



OTIS COLLEGE UPDATE ON THE CREATIVE ECONOMY

Otis College Report on the Creative Economy

April 2026

Introduction

We are proud to present Otis College's latest Report on the Creative Economy. This year's research reveals a period of transition for California's creative industries—one defined by structural changes even as they remain central to the state's economic strength. For nearly two decades, the Otis College Report on the Creative Economy has tracked the evolution of the state's creative sectors, which are a cornerstone of California's identity and global leadership. Over the past year, the state's creative economy contracted by 2.9%. These losses have been driven by structural shifts in key industries, particularly film, television, and traditional media, and felt most acutely in Los Angeles County, the historic center of the state's creative production.

At the same time, the data reveal important signs of resilience and transformation. While overall employment declined, the number of creative professionals has grown and wages across creative sectors have risen sharply. These trends suggest that a fundamental rebalancing is underway: the creative economy is shedding support functions while strengthening its core base of creative talent.

Despite near-term challenges, the creative economy is a powerful engine for California and the state continues to be home to nearly one in five creative jobs in the United States. These figures underscore both the scale of creative sectors and their importance to California's future.

To complement our core analysis, Otis College has produced a timely report examining the growing role of artificial intelligence in creative industries. While AI is often framed as a primary driver of disruption, our research finds that it is not the main cause of recent job losses. Instead, broader forces including industry restructuring, cost pressures, and changing consumption patterns are reshaping the labor market.

Taken together, these reports present a creative economy at an inflection point. While California remains the national leader in creative production, sustaining that leadership will require adapting to structural industry changes and the evolving role of new technologies. Developed in collaboration with Westwood Economics and Planning Associates, this year's reports combine data analysis with insights from creative professionals working on the front lines. We are grateful for their continued partnership.

We also extend appreciation to our supporters, whose commitment ensures this research remains a vital resource for industry leaders, policymakers, educators, and creative workers. The Otis College Report on the Creative Economy launch event, report, and dashboard are made possible thanks to generous funding from Presenting Supporter Snap Foundation and supporters including Baker Tilly; California Community Foundation; City National Bank; Councilwoman Traci Park; The Department of Cultural Affairs, City of Los Angeles; Gallagher; Getty; Marsh; The Music Man Foundation; The Ralph M. Parsons Foundation; The Snap Foundation; Sony Pictures Entertainment, and Supervisor Lindsey P. Horvath.

As Los Angeles's oldest professional school of art and design, Otis College is dedicated to preparing the next generation of creative leaders and advancing understanding of the forces shaping art and design. We hope this report informs thoughtful decision-making and inspires continued investment in California's creative future.

Thank you,

Charles Hirschhorn
President, Otis College of Art and Design

Key Findings

California's creative economy is losing jobs at a faster rate than the rest of the nation. This shift is being driven by structural changes occurring in several creative sectors, which have impacted established creative employment centers especially hard. Within the state, job losses over the past year have been concentrated in film and television and in Los Angeles County. While the number of creative jobs in the state has fallen, wages have risen and the number of core creative workers continues to grow. Over the past five years, California's creative economy has become more concentrated in higher-paying roles, a trend that continued in 2025.

With this context in mind, this year's creative economy update is centered on four primary findings.

Finding 1

Creative Economy Jobs in California Have Fallen by 2.9% Over the Past Year, Although the Creative Economy is Contracting Across the U.S.

Job losses in California's creative economy reflect deep structural shifts occurring in creative sectors, especially film, television, and traditional media. These forces saw the state's creative economy shed 22,300 jobs—a 2.9% decline—in 2025. As one of the primary centers of the creative economy, these structural shifts are impacting California more than other parts of the nation.

Finding 2

The State's Losses Have Been Driven by Los Angeles County

Creative economy job losses in the state over the past year occurred mostly in Los Angeles County, which is home to the worst performing creative sectors: film, television, sound, and fashion, as well as managers, independent artists, and performers. Los Angeles County is being hurt more than any other region of the state by broader structural changes occurring throughout the creative economy.

