

CALIFORNIA – ISRAEL ECONOMIC IMPACT REPORT 2025

Executive Summary



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The mission of the United States – Israel Business Alliance is to create economic opportunities between states and Israel. USIBA specializes in organizing economic development missions to Israel for governors, higher education officials, and business leaders. USIBA also connects Israeli technology solutions to local challenges.



▲ Yosemite National Park, California

California and Israel are linked by more than the flow of goods, capital, and technology. Their economic relationship reflects a long-standing exchange between two innovation dynamos that specialize in turning scientific insight into real-world impact. Each has built an economy around advanced research, entrepreneurial talent, and the rapid commercialization of new ideas, making their partnership both natural and consequential.

Israel's emergence as a global innovation leader has intersected powerfully with California's role as the world's premier technology economy. For Israeli companies, California offers an unparalleled environment in which breakthrough solutions can be tested at scale and near leading venture capital firms, multinational corporations, and top research institutions. This has led hundreds of Israeli founders to establish operations across the state, integrating Israeli research and development with California's market access and growth infrastructure.

The benefits flow in both directions. California's economy has been strengthened by Israeli contributions across a wide range of sectors, including software, semiconductors, digital health, water technology, agriculture, climate solutions, retail, and entertainment. Israeli-founded companies have expanded the state's innovation capacity by creating high-skilled jobs, attracting international investment, and accelerating the development of next-generation technologies. Joint ventures, academic collaborations, and corporate partnerships have further deepened these ties, translating shared expertise into commercial success.

This report examines the scope and significance of the California - Israel economic relationship, highlighting its impact on jobs, local revenues, and competitiveness. Taken together, the data reveal a partnership defined by alignment: two innovation-driven economies working to address global challenges and drive sustainable growth. The California – Israel connection stands as a model of how cross-border collaboration can strengthen regional economies while shaping the future of technology worldwide.

WHY ISRAEL?

Israel is a country that is short on natural resources, located in a hostile neighborhood, and has a small domestic market. These constraints have impelled Israeli entrepreneurs to seek creative technological solutions and explore global markets to grow their companies. The resource shortage that beset Israel in the years leading up to and following its establishment urgently challenged the young nation to pioneer technologies that are paying dividends today.

The country that once made the desert bloom is now sprouting green technologies that irrigate farms in Uganda, harness solar energy to power California communities, and desalinate Mediterranean Sea water for Jordan.

Necessity has transformed Israel into an innovation dynamo that is nicknamed the “Start-Up Nation,” a reputation earned from the leadership, teamwork, and technological skills that its young men and women hone during their mandatory military service. Soldiers carry thermal optics, GPS navigation systems, drones, tourniquets, and encrypted communication devices to the battlefield, where they must make split-second decisions. Reservists, many of whom have been called up for extensive service in recent years, bring their battlefield experiences back to civilian life, sometimes resulting in new startups.

Those serving in the IDF’s renowned cybersecurity battalions obtain operational know-how and build mission critical technologies that, in addition to protecting the country and saving lives, have derivatively crowned these elite units the most effective incubators in the world. By the time Israelis enroll in universities, many have already worked their way up a chain of command, mastered complex technologies, and managed teams through pressure-packed situations.

Alumni of the IDF cyber and combat units often go on to establish companies that draw equally upon their technical skills as their plucky personalities. Once these founders decide to expand their companies’ global footprints, they most often look to the United States, with its robust resources and large consumer market. An Israeli company that illustrates this trajectory is Wiz. Founded in 2020 by four alumni of the IDF’s elite 8200 cyber intelligence unit, Wiz opened its headquarters in New York. It eventually added offices in Arlington, Austin, and Denver. In 2025, Google’s parent company Alphabet announced it would acquire



▲ *Israel has spent decades developing technology to turn desert land into agricultural fields.*

Wiz for \$32 billion in cash – the largest acquisition in Israel’s history. Israel’s entrepreneurial success has also been driven by its highly educated and diverse population. Today, nine out of 10 Jewish Israelis are immigrants or first- or second-generation descendants of immigrants. This melting pot translates into varied perspectives around the conference table and a population that is accustomed to taking risks.

