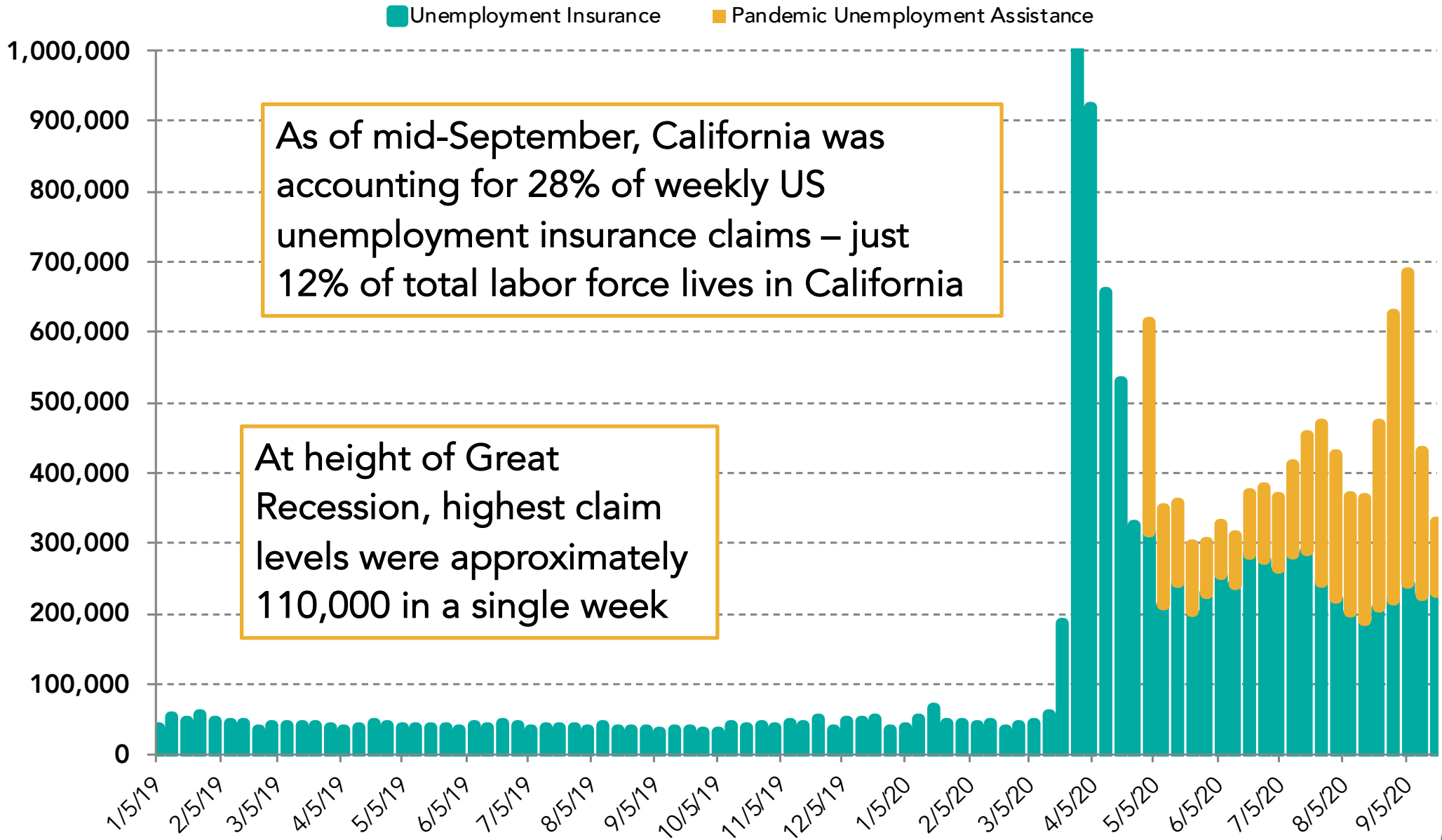


Bay Area Economic Update

October 22, 2020

BAY AREA COUNCIL ECONOMIC INSTITUTE

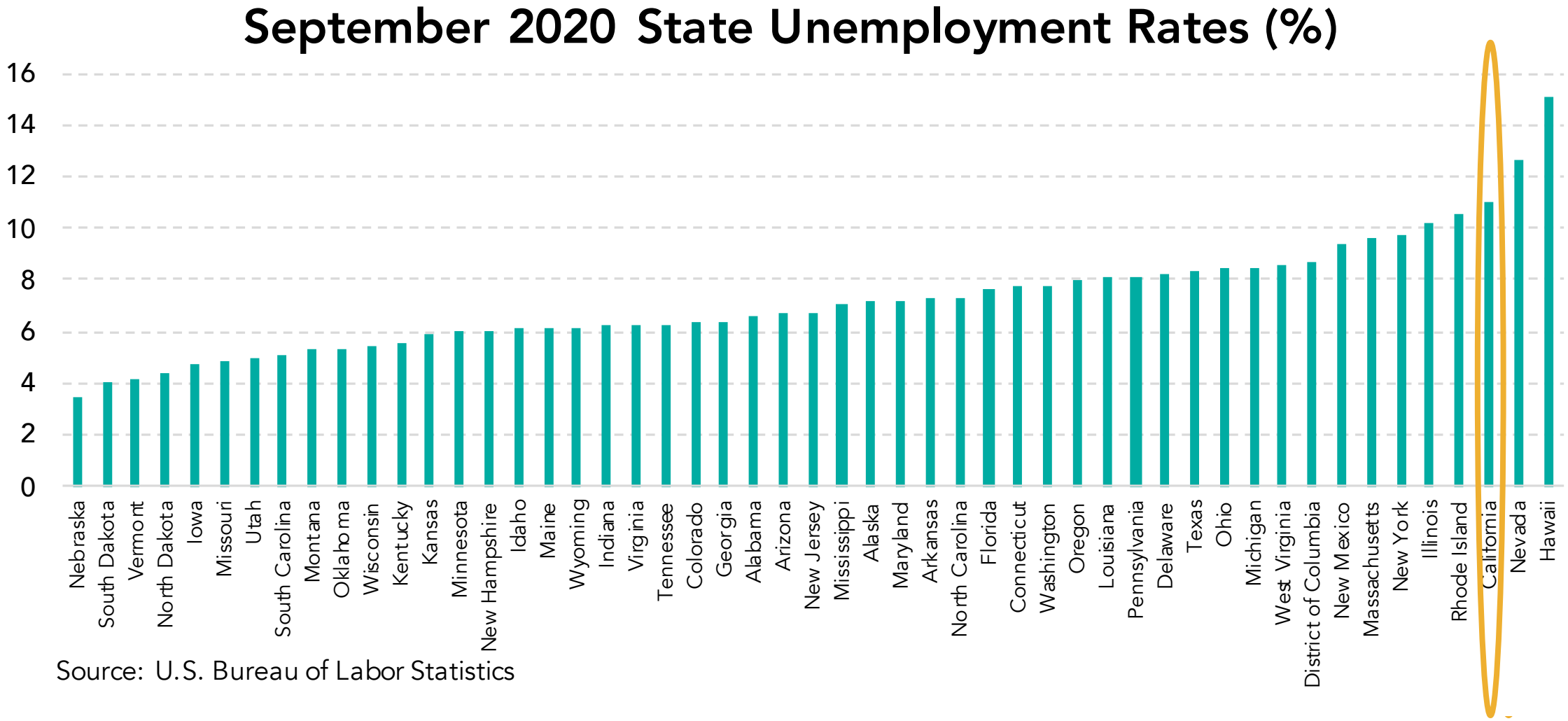
New Weekly Unemployment Insurance Claims in California



Data Source: United States Department of Labor
Analysis: Bay Area Council Economic Institute

BAY AREA COUNCIL ECONOMIC INSTITUTE

California's unemployment rate sits at 11.0% as of September – down from a peak of 16.4% -- but still 3rd highest in the nation



Source: U.S. Bureau of Labor Statistics

The region added over 100,000 jobs in June, but employment growth slowed to just 60,000 added in July, 32,000 added in August, and 18,000 in September

Bay Area Employment by County (2020 Year-to-Date)

County	Reported Unemployment	Aug '20 Employment	Sept. '20 Employment	Jobs Lost Jan to Sept.
Alameda	9.3%	727,100	731,400	-84,100
Contra Costa	9.3%	483,200	486,200	-55,400
Marin	6.5%	123,200	124,700	-11,800
Napa	7.6%	65,600	66,000	-4,000
San Francisco	8.4%	515,900	517,100	-55,900
