



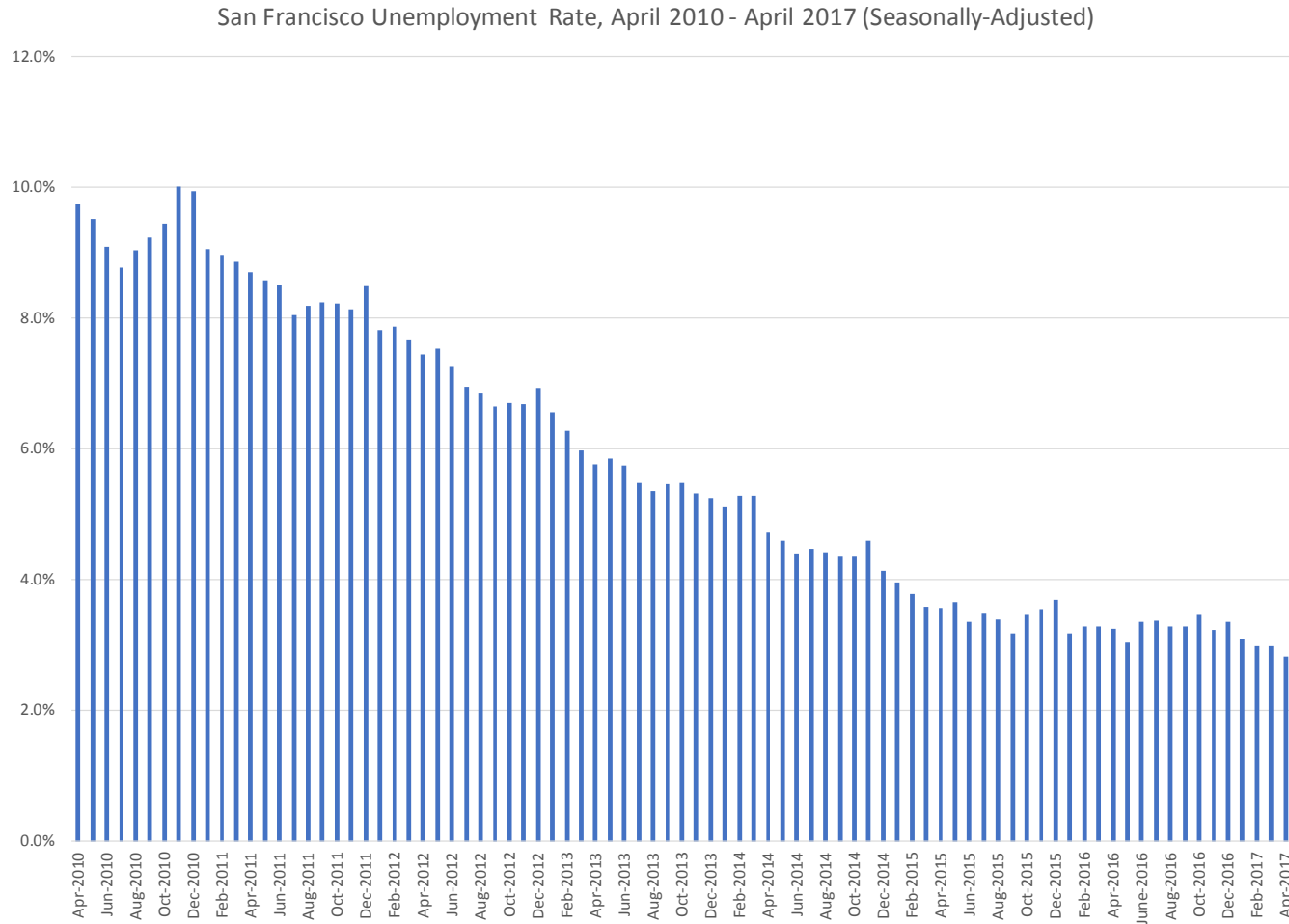
# San Francisco Economic Update: June 2017

Ted Egan, Ph.D.

