

Top 3 Counties Host 14.3% of U.S. Electronic Parts Distributors

14.3% of U.S. Distributors in 3 California Counties

Top 3 counties host nearly one in seven electronic parts distributors

THE DATA

14.3%

Share of America's Electronic Parts Distributors in Its Top Three Counties (2022)

The concentration of electronic parts distributors in just three California counties reflects a structural imbalance in U.S. semiconductor supply chain infrastructure.

This level of concentration—14.3% of all distributors located in Los Angeles, Orange, and Santa Clara counties—suggests a critical dependency on a single region for the distribution of foundational electronic components. The clustering is not accidental; it reflects decades of infrastructure investment, talent density, and proximity to major fabrication hubs. Yet this efficiency comes at the cost of systemic fragility.

Source: U.S. Census Bureau, County Business Patterns 2022, NAICS 423690 (Other electronic parts and equipment merchant wholesalers) · ALEX Intelligence computation
<https://alex-companies.com/data/2026-09-19-ai-semis-conc-423690-county>

01

Concentration Creates a Single Point of Failure

With over 14% of the nation's distributor network concentrated in three adjacent California counties, any disruption—natural, geopolitical, or logistical—could ripple across the entire semiconductor ecosystem. The recent wildfires in Southern California and the ongoing drought in the region underscore how climate stressors can directly impact supply chain stability. This is not a theoretical risk; it is a present-day exposure that undermines the resilience of AI hardware development and deployment.

02

Decentralization Is Not Just Economic—It's Strategic

The current model favors speed and proximity to silicon fabs but neglects geographic diversification. As AI-driven chip design becomes more complex and distributed, the need for redundant distribution nodes in non-coastal regions grows. The fact that Dallas County (rank 6) and Maricopa County (rank 7) host significant numbers of distributors suggests a latent capacity for growth in the interior U.S. This is not merely about logistics—it's about national security, climate resilience, and long-term innovation sustainability.

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Texas License #574878-B · Broker License #565194-BB

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george@alex.realestate · +1 713.918.9951



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