

# Regional Job Growth Projections and The Importance of the Roadmap and Plan Bay Area in Supporting Economic Competitiveness

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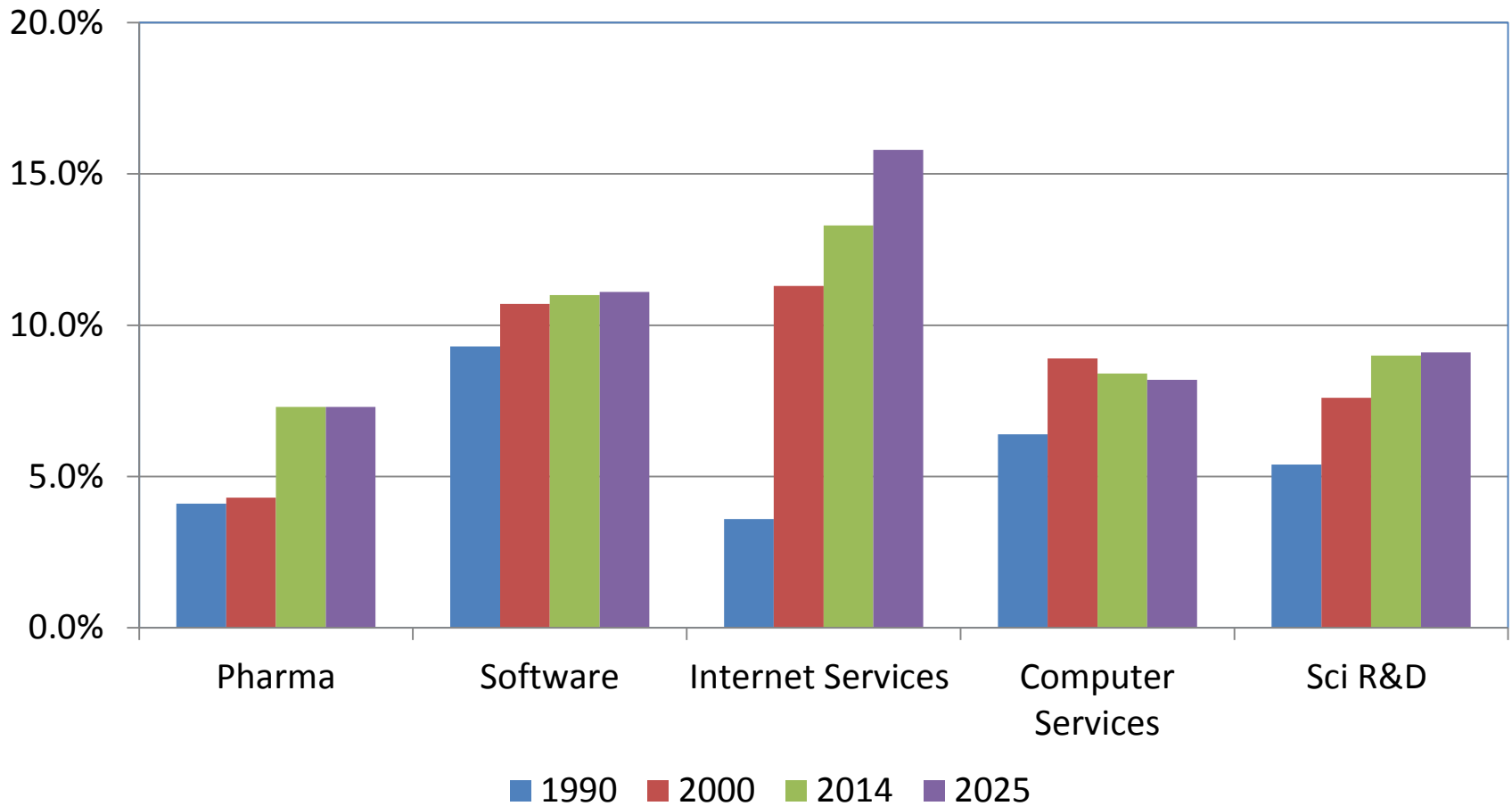
# Two Key Concepts in the Development of Regional Job Projections

- Pie and share. The “pie” is the amount and composition of industry growth in the nation and state. Share is the regional share of growth in individual industries.
- Driving (economic base) and population serving industries. The key economic base sectors like tech are what explain regional growth differences and are projected first. Population serving sector growth depends on economic base growth and is projected next. Over 100 sectors were projected.