WHY CALIFORNIA?

California offers Israeli businesses a rare combination of scale, talent, and depth that makes it one of the most compelling destinations in the world for global expansion. As the largest state economy in the United States and one of the most innovation-driven regions globally, California provides Israeli companies not simply with access to a market, but with entry into a powerful engine for growth, partnership, and long-term value creation.

A central advantage is California's workforce. The state is home to one of the most highly educated labor pools in the country: nearly half of California's workers hold at least an undergraduate degree, and roughly one in seven has a graduate or professional degree. This concentration of skilled talent is particularly attractive to Israeli hi-tech companies, whose success depends on engineers, data scientists, product leaders, and researchers capable of operating at the cutting edge. For Israeli firms establishing a presence in California, the ability to recruit from a deep and diverse talent base can accelerate product development and support rapid scaling.

That talent pipeline is reinforced by California's unmatched network of universities and research institutions. World-renowned campuses such as the University of California, Berkeley, UCLA, Stanford University, the California Institute of Technology, and the University of Southern California serve as global centers of research, entrepreneurship, and technology transfer. These institutions actively shape innovation ecosystems through start-up formation, industry partnerships, and commercialization of research. Israeli companies operating in California benefit directly from proximity to these institutions, whether through joint research, access to graduates, or collaboration with faculty and labs.

For technology companies in particular, Silicon Valley remains a singular asset. Its dense concentration of start-ups, venture capital firms, accelerators, and global technology leaders creates an environment where ideas move quickly from concept to scale. Israeli hi-tech companies, already accustomed to fast iteration and global ambition, can significantly accelerate growth by embedding themselves in this ecosystem. California offers not just capital, but strategic customers, experienced operators, and a culture that rewards experimentation and bold thinking.

Within this broader innovation landscape, cybersecurity represents a strong point of alignment between Israeli start-ups and California's technology ecosystem. Israel's companies are known for deep expertise in threat intelligence, encryption, and network



▲ San Francisco, California

defense, while California provides unrivaled access to cloud platforms, enterprise customers, and global distribution channels. This complementary relationship allows Israeli founders to validate products quickly against security challenges faced by major U.S. corporations and critical industries. Venture capital, corporate venture arms, and accelerator programs across Silicon Valley and Southern California further strengthen these ties, creating pathways for joint development, pilot projects, and acquisitions. Together, the two ecosystems form a transnational security corridor that links technical excellence with commercial scale, positioning cybersecurity as a cornerstone of their shared digital economy.

At the same time, the California – Israel relationship extends well beyond technology. Cultural affinities play an important role in making the state a natural fit for Israeli entrepreneurs and executives. Los Angeles is home to one of the largest Jewish communities in the United States, offering social and professional networks that ease integration and foster a sense of belonging. California's broader creative economy, anchored by Hollywood, food, design, and the arts also resonates strongly with Israelis, encouraging cross-pollination that goes beyond business alone.

Physical connectivity further strengthens the relationship. Direct El Al flights between Tel Aviv and Los Angeles make travel between Israel and California efficient and reliable, enabling founders and teams to maintain close ties across continents while operating seamlessly in both markets.

Taken together, California's educated workforce, world-class institutions, start-up density, cultural openness, and direct connectivity make it an exceptionally strong match for Israeli businesses. It is not merely a destination for expansion, but a platform from which Israeli innovation can scale globally while remaining rooted in shared values, creativity, and ambition.

METHODOLOGY

The United States – Israel Business Alliance commissioned an independent economic analysis to measure the impact that Israeli-founded companies are having on the California economy. Based on the IMPLAN input-output modeling framework, which accounts for ripple effects of economic activity across the state, the analysis estimates the direct, indirect, and induced economic impact of Israeli-founded firms operating in California. IMPLAN is a leading economic impact analysis software. The findings reflect 2024 figures.