Finding 3

The Number of Creative Professionals Has Grown Over the Past Year

Even as creative economy employment declined, the number of creative workers in California grew by 2.1% in 2025. Creative workers, primarily responsible for output such as art, music, and film, account for nearly 25% of all creative economy workers. Although the industry is shedding support roles, it continues to expand its core base of creative talent.

Finding 4

Creative Sectors Remain a Jewel in the State's Overall Economy

The creative economy remains an important source of employment and wages for California's economy. The creative economy directly accounts for 5% of all jobs, and another 6% across the rest of the state's economy indirectly. Not only do creative workers earn 12% of all wages in California, but the state's creative workers earn 31% of all creative economy wages nationwide.

Finding 1: Creative Economy Jobs in California Have Fallen by 2.9% Over the Past Year, Although the Creative Economy is Contracting Across the U.S.

Over the past year, California's creative economy shed approximately 22,300 jobs or 2.9% of its workforce, which followed a 0.9% reduction in 2024. This compares to a loss of 1.8% nationally, over the past year.

A number of factors have weighed on California's creative sectors. Overall it was not a strong year for California's broader economy, which added only 30,000 total jobs. The healthcare sector added 167,000 jobs over the course of the year. Outside of healthcare, however, the remainder of the state's economy lost 130,000 jobs.

Concurrently, many creative sectors are undergoing a major restructuring. For film and television, a race to produce content for streaming platforms led to a boom and bust cycle for production budgets. This also holds true for traditional media companies as consumption habits have shifted to online and digital formats. For the advertising industry, shifts in advertising spending away from TV, radio, and print in favor of social media platforms has changed the format of ads being produced, moving away from polished, studio-driven content. As the center for these key industries, job cuts have hit California harder than other parts of the nation.

In fact, 60% of the state's creative economy losses over the past year occurred in a single sector: film, television, and sound. Losses in this sector drove California's underperformance when compared to the rest of the nation. The remaining eight sectors that comprise California's creative economy performed better than the U.S. as a whole, with a 1% drop versus 2% nationally.

Only two creative sectors have added jobs in the state over the past year. The first is new media, which added over 5,000 jobs, equating to half of the new media jobs added nationally over the past year. The other is fine arts, which added nearly 500 jobs.

Figure 1: California & US – Creative Economy Employment Change by Sector
 Q3 2024 to Q3 2025 | Seasonally adjusted employment (emp_sa) | Sorted by California Q3 2025 employment level

Sector	California			United States		
	Q3 2025	Change	% Chg	Q3 2025	Change	% Chg
New Media	242,503	+5,356	+2.3%	1,024,192	+10,982	+1.1%
Fine Arts: Performance and Institutions	56,469	+446	+0.8%	379,554	+2,766	+0.7%
Architecture and Related Services	48,152	-344	-0.7%	345,293	-1,875	-0.5%
Traditional Media	30,129	-1,898	-5.7%	357,374	-22,276	-5.9%
Managers, Independent Artists, Performers	30,043	-2,056	-6.0%	87,992	-2,240	-2.5%
Advertising	58,843	-2,096	-3.4%	475,878	-12,134	-2.5%
Creative Goods & Products: Design & Manufa	76,977	-3,650	-4.5%	731,429	-20,839	-2.8%
Fashion	80,922	-4,720	-5.5%	444,679	-16,722	-3.6%
Film, TV & Sound	112,827	-13,382	-10.1%	361,313	-16,636	-4.4%
TOTAL	733,782	-22,344	-2.9%	4,207,704	-78,974	-1.8%

Source: BLS QCEW; California QCEW data.

Wages in the state’s creative economy saw extraordinary gains over the past year, increasing by 23%. These gains were driven largely by new media companies, where they increased by 29%. Across the state’s broader economy, wages increased by 8% over the same period.