San Mateo	7.1%	407,600	408,600	-44,000
Santa Clara	7.0%	947,200	951,700	-76,300
Solano	9.7%	181,000	182,900	-17,600
Sonoma	7.2%	232,500	232,800	-17,800
Region	**8.1%**	**3,683,300**	**3,701,400**	**-366,900**

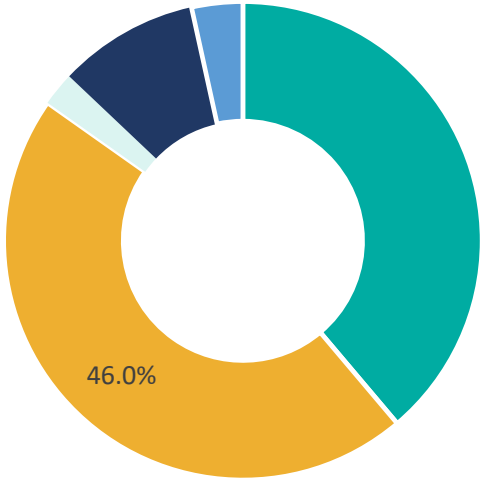
Leisure & Hospitality and Personal Service sectors remain challenged, while Retail has rebounded, and office jobs have regained ground

Bay Area Employment Change by Sector

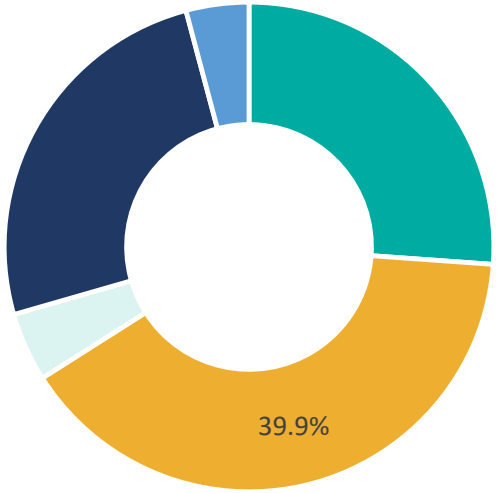
Sector	Jan. - Sept. Change	% of Jan. '20 Jobs Lost	May - Sept. Change
Leisure & Hospitality	-134,300	-31.0%	63,500
Government	-43,100	-8.9%	(21,800)
Retail Trade	-30,200	-8.9%	31,900
Healthcare	-29,200	-5.7%	22,300
Personal & Other Services	-27,900	-21.2%	8,700
Professional & Business Services	-26,300	-3.3%	20,200
Manufacturing	-26,100	-7.1%	9,500
Information	-22,700	-9.6%	300
Transportation & Warehousing	-9,300	-7.6%	18,000
Wholesale Trade	-9,000	-7.6%	2,100
Construction	-3,800	-1.8%	16,400
Financial Services	-3,000	-1.5%	3,400