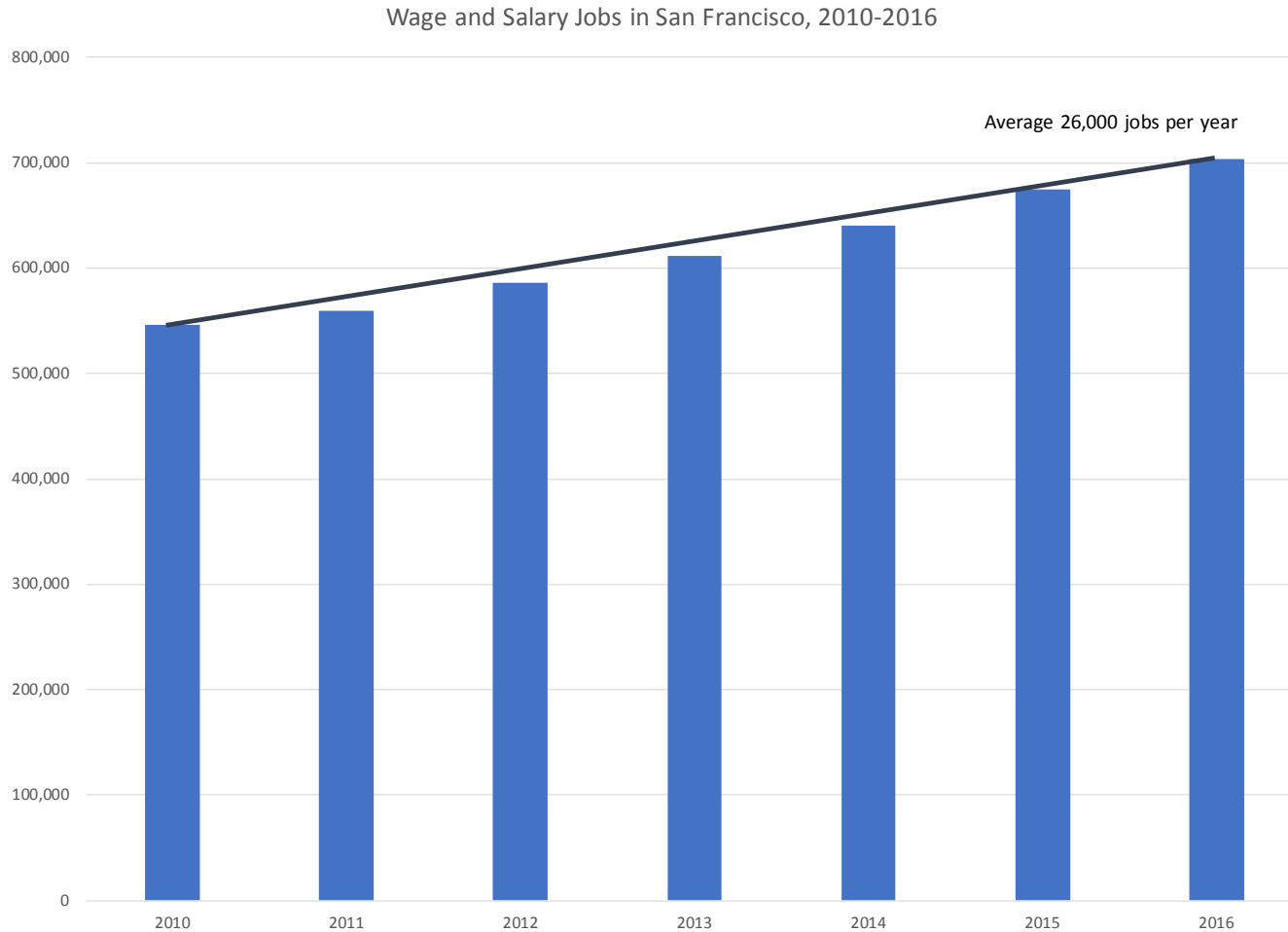
Chief Economist, Controller's Office

June 14<sup>th</sup>, 2017

# San Francisco's Seasonally-Adjusted Unemployment is Now Below 