Figure 2: California & US – Creative Economy Average Annual Wages by Sector
 Q3 2024 to Q3 2025 | Employment-weighted average annual wages (wages_sa_annual) | Sorted by CA Q3 2025 wage level

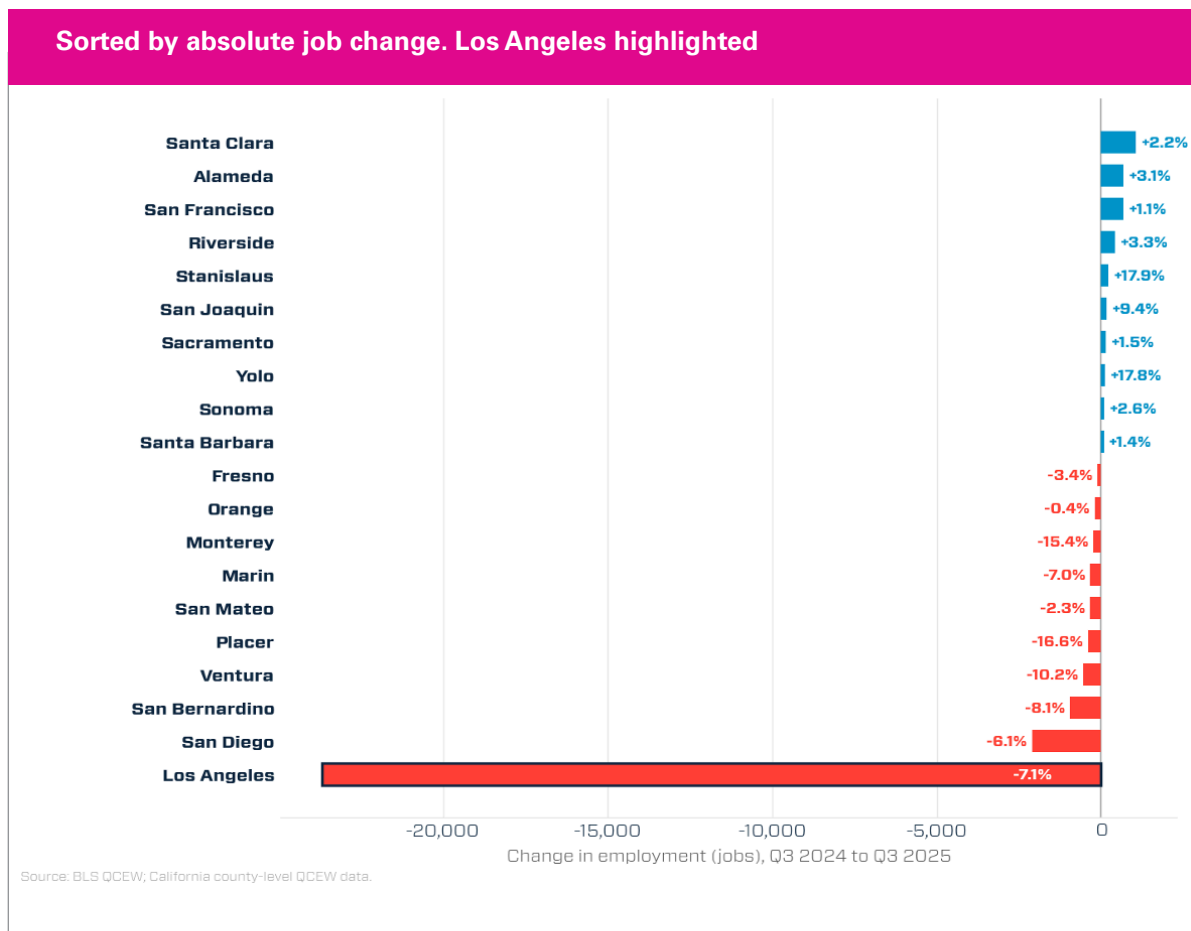
Sector	California			United States		
	Q3 2025 Avg Wage	Change	% Chg	Q3 2025 Avg Wage	Change	% Chg
New Media	\$495,917	+\$142,291	+28.7%	\$308,303	+\$47,242	+18.1%
Traditional Media	\$135,032	+\$14,277	+10.6%	\$110,442	+\$6,421	+6.2%
Film, TV & Sound	\$145,656	+\$9,800	+6.7%	\$90,868	+\$1,342	+1.5%
Fashion	\$81,697	+\$7,545	+9.2%	\$76,588	+\$3,428	+4.7%
Advertising	\$125,583	+\$4,247	+3.4%	\$110,756	+\$3,857	+3.6%
Creative Goods & Products: Design & Manufa	\$80,970	+\$3,164	+3.9%	\$68,636	+\$2,703	+4.1%
Managers, Independent Artists, Performers	\$240,252	-\$2,226	-0.9%	\$155,415	+\$76	+0.0%
Fine Arts: Performance and Institutions	\$57,602	-\$1,800	-3.1%	\$46,492	+\$276	+0.6%
Architecture and Related Services	\$107,013	+\$1,343	+1.3%	\$96,405	+\$3,412	+3.7%
ALL SECTORS (weighted avg)	\$239,996	+\$55,221	+23.0%	\$140,133	+\$14,843	+11.8%

