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L.A. businesses outside film industry forced to 'pivot' during Hollywood strike

Since the Hollywood writers' and actors' strikes began, industry professionals have been out of work. But the impact has had an effect on small business across L.A., even those outside the industry.

MARK ABRAMSON/THE NEW YORK TIMES



By [Isabel Sami](#) – Staff Reporter, L.A. Business First
Sep 12, 2023



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At the beginning of the year, Flower Art LA Co. had five clients in the entertainment business. By August, the Los Angeles-based florist had none.

The business is one of thousands of companies affected by the Hollywood strikes, which began when [the Writers Guild of America \(WGA\) went on strike in May](#), followed by the [Screen Actors Guild-American Federation of Television and Radio Artists \(SAG-AFTRA\)](#) in July. More than 170,000 union members have walked off studio lots, but the impact runs deeper than the writers, actors and studios.

The types of businesses affected by the strikes range from the obvious – prop shops, set designers, caterers, makeup artists – to the obscure – cleaners, florists, animal handlers – all of whom depend on the entertainment industry for business. There are nearly 4,200 affected businesses in California, with 60% headquartered in Greater Los Angeles and 78% employing fewer than 10 people, according to Philip Sokoloski, vice president of integrated communications for FilmLA.

“We hope that ... they come to a swift resolution and that people can get back to work,” he told L.A. Business First. “The longer it takes for the strikes to resolve, the more difficulty will be experienced by those vendors to the industry which otherwise would be doing quite a brisk business right now.”

Flower Art LA Co. has been providing floral arrangements for film and television productions for more than 25 years, with 100% of its business coming from the entertainment industry. The company has provided florals for productions including “The Young and the Restless,” “The Late Late Show,” “New Girl,” “Ray Donovan,” “Straight Out of Compton” and “Freaky Friday.”



Matthew Villalta (right), owner of floral company Flower Art LA Co., and his business partner and brother Carlos (left) have seen business fall sharply as the Hollywood strikes continue.

FLOWER ART LA CO.

Matthew Villalta, who started as a delivery driver for the company and took over as owner this year, said when the strikes started in May, the company had five consistent set decorators as clients who ordered arrangements for projects in Los Angeles. Over the next few months, each client was out of work, Villalta told L.A. Business First, causing an immediate and total loss of business for the florist.

As a saving grace, Villalta opened a retail location. He thought extending service to the public would counter the loss of revenue from halted film and TV production, but instead Villalta has had to make budget cuts, including letting go four of the company’s six employees.

“I don’t see it getting better. Hopefully it doesn’t get worse,” he said. “I do see a shift from the film and TV industry to more events-based work, like weddings, which is something we don’t really do, but if the strike goes on for longer it’ll become a whole mission and transition to go into the other aspects of the floral industry.”

Hollywood strikes' ripple effect from studios to small business

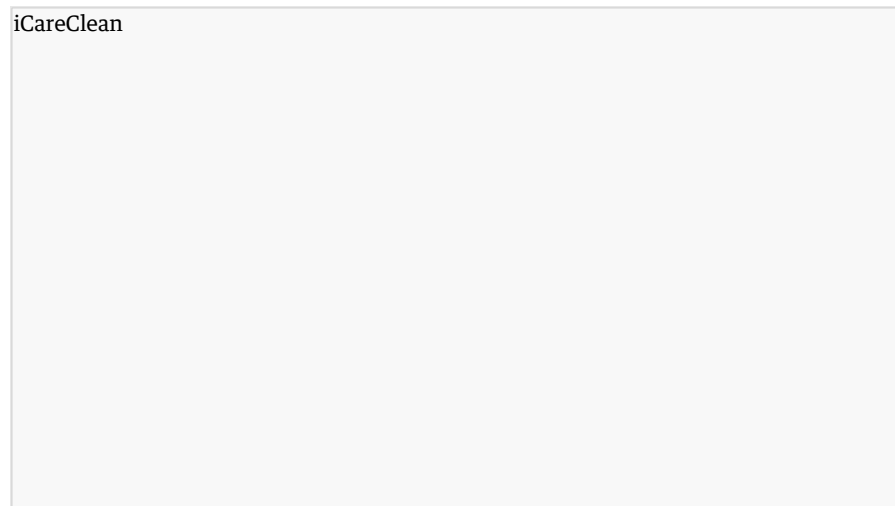
Sokoloski said slow activity in film and TV this year had been affecting small businesses

in L.A. even before the strikes.