3%, As Low as It Has Been Since 1999

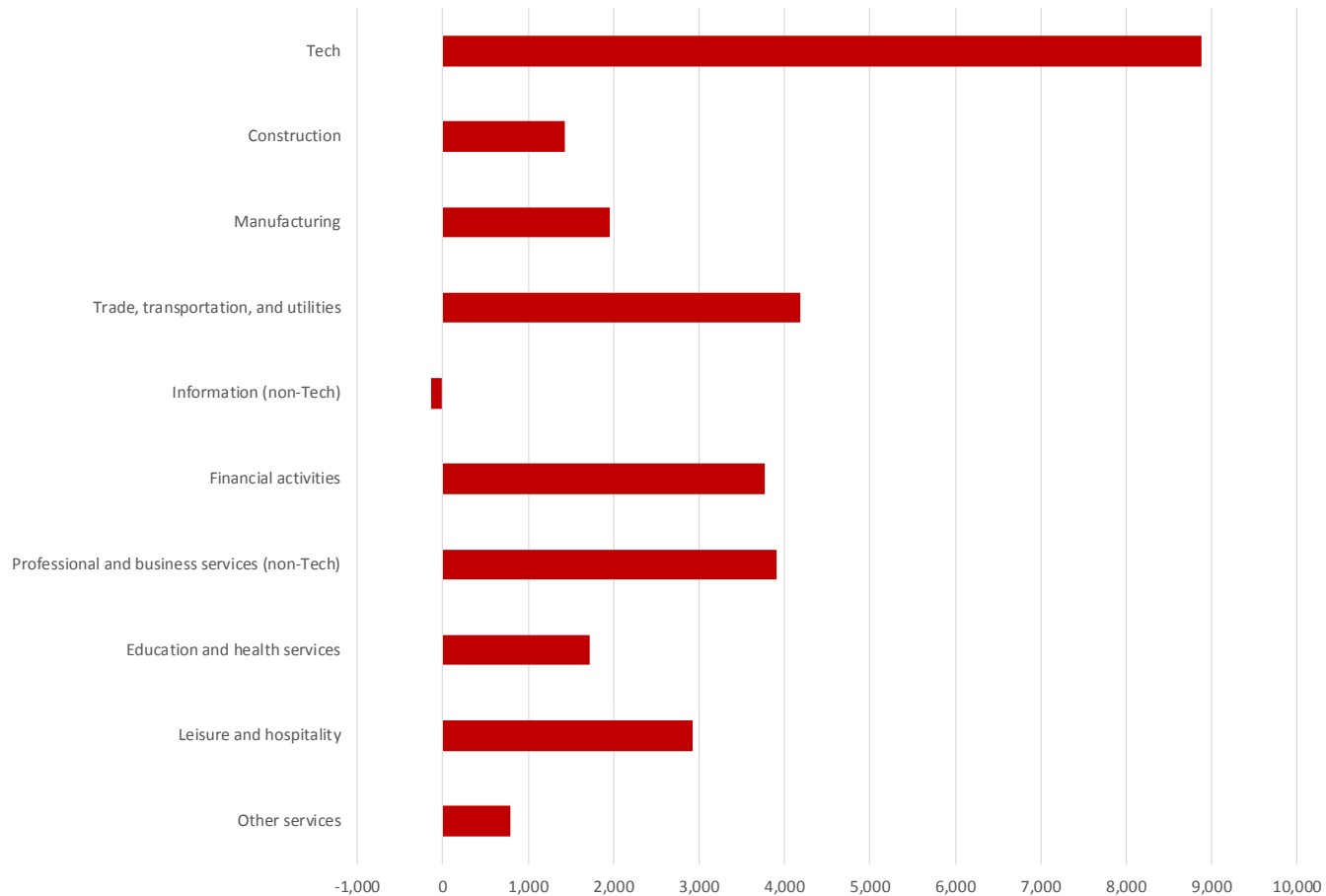


# In 2016, San Francisco's Job Growth Continued its Torrid Pace of Job Growth