Source: BLS QCEW; California QCEW data.

Finding 2: The State’s Creative Economy Losses Have Been Driven by Los Angeles County

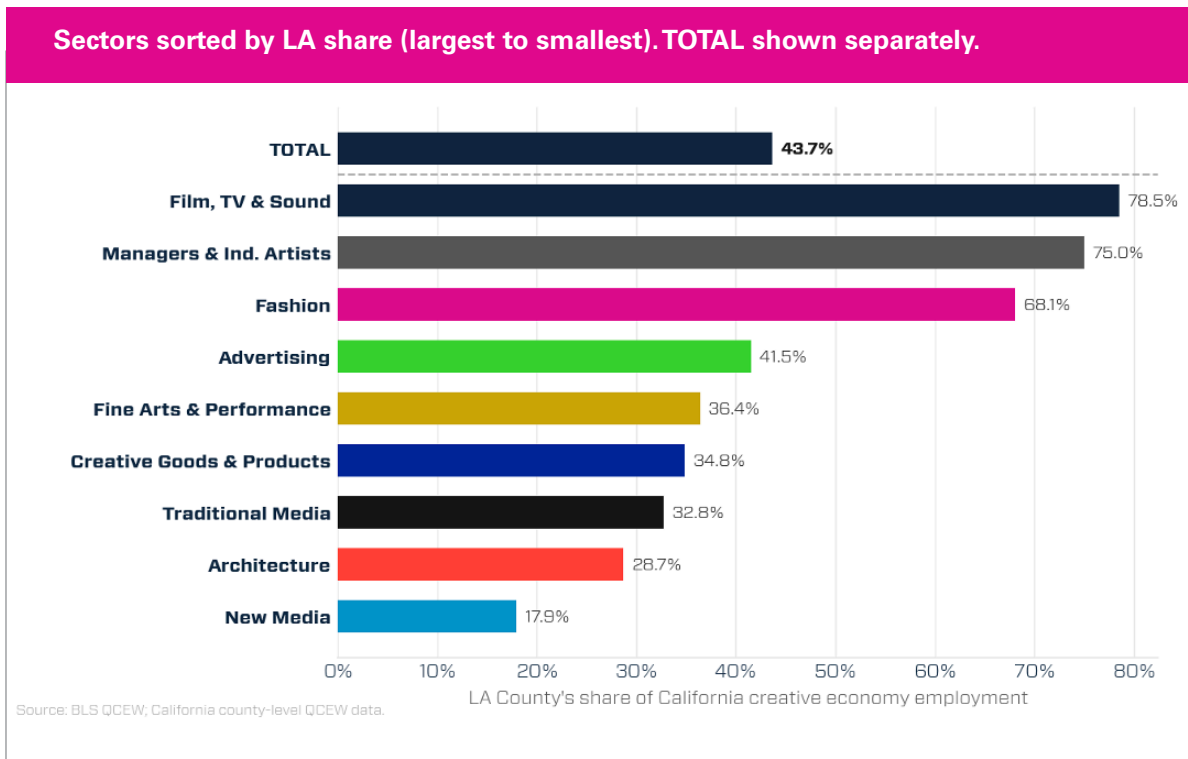
While California’s creative economy lost approximately 22,300 jobs in 2025, Los Angeles County’s creative economy shed 23,600 jobs. Outside of Los Angeles County, employment throughout the state’s creative economy experienced a slight increase.