Bay Area employment demographics in impacted industries

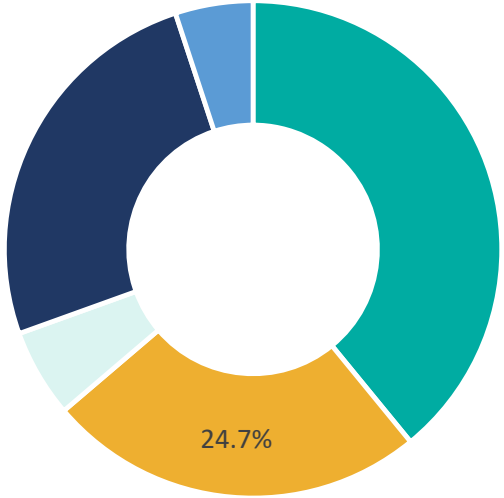
Construction Employment - Bay Area



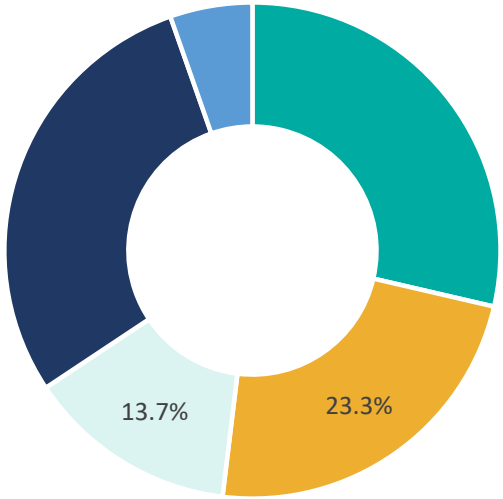
Leisure and Hospitality Employment - Bay Area