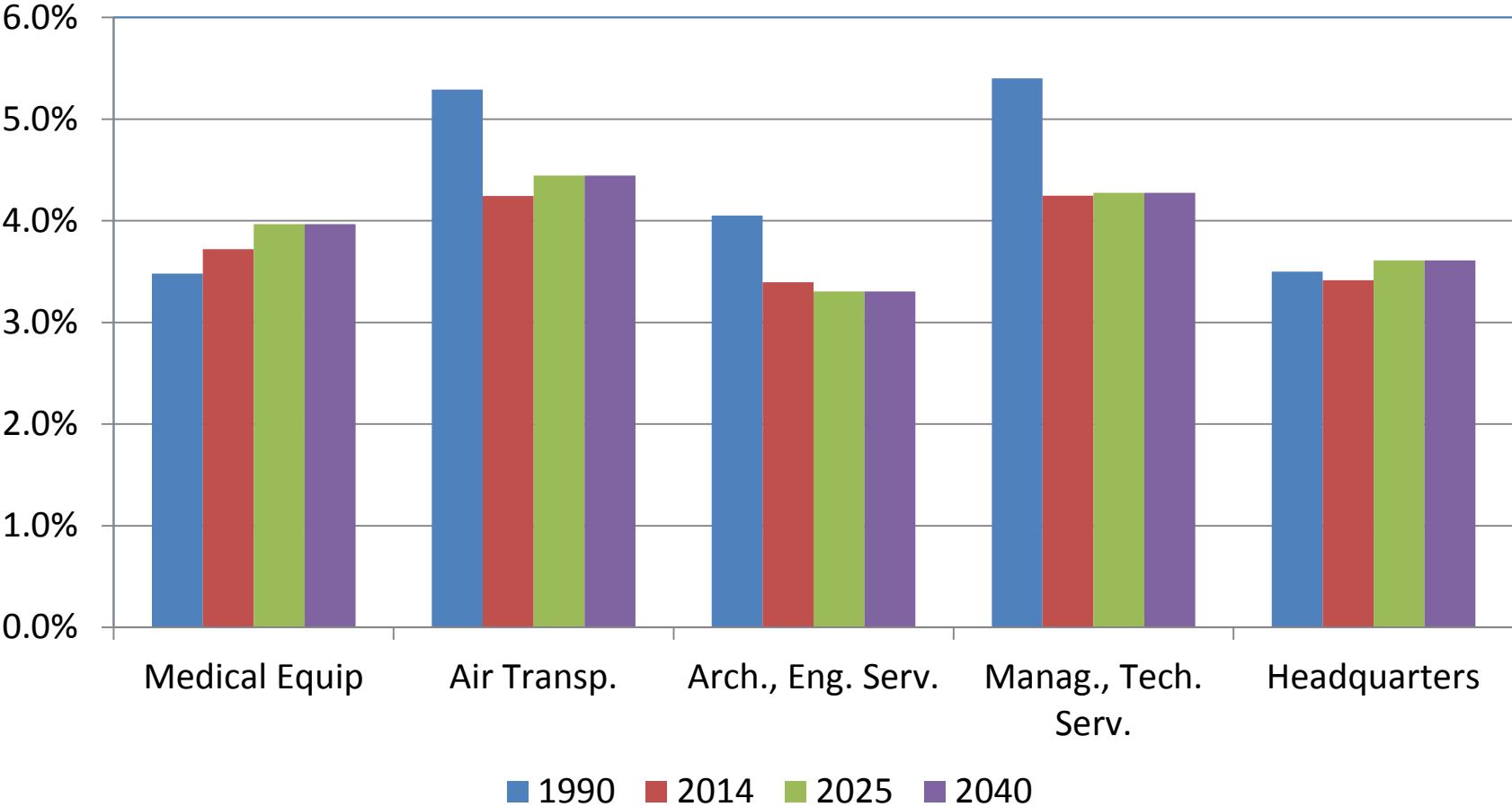
# The Bay Area's Economic Strength

- The Bay Area has a favorable industry composition meaning a high share of fast growing industries. That favorable industry composition pushes the overall regional share up even when industry shares are constant.