Figure 3: California Counties – Creative Economy Employment Change, Q3 2024-Q3 2025



Los Angeles County, however, remains incredibly important to the state’s broader creative economy. It accounts for 44% of all creative jobs in California and its contribution to many creative sectors is much higher. Los Angeles County accounts for 78% of the state’s film, television, and sound industry employment; 75% of the managers, independent artists and performers; and 68% of the state’s fashion workforce. Together, these three sectors make up 55% of the employment in Los Angeles County’s creative economy. Each of these sectors also saw significant employment declines in 2025 with film, television, and sound employment (-10%); fashion (-6%); and managers, independent artists, and performers (-5%) driving losses in Los Angeles County. A broader restructuring of creative sectors has also hurt Los Angeles County more than other parts of the state. For example, Los Angeles County remains the home of premium film and television production. On a per production basis, the county employs more workers than any other part of the state or nation. As such, Los Angeles County is disproportionately affected when production budgets are reduced.

Figure 4: Los Angeles County – Share of California Creative Economy Employment, Q3 2025



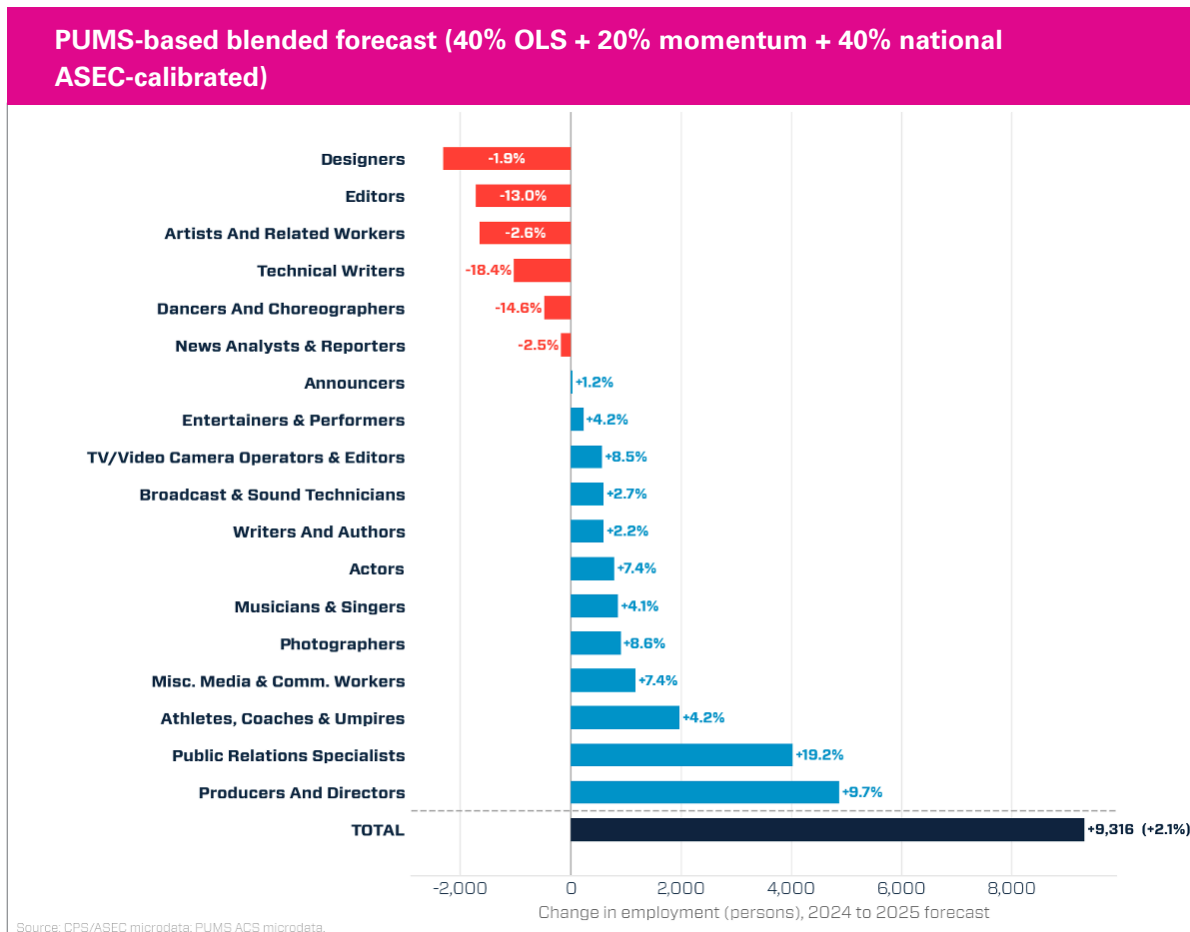
Finding 3: The Number of Creative Professionals Has Grown Over the Past Year