“Businesses that comprise L.A.’s entertainment infrastructure, or entertainment production support network, are very impacted by this loss of business,” he said. “Although a lot of attention has been paid to specific concerns of both striking writers and the striking actors, caught in the middle of that are those business operators, many of them small business operators, who are also affected at a time when production is at a virtual standstill.”

Pam Elyea, owner of North Hollywood prop house History For Hire and advocate for small-business support, has been at the front lines of the effort to supply resources to businesses during the production drought.

“A lot of people are losing heart, and they’re just wondering, ‘Have I made the wrong decision to keep open? Have I made the wrong decision to keep my staff on payroll?’” Elyea told L.A. Business First. “You don’t know what’s going to happen. It’s not very encouraging. I think people are going to make a lot of pretty hard decisions in September.”



The entertainment industry made up 40% of business for Joe Alvarez (left), owner of commercial cleaning company iCareClean. Now he's seeking clients in other industries.

VERIZON

The ripple effect of the strikes go beyond a lack of production. For Joe Alvarez, owner of commercial cleaning company iCareClean, the entertainment industry made up 40% of his business through event cleanup. Events Alvarez worked in the past year included parties for Billie Eilish, Lil Wayne and Lil Nas X, plus film shoots in mansions and personal properties.

“As soon as everything went on strike, we started getting phone calls from some of our customers telling us that they were going to put our services on hold,” Alvarez told L.A. Business First. “Some customers have mentioned to me that they might not come back. We’ve kind of had to pivot to other industries, trying to make up that business that we’ve lost because of the strikes.”

Instead of working events, Alvarez’s company is adapting by servicing schools, medical offices and gyms, all while growing its social media presence to find engagement and market itself to potential clients online.

Economic effect of combined Hollywood strikes on L.A. economy

Shannon Sedgwick, director of the Los Angeles County Economic Development Corp.

(LAEDC) Institute for Applied Economics, said pivoting can be difficult, especially for companies that are based solely on production. The longer the strike goes, she said, the more risk there is of losing these businesses in L.A.

“With any work stoppage, the true impact is going to be determined by the duration of the strikes,” she told L.A. Business First. “Your immediate impacts are what you see within the industry. Those secondary effects are usually what cascades through the supply chain, and that's where you see a lot of small businesses that have developed to support this iconic industry here in Los Angeles County. They're extremely impacted because they're usually industry-focused, so they're trying to scramble to find ways to pivot to offer services in other industries.”

On top of the struggle for industry-related businesses, Elyea said the longer the strike goes on, the fewer productions will choose to shoot in L.A., leading to a domino effect of inactivity and disinterest in L.A.'s film scene.

The economic losses caused by the strikes paint a larger picture of the effects of halted film and TV production. The film and television industry accounts for roughly 11% percent of Los Angeles County's economy, excluding additional contributions related to the industry's local supply chain purchases and household spending by industry employees.

According to an August memo by Sedgwick for the LAEDC, an estimated \$77 million in potential direct earnings have been lost between April and June due to the writers' strike alone, as nearly 7,000 workers found themselves out of work.

According to numbers by the Milken Institute, the strikes are set to cost the California economy around \$4 billion, double the impact of the last writers's strike in 2007-2008, Sokoloski said.

“Our hope is that when the work returns, there's enough in place to support the industry and to get it back up to speed immediately,” Sokoloski said. “If the businesses that support the industry need to do a lot of hiring after having laid off staff in the meantime, it could be a slower start for all of us. That's our concern at this time.”