- In 2015 the region has approximately 2.6% of total U.S. jobs. The next slides show our industry composition strength.

# Bay Area Share of U.S. Jobs



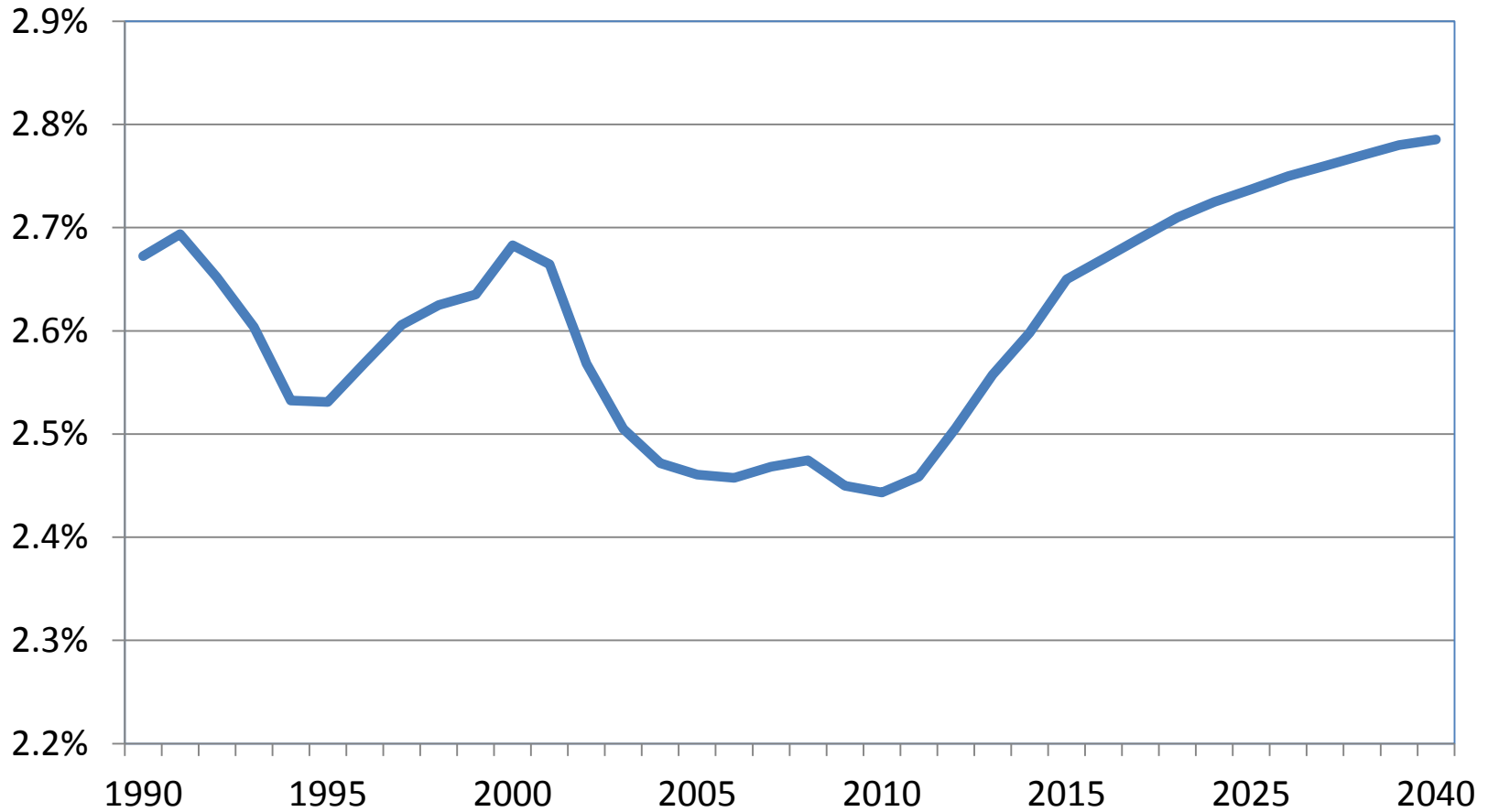
# Other Growth Sectors with Share Strength--% of U.S. Jobs