The creative economy directly employs a range of professionals, from managers and lawyers, to office administrators and catering staff. Yet creative professionals, responsible for generating core creative products and output ranging from art to music and movies, capture the most attention. They are the central nervous system of the state’s creative economy, accounting for nearly 25% of all creative economy workers.

Creative workers are also employed outside of traditional creative sectors. For example, designers and photographers are often employed by professional services firms and educational organizations.

Taken collectively, the employment of creative professionals in California increased by 2.1% in 2025. This represents the second consecutive year of gains for this group of workers. As the creative economy has shed jobs, the impact has been felt more acutely by support workers than it has by core, creative professionals.

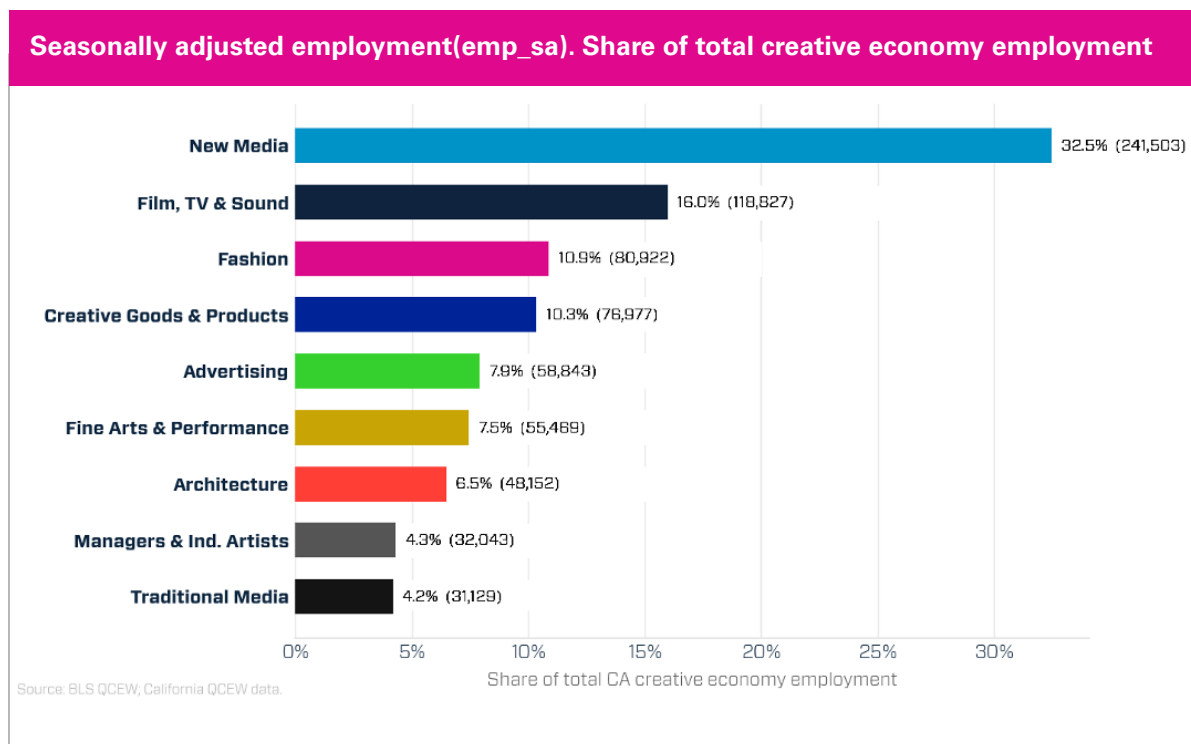
Figure 5: California Creative Economy – Employment Change by Occupation Group, 2024-2025



