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## News Release

### East Bay Affordability Advantage Bodes Well for the Economy

Oakland, CA May 19, 2016:

The **2016-17 East Bay Economic** Outlook report, prepared for the East Bay Economic Development Alliance (East Bay EDA) by Beacon Economics, was revealed before hundreds of business, government and nonprofit leaders. Dr. Christopher Thornberg, one of California's leading economic forecasters and Founding Partner at Beacon presented their findings at a special event hosted by East Bay EDA at the Oakland Asian Cultural Center in Oakland. The report serves as both a forecast and a summary of key economic indicators for the East Bay as it compares to the Bay Area region, the state of California, and the nation.

According to Thornberg, "Current numbers suggest that job growth in the East Bay has slowed modestly over the past year—but in the slowing there has been a trade of quality for quantity. Faster gains in information, professional services, and health have mostly made up for lower gains in logistics, government and administrative support. In other good news, the East Bay is one of the few places in the state experiencing positive growth in manufacturing. We expect these trends to continue as more companies decide that the high costs associated with the other side of the Bay are not worth the price, given the far more affordable opportunities available in the East Bay. The resident situation is equally bright. Unemployment in the region is down to the low 4's and rising incomes have driven up the demand for housing. Building permits are up sharply in both East Bay counties, as are home prices."

### Key Findings

- The East Bay labor market moved forward at a strong pace in 2015, matching statewide job growth rates and surpassing average job growth rates in the nation. The region also boasted a lower unemployment rate in 2015, compared to the state and nation.

- Many East Bay residents, including a large number of whom are employed in the neighboring regions of San Francisco and the South Bay, are high-skilled, high-income earners. This benefits the East Bay economy because much of the spending by these residents occurs locally.
- As local incomes rise, the East Bay economy also benefits from incrementally higher spending. Taxable sales growth in the East Bay outpaced the South Bay and San Francisco, as well as California overall. Taxable sales growth in the East Bay also came in faster than nationwide retail sales.
- Travel and tourism activity has been robust over the last year as passenger traffic at Oakland International Airport increased faster than at San Francisco and San Jose International Airports. BART ridership to and from the airport has also surged as the new airport BART station has boosted accessibility for passengers.
- Local residential and commercial real estate markets continue to benefit from the East Bay's relative affordability advantage over the tech centers of the South Bay and San Francisco, attracting new residents and businesses to the region.
- Permits for new housing units in the East Bay grew by double digits in 2015, while San Francisco and the South Bay experienced a decline last year. However, housing in the East Bay is still undersupplied and has been driving up home prices at a rapid pace.
- Attractive labor market conditions coupled with home affordability continued to draw migrants from across California. The East Bay's population in 2015 grew at one of the fastest paces in over 10 years.

Economic growth in the East Bay is expected to remain strong in 2016, building on the gains achieved in 2015. Most sectors of the economy saw accelerated growth last year and should continue on their recent trajectories through 2016. Affordability remains the crucial factor in the East Bay, and the region is expected to see continuing gains from this advantage over the foreseeable future.

The full report will be available online at: [www.EastBayEDA.org](http://www.EastBayEDA.org).

## Research Sponsors

Sponsors for this report include:

- Alameda County Social Services Agency
- Alameda County Workforce Investment Board
- Bank of America
- East Bay Community Foundation
- Workforce Development Board of Contra Costa County

## About the East Bay EDA

The East Bay Economic Development Alliance is a public-private partnership founded in 1990 to serve the Bay Area's East Bay region (Alameda and Contra Costa Counties). East Bay EDA's mission is to be the regional voice and networking resource for strengthening the economy, building the workforce and enhancing the quality of life in the East Bay. Through cross-sector collaboration, East Bay EDA promotes the assets of the East Bay region for business attraction, retention and growth. [www.EastBayEDA.org](http://www.EastBayEDA.org) (510) 272-6746 [info@EastBayEDA.org](mailto:info@EastBayEDA.org)