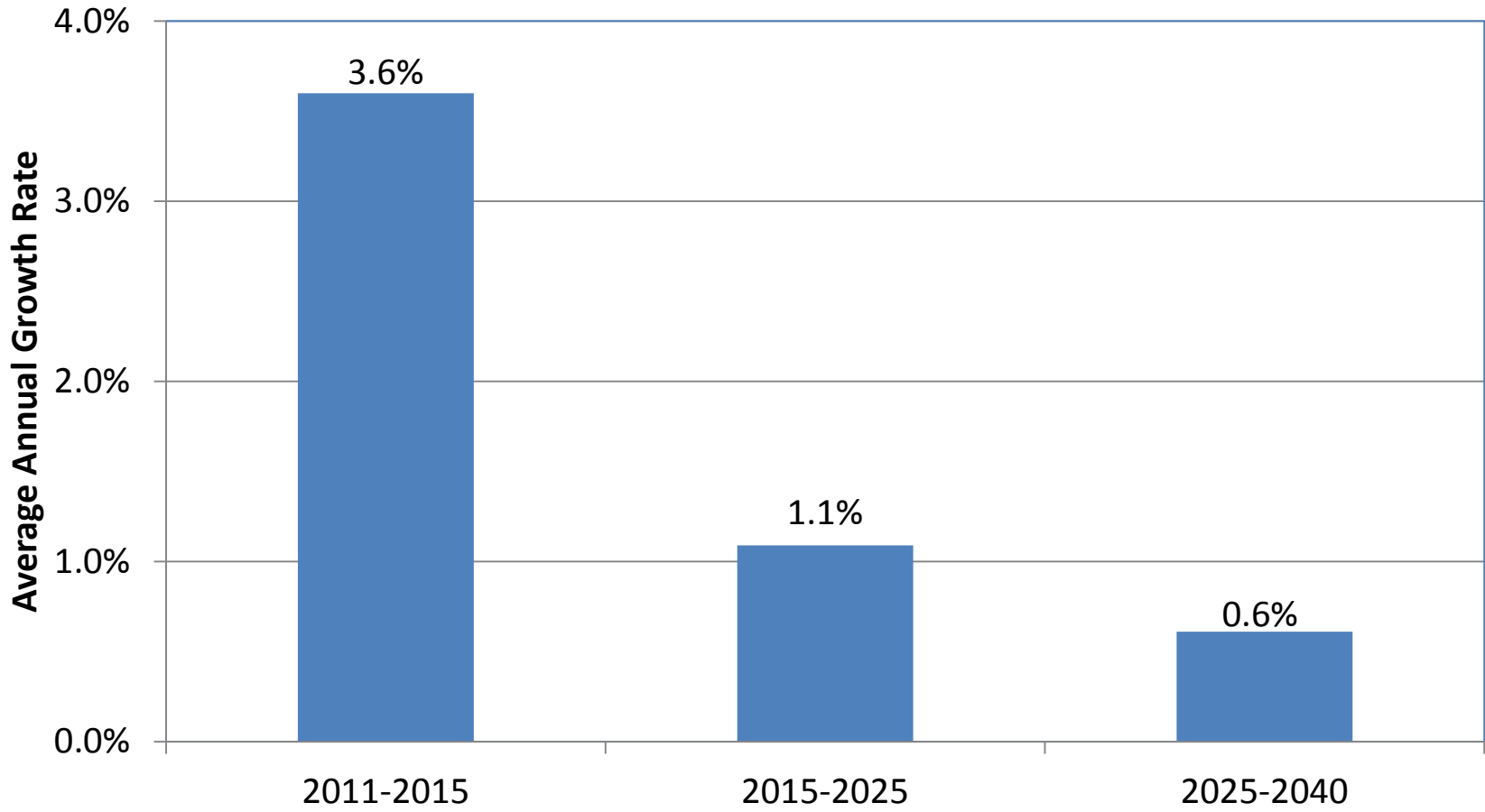
# Economic Base Share Projections

- In the high share sectors, some small share increases to 2025, a couple of small projected share declines.
- No share changes between 2025 and 2040 by assumption.
- Still, the high growth, high share sectors push the overall regional share of U.S. and California jobs higher.