Finding 4: Creative Sectors Remain a Jewel in the State’s Overall Economy

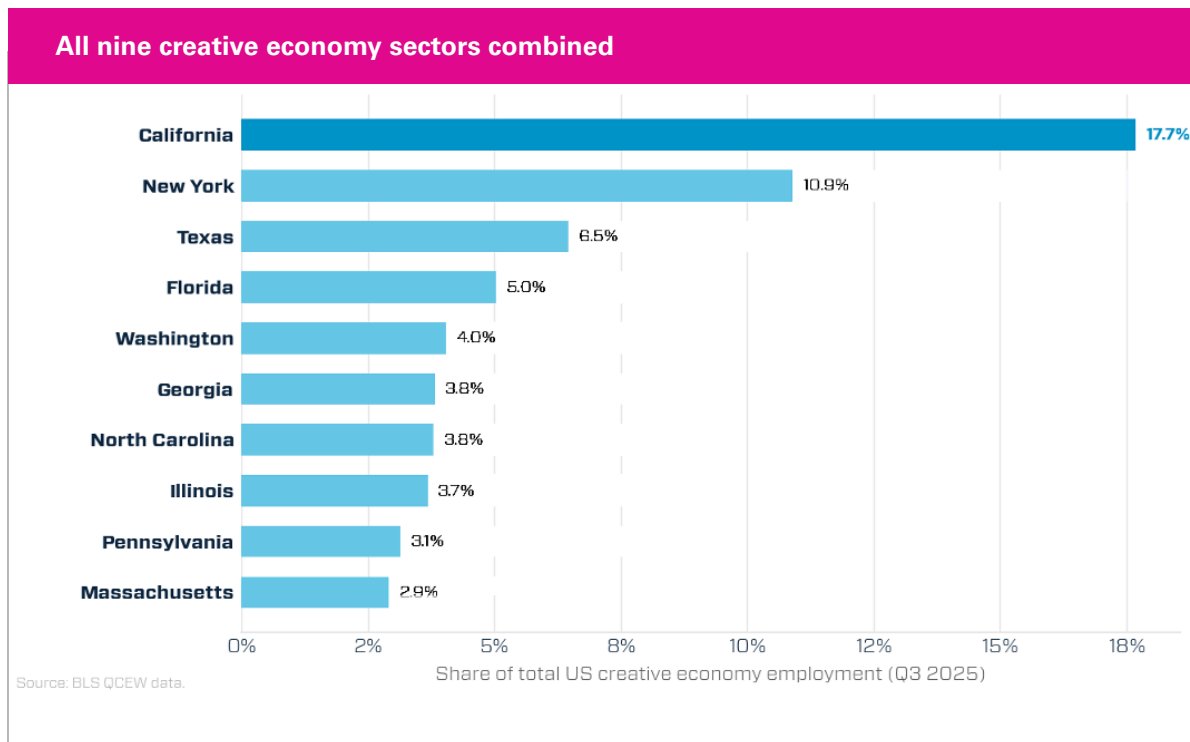
The creative economy remains incredibly important to California. In the third quarter of 2025, it employed 734,000 workers, earning an average salary of \$240,000 per year. The creative economy directly accounts for 5% of all jobs in the state, however this number is much higher in some California counties. Creative sectors also support an additional 6% of jobs in the state indirectly, as creative businesses and workers spend money across other sectors of the broader economy. Overall, the creative economy accounts for 12% of wages paid to workers throughout the state.

Figure 6: California Creative Economy – Employment by Sector, Q3 2025



California is home to nearly one in five creative economy jobs nationally, and this share remains little changed over the past five years. California still has more creative workers than the second and third ranked states combined (New York and Texas). If it was a state, Los Angeles County alone would rank as the fourth largest creative economy in the nation.

