



FLASHBACK PART 8:

20th Century Fashion History Los Angeles

BY RONALD S. FRIEDMAN, CPA

Hello Again! Here we are at the beginning of 2024; another year has just flown by. It is hard to imagine that just a few years after the outbreak of Covid, the business world has undergone significant changes. Do you remember when everyone came to the office and talked to each other? Lunch meetings were happening in every city in the country. People met in person and got to know each other. With fewer people coming into offices, things have grown quieter. It makes you wonder: what's going to happen now? Will we all just start working from home, living our lives on Zoom and email? I have concerns about how all these changes will impact the fashion industry. Are we seeing business people starting new fashion companies?

Who will be the rising stars of the future? I do not have the answers to these questions, but I am not seeing new start-up companies, and the cost to begin a new business requires substantial capital investments. When I began my career in public accounting in 1971, apparel companies were my clients. I really enjoyed walking into the showrooms and seeing all the new and exciting collections. Every week, a new apparel company was born, with designers and sales personnel leaving existing companies to venture out on their own. These people grew small entities into large apparel companies. Why were they successful? They had quality apparel and a market where everyone always wanted something new. Fashion was in, and people always wore new clothing to work.

Today, we work from home and rarely appear at the office. We sit at our desks from morning till night, and the work gets done. We may be very productive working from home, but we are also losing our social skills. Are we dressing up when we work at home? Hardly! We sit in our shorts with a T-shirt, nothing fancy here. If I am

not getting dressed up, why buy more apparel to sit in the closet for the few times I go out? I see this as the major problem for the fashion industry.

The only way to see a change is for employers to require employees to return to the office. We may never get back to five days a week in the office, but I hope we can get back to four days a week. This will improve our knowledge base as we talk and learn from each other. The real collaboration will happen when we are all together. Getting back to the office will revitalize the fashion industry. People will be dressing up again. No, I do not expect men's suits to come back, but I do hope to see business attire return to the office, and retailers will be the benefactors. We are seeing a few major corporations requiring their employees to return to the office or find other jobs. So employers, if you are reading this article, let's help the fashion industry and get our staff back to the office. In my previous articles, I've mentioned that the manufacturing industry has largely moved overseas and may never return.

As a result, we now import almost all of our apparel from abroad. I am starting to see clients moving production from China to other countries. It's hard to predict whether this will be successful, but it's important to remember that things don't usually happen overnight. In every article, I like to look back at the apparel industry from the 1970s through the 1990s. I would walk through the apparel district in downtown Los Angeles and see one sewing factory after another. Downtown was vibrant and alive, with actual factories sewing goods. One of my clients was Mervin Kurtzman, who owned LeBaron Suits. Mervin made custom suits, and I wore nothing but his suits to the office. I always feel great when a suit fits perfectly, and it is not

so easy to get today. I remember sitting with Mervin on a regular basis as he would determine the actual cost of producing a suit. We would go from department to department, determining the cost of each production phase. The production costing would go from cutting, lining, fusing, sewing, pressing and warehousing. Each cost had to be exact to determine the total cost of labor, and then we had to calculate the cost of manufacturing overhead to be applied to each suit.

Every year, the cost just kept escalating to the point where you could not produce a competitively priced suit in the United States. Suit manufacturing started to move offshore. I started working with another suit manufacturer who created a specific pattern for me which was sent to Singapore for production. The fit and quality were great and the price was right. For those who still wear suits, you can now expect them to be produced overseas as I do not expect suits to be produced domestically. The Marcum Retail Symposium will be on April 18, 2024, in downtown Los Angeles, with Marshal Cohen returning for another great discussion of trends in the marketplace that will impact all of our business. Also, a special thank you to Jeff Mann for his continued support of Marcum and the Retail Symposium. Until next time, remember what I always conclude with—if you are not having fun, then do something else!

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