Retail Employment - Bay Area

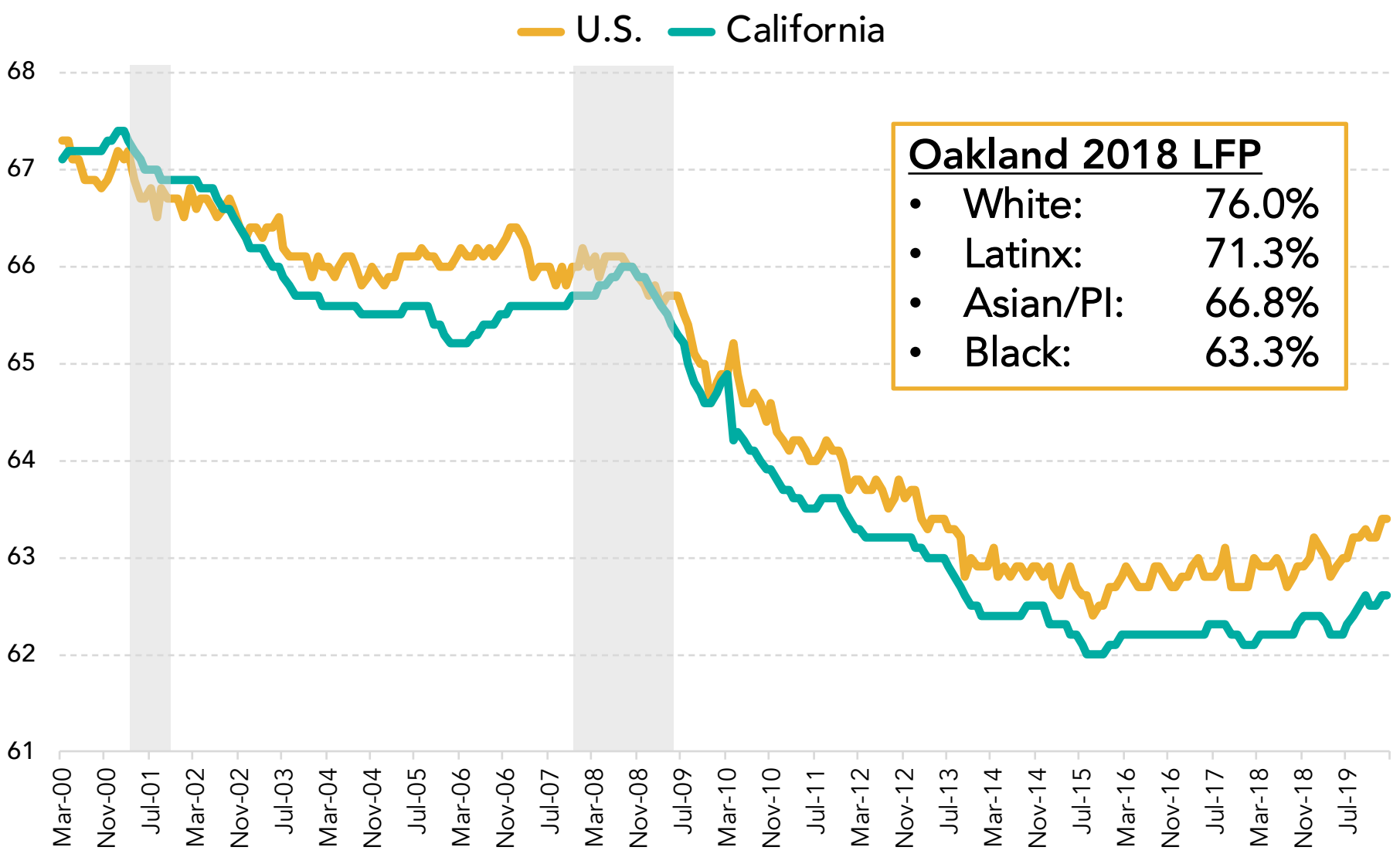


Transportation & Warehousing - Bay Area



- White
- Latinx
- Black
- Asian
- Other

Labor Force Participation Rate - U.S. vs. California



Oakland 2018 LFP

- White: 76.0%
- Latinx: 71.3%
- Asian/PI: 66.8%
- Black: 63.3%

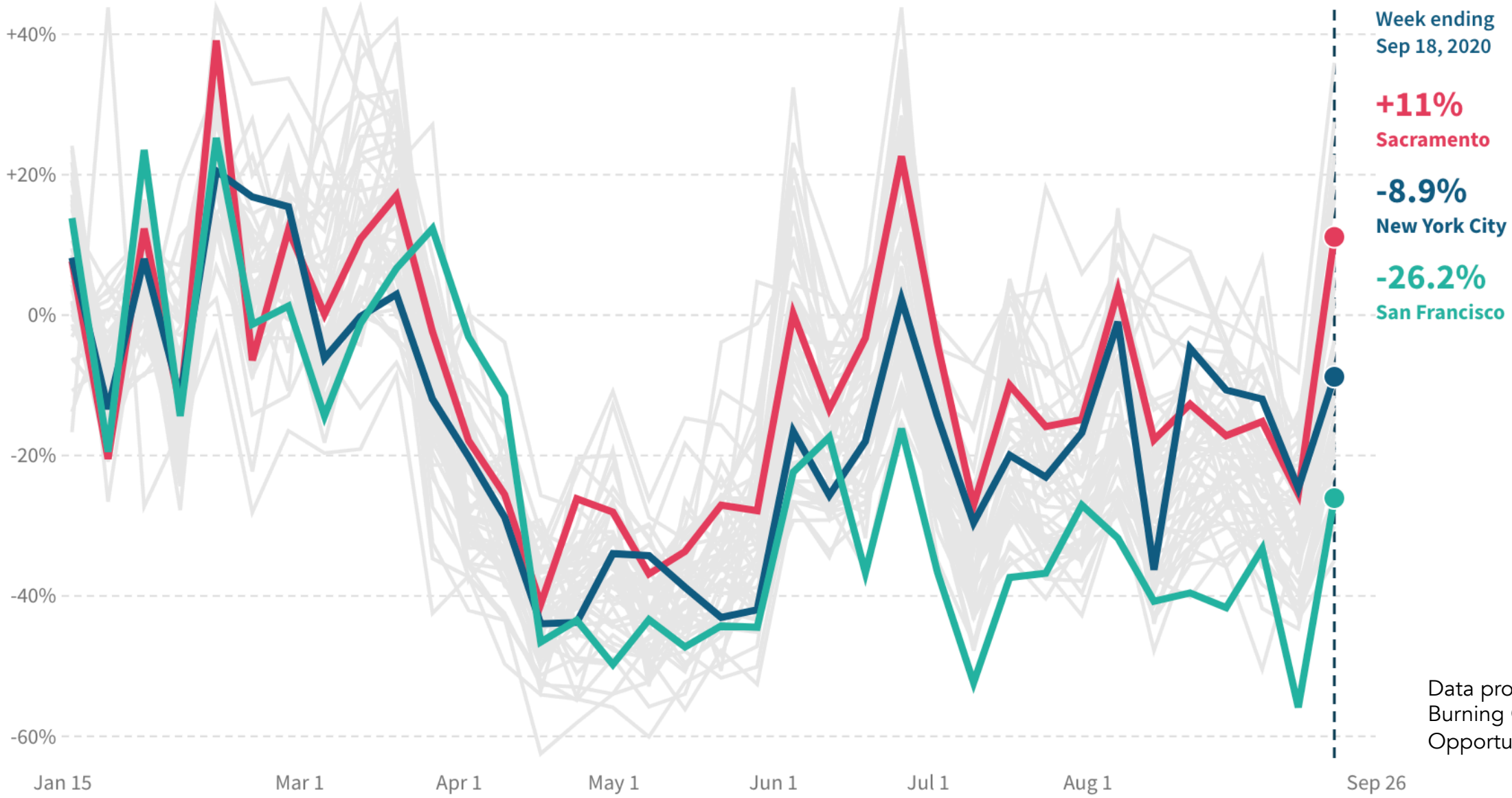
Data Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis
Analysis: Bay Area Council Economic Institute

The Bay Area trails the U.S. and California in terms of the jobs it has recovered. The region has regained just 33% of its lost jobs.