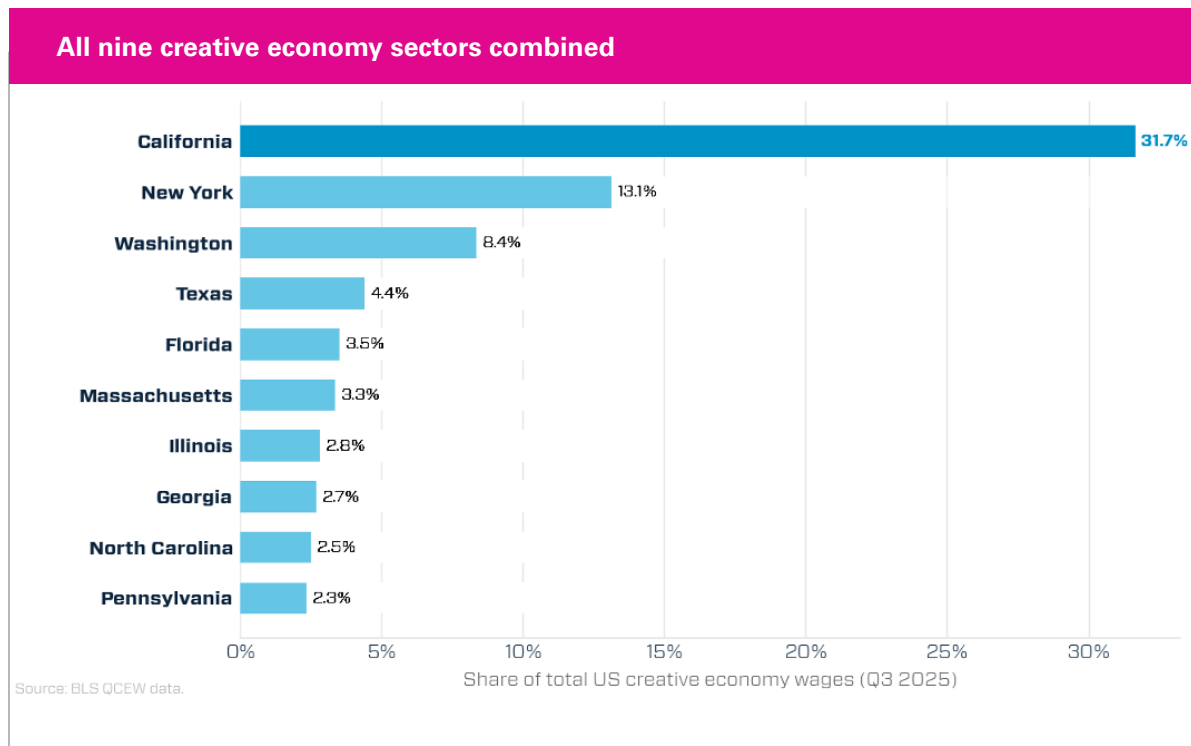
Figure 7: Top 10 States – Share of Creative Economy Employment, Q3 2025



California’s creative workers earn nearly one third of all wages paid to creative workers in the U.S. This means California workers earn as much from creative work as do all the creative workers in New York, Washington, Texas, Florida, and Massachusetts combined (the next largest states as measured by creative economy earnings). Over the past year, the share of wages received by California’s creative workforce increased by two percentage points, from 29% to 31%.

California is increasingly home to the highest paying elements of the creative economy, which means creative jobs in the state have a higher impact in California than in other parts of the nation.

Figure 8: Top 10 States – Share of US Creative Economy Total Wages, Q3 2025



Conclusion

Job losses across California’s creative economy in recent years are an understandable cause for concern given its importance to the state’s broader economy. The state’s underperformance in creative sectors compared to the broader national creative economy is equally concerning. That being said, California’s national share of creative jobs has remained little changed since 2019.

California’s creative workers command a wage premium because they are at the forefront of the national creative economy. Decisions guiding the direction of creative sectors nationally occur overwhelmingly in California. The state can take confidence in the fact that its creative companies will be at the center of decisions on the future of creative work and that it remains home to the nation’s premium creative workforce. Given the restructuring that is occurring throughout the creative economy, and the extent to which AI is shaping the nature of creative work, it is critical for workforce development initiatives throughout the state to ensure that workers are equipped with the skills needed to succeed in a modern and consistently evolving creative economy.

Byline

Research Conducted by Patrick Adler (The University of Hong Kong / Westwood Economics and Planning Consultants) and Taner Osman (Westwood Economics and Planning Consultants)

Acknowledgments

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About Otis College of Art and Design

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.

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