# Bay Area Share of U.S. Jobs— Favorable Sector Composition Pushes Share Higher

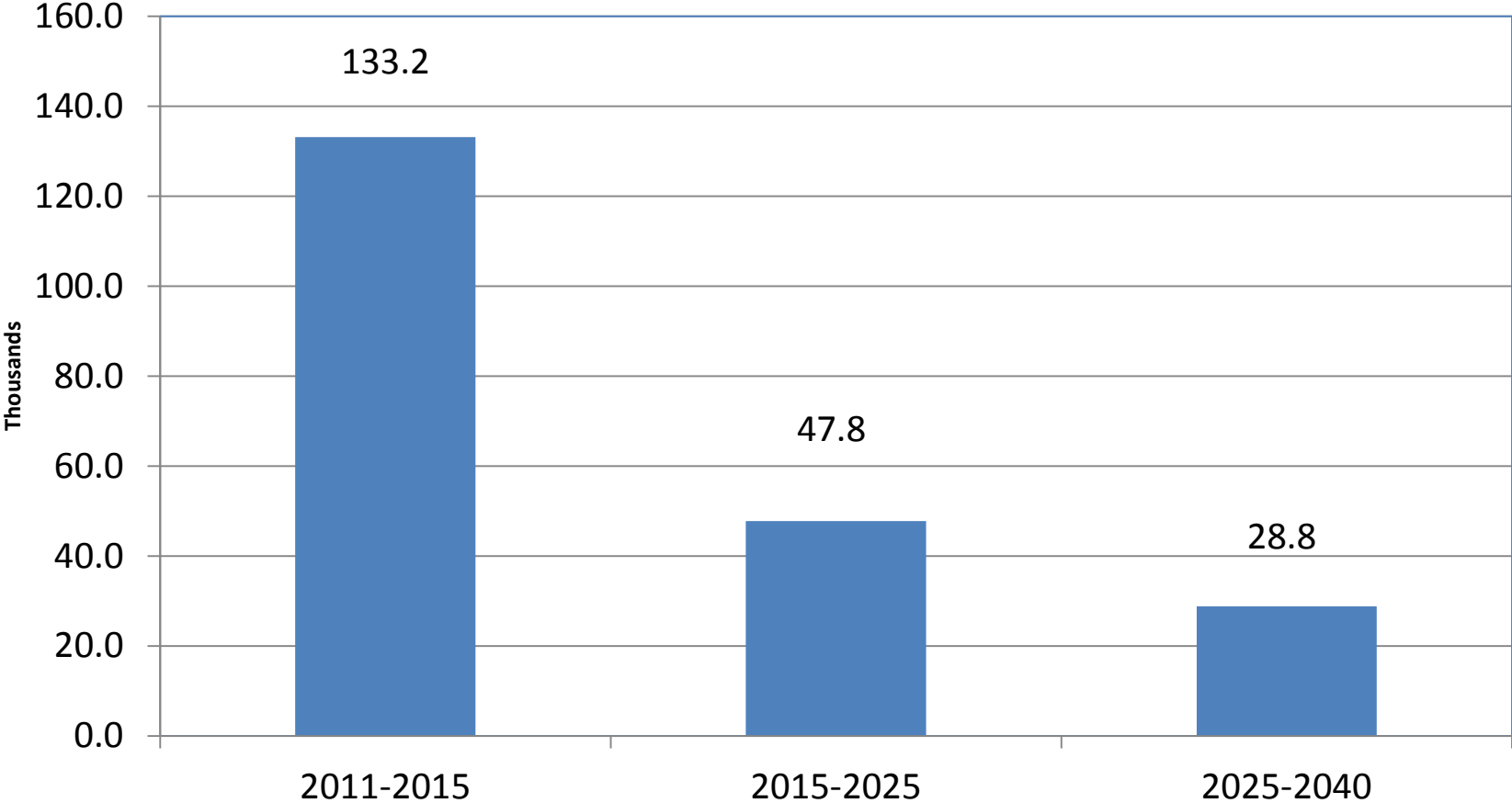


# Jobs Grow But Baby Boomer Retirement Slows the Growth Rate

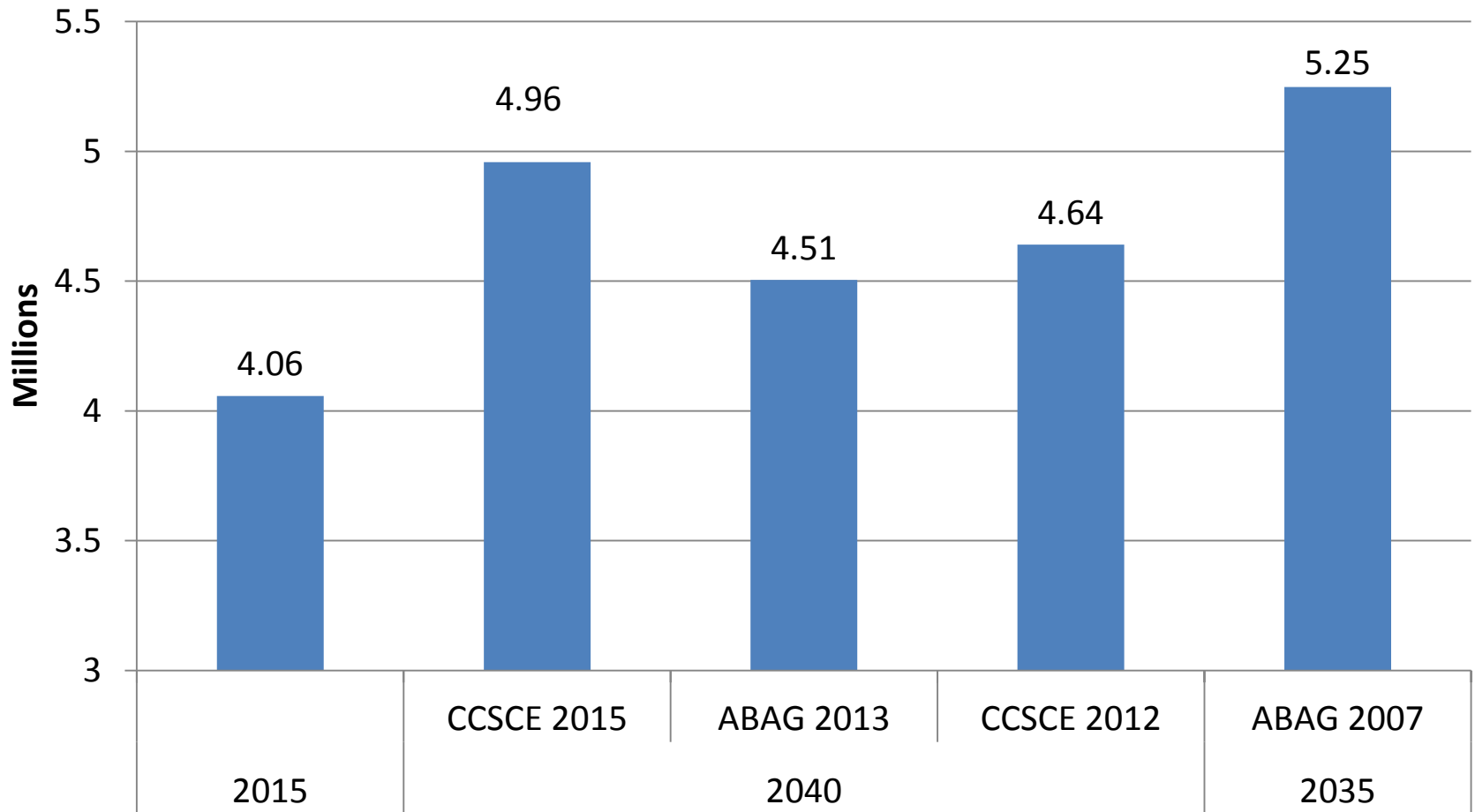




# Average Annual Job Growth as Baby Boomers Retire



# Projections of Bay Area Total Jobs



# Job Growth in the Next Five Years—Is the Boom Cycle Over (Yes but No)

- I do not make short-term forecasts AND the future is uncertain BUT
- The Federal Reserve rate hike signaled confidence for job growth in the near term
- The UCLA forecast anticipates state job growth of 2.3% and 1.6% in the next two years. If the Bay Area grew only at the state rate, that would be 160,000 more jobs
- UOP, LAEDC and the California Economic Forecast see more near term job growth ahead

# What Could Increase 2040 Jobs

- Demographic shifts—Immigration reform, higher labor force participation, higher birth rates
- Economic factors—more tech growth nationally, higher Bay Area industry shares, lower unemployment
- Policy factors—Huge success in implementing Plan Bay Area addressing housing and transportation potential bottlenecks

# What Could Lower 2040 Jobs

- Some ongoing world or national calamity