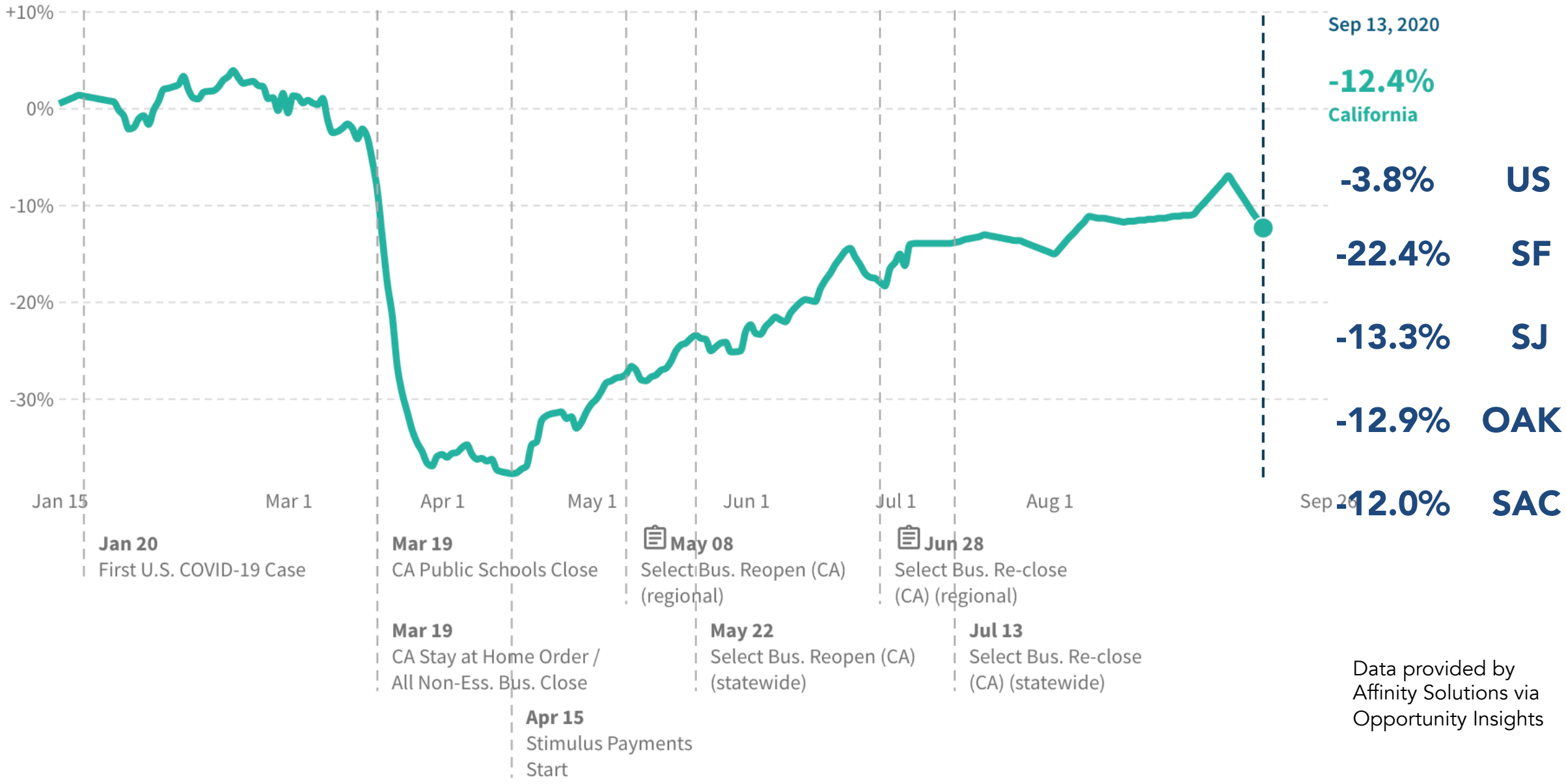
Source: EDD
Analysis: Bay Area Council Economic Institute

New job postings in the San Francisco metro remain well below pre-pandemic levels



