

# Los Angeles: Strength through smart advancement

Los Angeles sits at the forefront of smart-city development, especially compared with its North American peers. Barcelona-based IESE Business School, for one, ranks Los Angeles 16th out of 174 cities worldwide, and second out of 21 North American cities, in an analysis of smart-city development.<sup>1</sup>

According to a study assessing smart-city expectations, conducted by The Economist Intelligence Unit and sponsored by Nutanix, Los Angeles residents and executives prioritise affordability as a chief objective of smart-city programmes.<sup>2</sup> Indeed, its urban centre ranks among the top ten most expensive according to our 2019 study on worldwide living costs.<sup>3</sup> Concerns related to clean and green living also feature prominently among the top priorities of citizens and executives, reflecting the city's air pollution and notorious traffic congestion.



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<sup>1</sup> *IESE Cities in Motion Index*, IESE Business School, 2019.

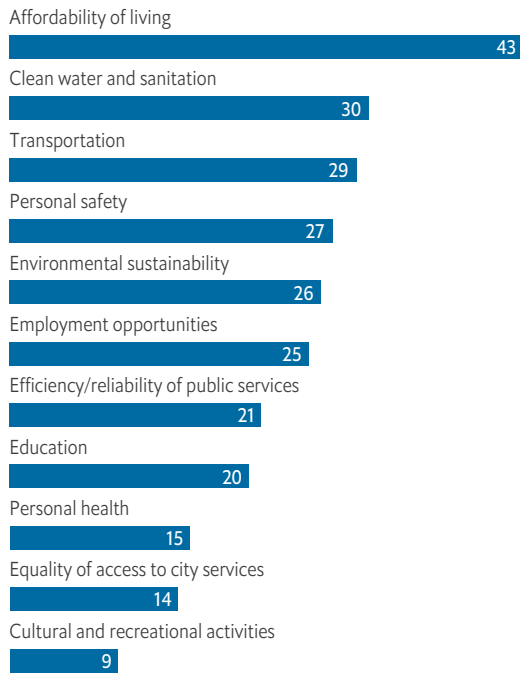
<sup>2</sup> In summer and autumn 2019, The Economist Intelligence Unit surveyed 341 citizens and 51 business executives in Los Angeles as part of a larger survey of 6,746 citizens and 969 executives in 19 cities around the world; the full research is available at <http://bit.ly/urbanintelligence>

<sup>3</sup> *Worldwide Cost of Living*, The Economist Intelligence Unit, 2019.

**Lights, camera, affordable action**

Chief benefits sought by smart-city initiatives, Los Angeles citizens and businesses  
(% of respondents)

**Citizens**



**Businesses**



Source: The Economist Intelligence Unit

**Citizen priorities: Affordable and clean living**

Residents of Los Angeles are particularly keen on **improving the cost of living** through smart initiatives.



**43%**

Citizens of Los Angeles are the second-most likely of the cities surveyed to point to affordability as a top priority, cited by 43% of respondents, alongside Singapore and just behind San Francisco.

## 2 in 5

Two in five (41%) residents say smart energy and water tariffing that enables variable pricing should be the chief focus of smart initiatives aimed at improving the city's affordability, followed by increasing the availability of low-cost transport options (35%).

## 40%

Costs are also top-of-mind when it comes to developing smart programmes, with two in five (40%) residents saying the Los Angeles government needs to significantly improve its approach to budget spending.



Residents look to smart initiatives to address a host of **liveability challenges** endemic to Los Angeles, ranging from heavy pollution to vulnerable water supplies.

## 30%

Nearly one in three (30%) citizens—the highest share of any city studied after Mumbai—say improving access to clean water and sanitation should be a key priority of smart programmes.

## 33%

One in three (33%) also say that smart capabilities aimed at health and safety should primarily focus on improving air and water quality.

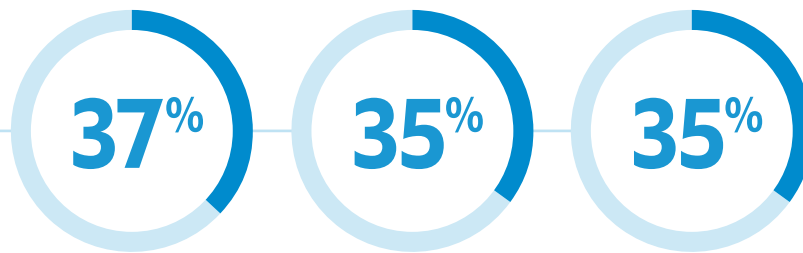


## 39%

When it comes to making the city greener, reducing road congestion is the top priority, cited by 39% of residents.

### Business priorities: Costs and sustainability

Los Angeles business executives also prioritise **affordability** and **sustainability**, often viewing them as interconnected concerns.



Similar shares of executives say smart programmes should focus primarily on improving the costs of doing business (37%) and living in the city (35%), as well as on making the city greener (35%).



51%

When asked about making the city more affordable, executives in Los Angeles are the most likely of any city surveyed to cite enabling smart utility tariffs as the top priority, noted by 51% of respondents.

35%

When asked about expanding the local talent pool, the largest share of executives (35%) believe the chief focus should be on reducing traffic congestion, followed by improving the environmental quality of the city (24%).



**Creating new market opportunities** is another area where executives hope smart-city initiatives can make a significant impact.

**47%**

More than any other city, executives in Los Angeles see the greatest potential in bidding for public contracts to deliver smart-city services or solutions, cited by 47% of respondents.

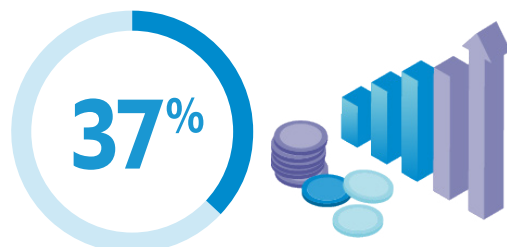
**43%**

About two in five (43%) hope smart-city development can lead to partnerships with large technology companies.

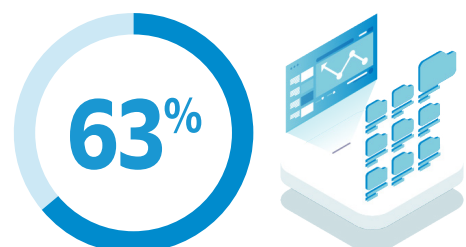


**Trade-offs: Business and citizen push-back**

Executives in Los Angeles are generally less prepared than those elsewhere to **give something in return** for smart-city benefits.



Of all the cities surveyed in the Americas, they are the least willing to pay higher taxes, with only 37% agreeable to this prospect—far lower than regional and global averages (both 52%).



Although the majority of executives are willing to pay higher service fees (57%) and share more data (63%), these shares still fall below the global averages (60% and 69%, respectively).

Residents also tend to be **more wary than those in other cities of making compromises**, especially when it comes to taxes and personal privacy.



**31%**

Only 31% are willing to pay higher taxes, compared with a global average of 39%.

**44%**

Just 44% believe the benefits of smart-city technologies outweigh potential losses of personal privacy, lower than the global average of 54%.

**71%**

Residents of Los Angeles are generally less comfortable than those in other cities with their personal data being used to fight crime or reduce energy costs. That said, reducing road congestion is an exception, with 71% in favour, close to the global average of 74%.

