is a source of strength for the local economy. Los Angeles should seek to support logistics, by ensuring that seaport and airport capacity continues to keep pace with growth, and by continuing to raise the region's profile as a major trading center.

Notes

ⁱRise of “kidults” means toys are no longer just child’s play.

ⁱⁱToying with tradition, Nostalgic kidults fuel £1bn surge as UK gears up for record Christmas sales.

ⁱⁱⁱMarket Watch, February 3, 2025

<https://www.marketwatch.com/story/toy-maker-stocks-drop-but-heres-why-tariffs-aren-t-really-much-of-a-threat-to-them-9c7011b3>

^{iv}Global Market Insights, “Toy Market Size – By Product Type, By Capacity, By Price Range, By Usage, By End Use, By Distribution Channel, Forecast, 2025 – 2034”, February 2025

<https://www.gminsights.com/industry-analysis/toy-market>

^vInsider Monkey “20 Biggest Toy Companies in the World” May, 9, 2023

<https://finance.yahoo.com/news/20-biggest-toy-companies-world-153507474.html>

^{vi}The Multibillion-Dollar Business of PAW Patrol, February 20, 2020

<https://www.paramount.com/news/the-multibillion-dollar-business-of-paw-patrol>

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Established in 1918 as Los Angeles’s first professional school of the arts, Otis College of Art and Design is a non-profit 501(c)3 institution and a national leader in art and design education. The College educates a diverse community of 1,300 creative students to become highly skilled, well-informed, and responsible professionals—empowering them to shape the world. Alumni and faculty are Fulbright, MacArthur, and Guggenheim grant recipients, Oscar winners, legendary costume designers, leaders of contemporary art movements, entrepreneurs, and design stars at influential companies including Apple, Abercrombie & Fitch, Pixar, DreamWorks, Mattel, Nike, and Netflix.