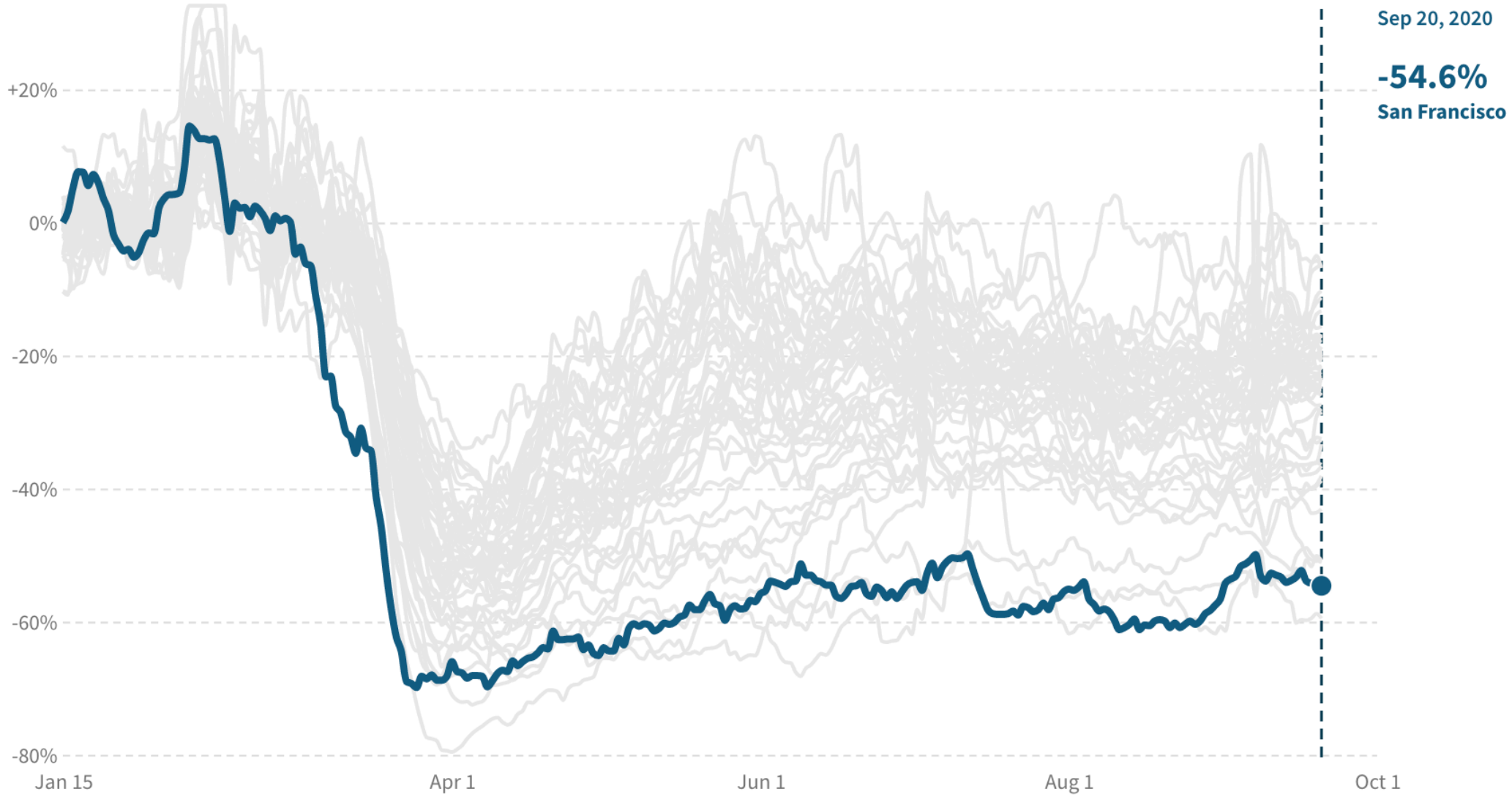
Data provided by Burning Glass via Opportunity Insights

Consumers drive more than 2/3 of GDP – spending in California still down double digits



Data provided by Affinity Solutions via Opportunity Insights

Small business revenue in the SF metro area is down nearly 55% since January. Only New Orleans has fared worse.



Nearly half of all Bay Area residents have an occupation that is remote work "eligible"

Remote Work Eligibility by Geography

	Remote Work Eligible	Not Remote Work Eligible
San Francisco County	51%	49%
Santa Clara County	51%	49%
San Mateo County	47%	53%
Bay Area	45%	55%
Sacramento County	40%	60%
Alameda County	40%	60%
San Diego County	39%	61%
Orange County	39%	61%
Contra Costa County	38%	62%
Los Angeles County	38%	62%
Fresno County	30%	70%

Data: Emsi Occupation Data; Becker Friedman Institute for Economics at University of Chicago
Analysis: Bay Area Council Economic Institute

Redfin searches show SF Metro Area with 2nd largest net outflow – Sacramento is top destination for new home searches of SF residents

Rank	Metro*	Net Outflow†	Net Outflow LY	Portion of Local Users Searching Elsewhere (July 2020)	Portion of Local Users Searching Elsewhere (July 2019)	Top Destination	Top Out-of-State Destination
1	New York, NY	26,584	21,692	34.2%	39.8%	Boston, MA	Boston, MA
2	San Francisco, CA	26,247	17,052	23.9%	21.1%	Sacramento, CA	Seattle, WA
3	Los Angeles, CA	12,405	10,226	16.3%	16.4%	San Diego, CA	Las Vegas, NV
4	Washington, D.C.	8,298	5,396	13.3%	12.0%	Salisbury, MD	Salisbury, MD
5	Chicago, IL	4,415	3,073	11.7%	10.8%	South Bend, IN	South Bend, IN
6	Denver, CO	3,805	1,981	27.1%	23.7%	Seattle, WA	Seattle, WA