The data included in this report are based on an objective analysis that uses conservative assumptions to model economic impact.

The methodology used to determine the economic impact involved the following steps:



1. DATA COLLECTION AND PREPARATION

Each Israeli-founded firm's estimated employment and primary industry classification served as the foundation for the analysis. This information was gathered through a combination of:

- Research conducted over 12 months to identify, cross-reference, and confirm the names and addresses of Israeli-founded companies in California. The initial findings identified 583 companies, of which 104 were disqualified due to evidence of a discontinued presence in California or that the company is no longer active. An additional 13 companies were disqualified due to limited information and an inability to confirm their active presence in California. An additional 89 companies were disqualified due to discrepancies in their DUNS numbers. Finally, 10 registered business establishments were removed from the final tally due to being part of the same company -- only with multiple locations.
- Direct employment estimates were generated by Hoover's database, web research, and interviews with a limited sample of companies.
- Firms were categorized according to their primary industry, following the North American Industry Classification System (NAICS).



▲ Joshua Tree National Park, California



2. IMPLAN MODEL INPUTS

The estimated employment figures and industry classifications for each firm were used as direct inputs into the IMPLAN model. The process included:

- Each firm's employment was mapped to the appropriate industry sector within the IMPLAN framework.
- The NAICS-based classifications were converted into IMPLAN sectors to align with the model's structure.
- Firms were assigned to the corresponding California counties and congressional districts based on their operational locations.



3. MODEL SIMULATIONS

The IMPLAN model simulated the direct, indirect, and induced economic impacts of these firms at three geographic levels:

- Statewide - Capturing aggregate effects across California.
- County - Reflecting localized impacts within individual counties.
- Congressional District - Highlighting contributions within political boundaries.

The results include key economic metrics such as employment, compensation, value added (GDP contribution), and gross output. By incorporating firm-specific employment and industry data into the IMPLAN model, this analysis provides a detailed and granular understanding of the economic contributions of Israeli-founded firms in California.

TOTAL ECONOMIC IMPACT

367

Israeli-founded companies in California

377

Total Israeli-founded business establishments in California

22,650

Total California jobs created by Israeli-founded companies

\$4.0B

Total compensation generated by Israeli-founded firms

\$6.5B

Total value added to the state economy

\$8.9B

Total gross economic output

.16%

Percentage of Gross State Product accounted for by Israeli-founded companies

32

Israeli-founded unicorns headquartered in California

\$175,093

Average earnings at jobs created by Israeli-founded companies

TOP INDUSTRIES

1 CUSTOM COMPUTER PROGRAMMING SERVICES

2 SOFTWARE PUBLISHERS

3 COMPUTER TERMINALS / COMPUTER PERIPHERAL EQUIPMENT MANUFACTURING

4 FULL-SERVICE RESTAURANTS 5 COMPUTER SYSTEMS DESIGN SERVICES

6 NON-DEPOSITORY CREDIT INTERMEDIATION AND RELATED ACTIVITIES

7 HOTELS AND MOTELS, INCLUDING CASINO HOTELS

8 MANAGEMENT CONSULTING SERVICES

9 SCIENTIFIC RESEARCH AND DEVELOPMENT SERVICES

10 TRAVEL ARRANGEMENT AND RESERVATION SERVICES



▲ Los Angeles, California

DIRECT IMPACT

Economic activities directly attributable to Israeli-founded firms, such as jobs created within these businesses, wages paid to employees, and the value of goods and services produced.

14,452 Jobs

\$3.2 BILLION Compensation

\$5.1 BILLION Value Added to the State Economy

\$6.9 BILLION Gross Output

INDIRECT IMPACT

Economic activity generated in California's supply chain as these firms procure goods and services from local suppliers, thereby stimulating activity in related sectors.