- A decline in Bay Area job shares in key sectors
- From
  - Failure to adequately address housing and transportation challenges
  - Forecasters are wrong and 2015 is like 2000
- Bad news on the factors listed on the previous slide

# BAC Roadmap and Plan Bay Area—Two Keys to Economic Competitiveness

- It is a cliché but true—continued job and income growth is not automatic—there is hard work ahead
- The Roadmap and Plan Bay Area—pointing in the same direction with similar priorities
- Solving the housing and transportation challenges are the highest priority in public foundations to support private investment and attract talent.

# Key Components of the RTP/SCS

- Increasing mobility/access choices for all kinds of travel needs
- Supporting goods movement, distribution and visitor access
- Planning for enough housing in the right places and of the right type
- All while meeting environmental goals in a region of demographic and technological change

# The RTP and SCS Work Together by Integrating Land Use and Transportation Planning

- By concentrating new housing in areas where commute and non commute auto travel is minimal, we can absorb growth without increasing congestion
- By building the transit, bike and walkable options for people, they will be attracted to where we want most housing to go.
- By providing for growth with increased mobility and housing choices consistent with meeting environmental goals and a high quality of life.



# Specific RTP/SCS Policies that Support Economic Competitiveness

- Providing adequate housing in the sizes, types and location that attract talented workers and their families
- Improving mobility choices for residents and businesses within the region
- Improving access options for travelers to and from our airports as tourism demand grows
- Maintaining (fix it first) and improving highways and public transit choices

# What are the Obstacles?

- Finding all the needed transportation funds
- For housing and land use it is overcoming fiscal barriers, finding ways to implement the PDA strategy, reducing regulatory constraints so we can expand housing choices of the right type and location
- For both housing and transportation it is about making good decisions
- While business, environmental and social justice supporters may have different top priorities, there is hopefully enough common ground for us to be allies in finding common ground with Plan Bay Area and the Roadmap