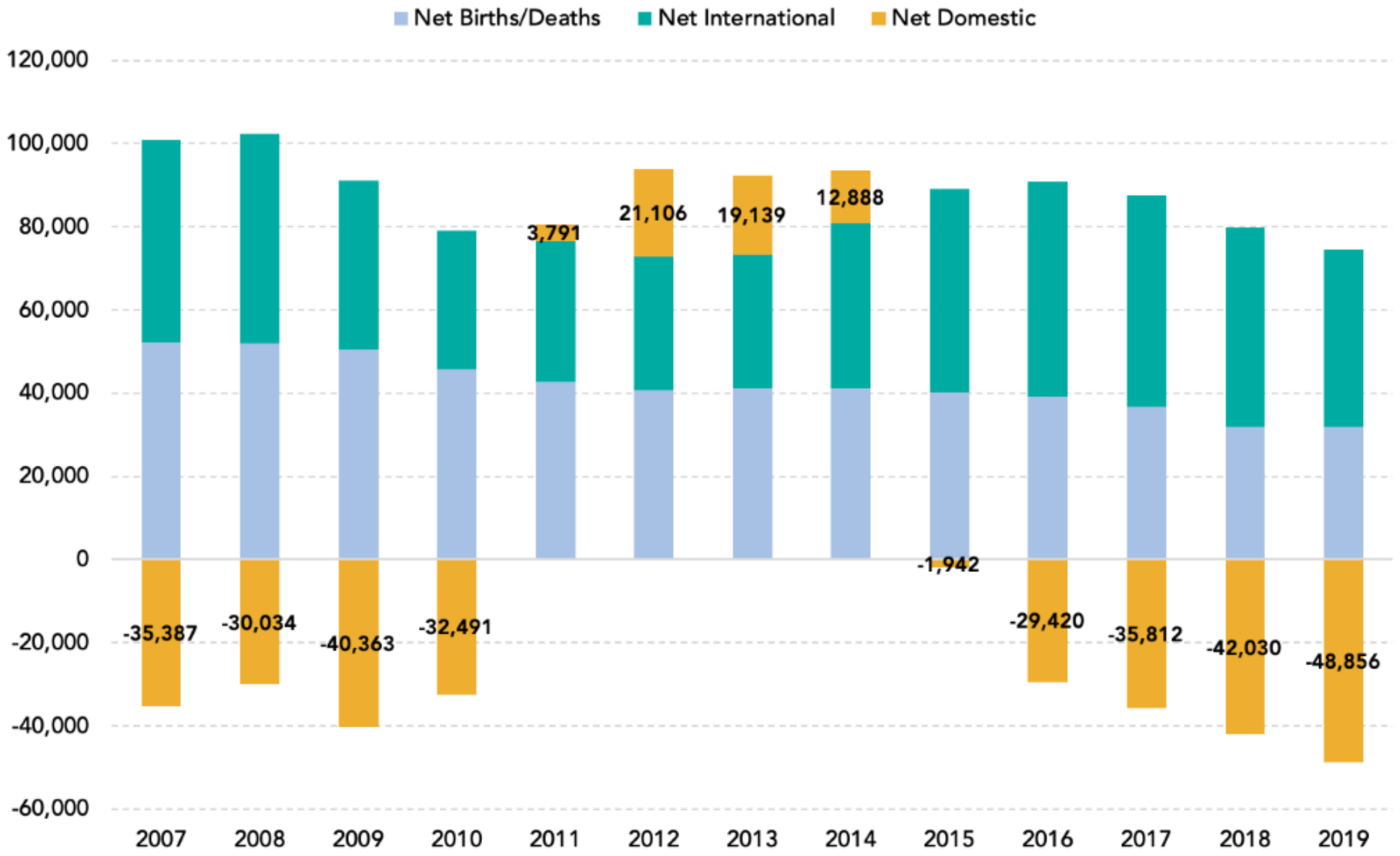
Top 5 U-Haul Growth States

1. Florida (0% state income tax)
2. Texas (0%)
3. North Carolina (5.25%)
4. South Carolina (7%)
5. Washington (0%)

Bottom 5 U-Haul Growth States

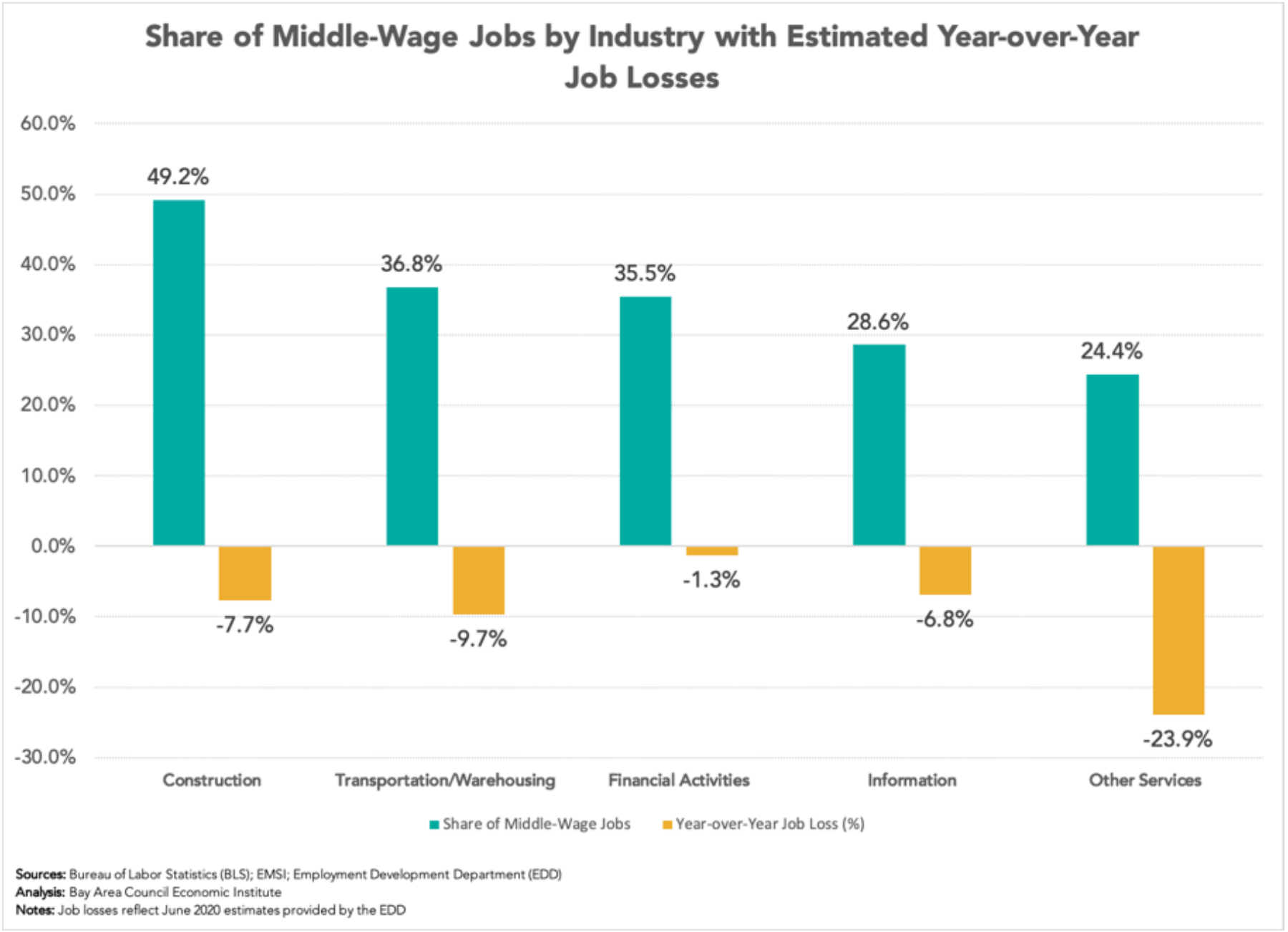
46. Pennsylvania (3.07%)
47. Massachusetts (5%)
48. Michigan (4.25%)
49. California (13.3%)
50. Illinois (4.95%)