2,596 Jobs

\$311 MILLION Compensation

\$514 MILLION Value Added to the State Economy

\$751 MILLION Gross Output

INDUCED IMPACT

Additional economic activity resulting from household spending by employees of Israeli-founded firms and their suppliers.

5,602 Jobs

\$444 MILLION Compensation

\$902 MILLION Value Added to the State Economy

\$1.3 BILLION Gross Output

ECONOMIC IMPACT BY COUNTY

TOTAL ECONOMIC IMPACTS BY COUNTY

REGION	TOTAL JOBS	EARNINGS MILLIONS USD	VALUE ADD MILLIONS USD	GROSS OUTPUT MILLIONS USD	ISRAELI AVERAGE EARNINGS	CALIFORNIA AVERAGE EARNINGS	DELTA
ALAMEDA COUNTY	1,529	\$207.41	\$406.02	\$578.33	\$135,654	\$106,657	27.2%
CONTRA COSTA COUNTY	610	\$51.84	\$89.72	\$142.09	\$84,991	\$103,218	-17.7%
FRESNO COUNTY	104	\$7.26	\$11.10	\$24.85	\$69,855	\$52,728	32.5%
LOS ANGELES COUNTY	2,701	\$219.41	\$372.23	\$597.40	\$81,234	\$78,302	3.7%
MARIN COUNTY	134	\$12.63	\$18.90	\$28.76	\$94,219	\$180,575	-47.8%
MONTEREY COUNTY	100	\$7.14	\$11.67	\$19.05	\$71,442	\$68,943	3.6%
ORANGE COUNTY	1,015	\$108.69	\$180.56	\$361.14	\$107,082	\$88,897	20.5%
RIVERSIDE COUNTY	73	\$3.67	\$7.25	\$13.00	\$50,215	\$53,750	-6.6%
SACRAMENTO COUNTY	49	\$3.45	\$5.59	\$9.22	\$70,365	\$65,104	8.1%
SAN DIEGO COUNTY	681	\$63.53	\$111.41	\$260.57	\$93,292	\$79,122	17.9%
SAN FRANCISCO COUNTY	2,315	\$504.54	\$749.71	\$954.05	\$217,945	\$164,807	32.2%
SAN JOAQUIN COUNTY	117	\$6.60	\$13.17	\$20.13	\$56,399	\$59,361	-5.0%
SAN MATEO COUNTY	1,276	\$244.50	\$370.72	\$462.51	\$191,617	\$172,828	10.9%
SANTA CLARA COUNTY	11,002	\$2,457.56	\$4,055.61	\$5,302.47	\$223,374	\$151,003	47.9%
SANTA CRUZ COUNTY	845	\$61.72	\$78.62	\$120.80	\$73,047	\$88,581	-17.5%
STANISLAUS COUNTY	41	\$2.33	\$4.36	\$6.69	\$56,731	\$53,058	6.9%
TULARE COUNTY	27	\$1.53	\$2.20	\$4.04	\$56,575	\$48,253	17.2%
VENTURA COUNTY	31	\$2.03	\$3.43	\$5.38	\$65,324	\$78,091	-16.3%
TOTAL	22,650	\$3,966	\$6,492	\$8,910	\$175,093	\$88,255	115.5%