Bay Area Population Change



Source: California Department of Finance, Demographic Research Institute
Analysis: Bay Area Council Economic Institute

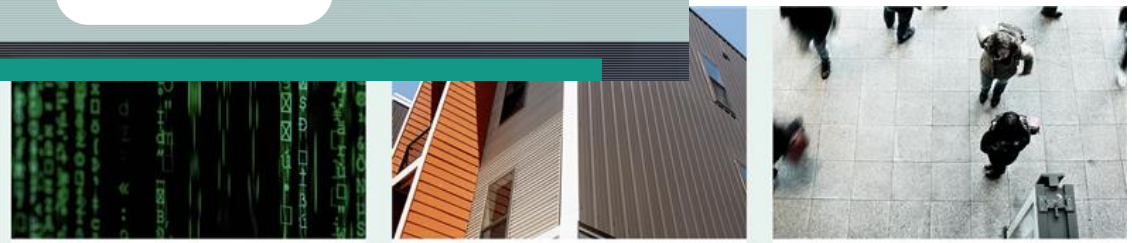
San Francisco middle-wage jobs have fallen year-over-year – will they return?



Sources: Bureau of Labor Statistics (BLS); EMSI; Employment Development Department (EDD)
Analysis: Bay Area Council Economic Institute
Notes: Job losses reflect June 2020 estimates provided by the EDD

This year, a more interactive Economic Profile than ever.





New as of October 2020

Venture Capital & Innovation

Tech has been the engine of the Bay Area economy - what does its future look like in the region?

Read More →

New as of October 2020

Housing & Transportation

How have travel patterns and housing costs shifted in the months following COVID-19?

Read More →

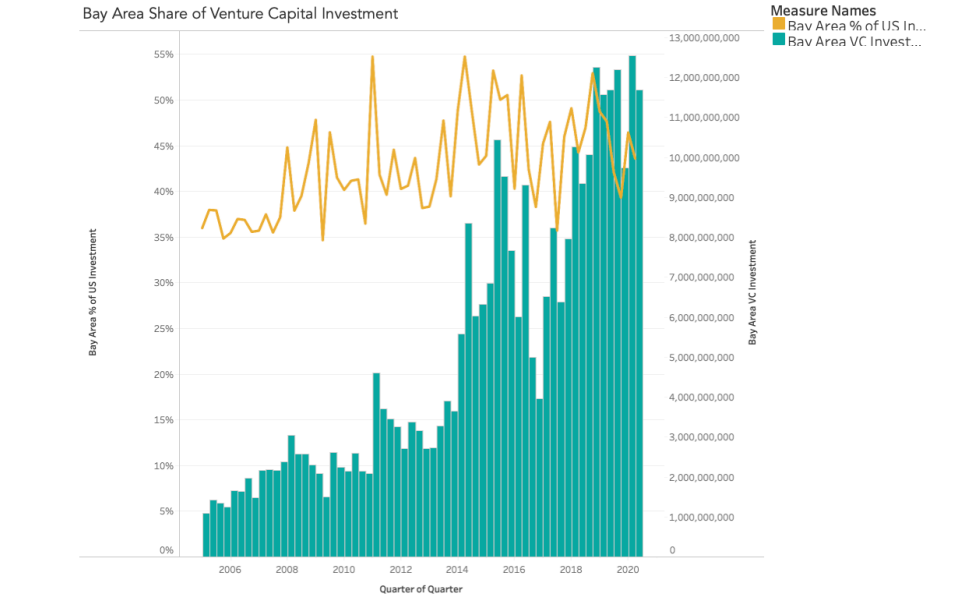
Coming soon

Labor Force Participation

How has the pandemic disrupted labor force participation differently across demographic groups?

Exhibit #1: Venture capital investment has become more concentrated in the Bay Area.

Since the early 2000s, venture capital investment in the Bay Area has sharply increased in total dollars invested, hovering between 40% and 50% of the share of total U.S. investment. Over the years, venture capital investment has become more concentrated in the Bay Area, moving from a quarterly average of 39% between 2005 and 2010 to 46% between 2015 and 2020. In contrast, total U.S. investment has remained constant since 2005, signaling that the region has increasingly captured more total U.S. investment over time.



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