Source: IMPLAN 546 Unaggregated Scheme, California



ECONOMIC IMPACT BY CONGRESSIONAL DISTRICT

TOTAL ECONOMIC IMPACTS BY CONGRESSIONAL DISTRICT

CONGRESSIONAL DISTRICTS	TOTAL JOBS	EARNINGS MILLIONS USD	VALUE ADDED MILLIONS USD	GROSS OUTPUT MILLIONS USD	AVERAGE EARNINGS
2	134	\$12.72	\$19.05	\$28.95	\$94,960
3	4	\$0.31	\$0.50	\$0.82	\$76,482
5	51	\$3.39	\$5.46	\$11.17	\$66,525
6	13	\$0.90	\$1.46	\$2.40	\$69,107
7	32	\$2.24	\$3.64	\$6.00	\$70,111
8	131	\$11.18	\$19.34	\$30.63	\$85,312
9	133	\$8.37	\$15.98	\$24.68	\$62,932
10	471	\$41.21	\$72.03	\$113.09	\$87,486
11	2,052	\$447.26	\$664.59	\$845.72	\$217,961
12	194	\$26.55	\$51.74	\$73.59	\$136,877
13	88	\$5.56	\$9.46	\$17.93	\$63,237
14	1,203	\$163.25	\$319.57	\$455.19	\$135,706
15	576	\$117.16	\$175.93	\$221.59	\$203,411
16	2,592	\$548.42	\$880.37	\$1,134.33	\$211,581
17	1,185	\$255.08	\$425.55	\$559.81	\$215,261
18	6,525	\$1,433.65	\$2,363.50	\$3,094.69	\$219,717
19	2,716	\$488.25	\$784.78	\$1,043.29	\$179,768
20	32	\$2.00	\$2.96	\$6.01	\$62,567
21	10	\$0.69	\$1.05	\$2.27	\$69,360
22	5	\$0.31	\$0.45	\$0.82	\$62,147
23	244	\$19.81	\$33.61	\$53.95	\$81,201
24	3	\$0.17	\$0.28	\$0.44	\$55,690
25	53	\$2.64	\$5.23	\$9.38	\$49,887
26	48	\$3.45	\$5.85	\$9.28	\$71,959
27	1,010	\$81.95	\$139.02	\$223.12	\$81,137

CONGRESSIONAL DISTRICTS	TOTAL JOBS	EARNINGS MILLIONS USD	VALUE ADDED MILLIONS USD	GROSS OUTPUT MILLIONS USD	AVERAGE EARNINGS
28	391	\$31.80	\$53.95	\$86.58	\$81,329
29	86	\$6.96	\$11.81	\$18.96	\$80,977
30	119	\$9.69	\$16.44	\$26.39	\$81,442
31	138	\$11.23	\$19.04	\$30.56	\$81,342
32	194	\$15.77	\$26.75	\$42.94	\$81,291
34	33	\$2.69	\$4.56	\$7.31	\$81,368
35	15	\$1.23	\$2.09	\$3.36	\$82,104
36	65	\$5.25	\$8.91	\$14.29	\$80,763
37	35	\$2.85	\$4.84	\$7.77	\$81,490
38	104	\$8.70	\$14.72	\$24.31	\$83,647
39	3	\$0.14	\$0.29	\$0.51	\$48,183
40	439	\$46.95	\$78.01	\$156.02	\$106,959
41	13	\$0.67	\$1.33	\$2.39	\$51,905
42	141	\$11.48	\$19.47	\$31.25	\$81,402
43	48	\$3.90	\$6.62	\$10.62	\$81,279
44	61	\$4.93	\$8.36	\$13.42	\$80,781
45	126	\$13.25	\$22.03	\$43.64	\$105,141
46	96	\$10.25	\$17.03	\$34.06	\$106,776
47	222	\$23.73	\$39.42	\$78.84	\$106,876
48	527	\$49.02	\$86.00	\$200.93	\$93,012
49	195	\$20.03	\$33.82	\$71.18	\$102,725
50	41	\$3.87	\$6.79	\$15.88	\$94,417
51	31	\$2.87	\$5.03	\$11.75	\$92,451
52	22	\$2.04	\$3.57	\$8.36	\$92,652
TOTAL	22,650	\$3,966	\$6,492	\$8,910	\$175,093

Source: IMPLAN 546 Unaggregated Scheme, California; US Bureau of Labor Statistics

SAFEGUARDING CALIFORNIA

California is entering an unprecedented decade of global visibility. From the 2026 NFL Super Bowl, at Levi's Stadium in the Bay Area, the 2026 NBA All-Star Game, in Inglewood, the 2026 FIFA World Cup sites in Santa Clara and Los Angeles, to the 2028 Summer Olympic and Paralympic Games in and around Los Angeles, the state will host a concentration of mega-events unmatched in modern history. These events will draw millions of visitors, tens of thousands of athletes and officials, and the attention of the entire world. They will also expand an already complex security environment, particularly in open-access public venues and highly networked digital environments.

In this context, Israeli security technologies offer California a uniquely relevant set of capabilities shaped by decades of real-world necessity. Israel's security sector evolved in an environment characterized by persistent asymmetric threats and the challenge of protecting civilian life without compromising openness or democratic norms. These technologies can help safeguard event operations against ransomware, data breaches, disinformation campaigns, and system disruptions that could impact activities and undermine public trust.

Perimeter security represents an urgent need that is ripe for local collaboration with Israeli know-how. Major events such as the Super Bowl, Olympics, and World Cup require layered and adaptable perimeter frameworks capable of managing high-density crowds and variable threat conditions. Israeli firms are global leaders in intelligent perimeter systems that combine sensors, radar, electro-optical imaging, and AI-driven analytics to detect and classify potential threats in real time.

Counter-Unmanned Aerial Systems technologies constitute another significant domain. The proliferation of commercial and modified drones has altered the risk profile for large public gatherings, introducing potential vulnerabilities related to surveillance, signal jamming, and attacks. In recent years, Israeli companies have developed multi-layered counter-drone capabilities encompassing detection, classification, and mitigation. For California sites that include stadiums, open-air festivals, transportation corridors, and coastal venues, these technologies provide scalable approaches to managing low-altitude airspace risks.



▲ *Los Angeles, California*

Cybersecurity is also central to event security planning. Major sporting events depend on inter-connected digital systems, including ticketing systems, broadcast infrastructure, smart devices, transportation networks, power grids, and emergency communications. Israeli cybersecurity firms have developed tools focused on protecting critical infrastructure and complex, networked environments. These technologies can help safeguard event operations against ransomware, data breaches, disinformation campaigns, and system disruptions that could impact activities and undermine public trust.

Threat intelligence and predictive analytics further contribute to this security architecture. Israeli companies specialize in aggregating data from open sources, social media, sensors, and classified or proprietary feeds to identify emerging risks. For events such as the Olympic Games, which unfold over weeks and across multiple venues, this kind of intelligence-driven security enables authorities to move from reactive response to proactive prevention. It allows planners to anticipate crowd dynamics, identify coordinated threats, and allocate resources more effectively across time and locations.

Facial recognition and advanced video analytics represent additional areas where Israeli innovation can support public safety while respecting civil liberties. Israeli companies have developed video analytics platforms capable of analyzing video feeds for indicators such as real-time detection of suspicious behavior, unattended objects, perimeter breaches, or irregular crowd movements. Already integrated within American-made security systems that comply with local regulatory and legal requirements, these tools can significantly enhance situational awareness across large venues, transportation hubs, and public spaces.



▲ *Los Angeles International Airport*

Israeli safety solutions extend far beyond one-time spectacles. The state hosts a continuous calendar of high-profile recurring gatherings that face many of the same security challenges. The Academy Awards, Coachella, Comic-Con, the LA Marathon, and daily operations at destinations like Disneyland all require robust, adaptable solutions that protect large crowds without diminishing the visitor experience.

As California prepares to welcome the world over the next several years, the integration of Israeli security technology into a robust, homegrown innovation ecosystem offers a strategic opportunity. It allows the state to leverage global best practices, proven systems, and hard-earned expertise to protect athletes, fans, residents, and infrastructure alike. More broadly, it reflects a shared commitment to innovation in service of public safety – using technology not to close societies, but to keep them open, vibrant, and secure.

The integration of Israeli security technologies into California’s broader innovation and public safety ecosystem represents a potential strategic option as the state prepares for increased global exposure and tourism. Such integration would draw upon established technological capabilities and operational experience to support the protection of visitors, residents, and critical infrastructure – all of which must be protected to ensure a robust state economy.



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