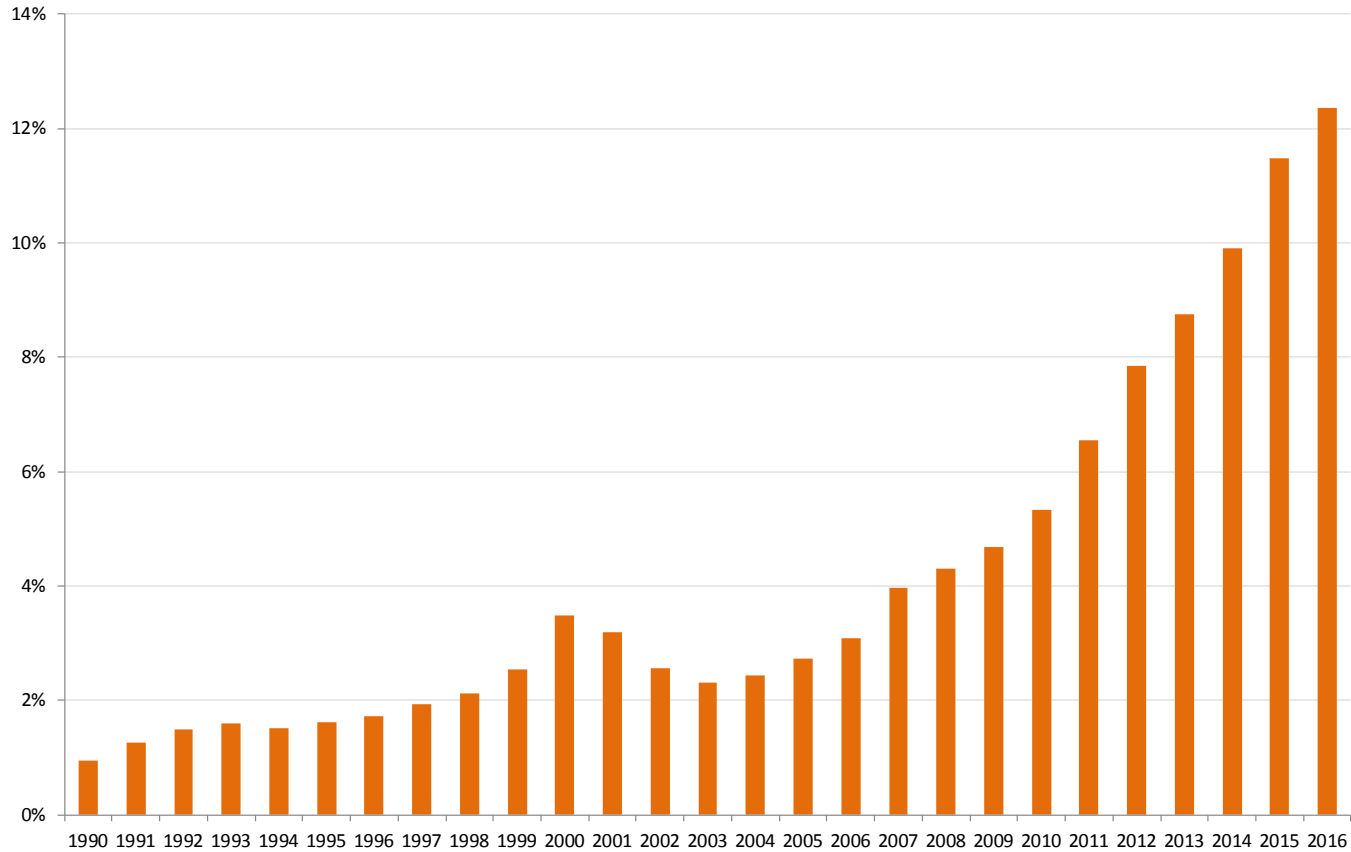
# In 2016, Nearly Every Sector of the City's Economy Continued to Add Jobs

San Francisco Employment Change by Industry, 2015 to 2016



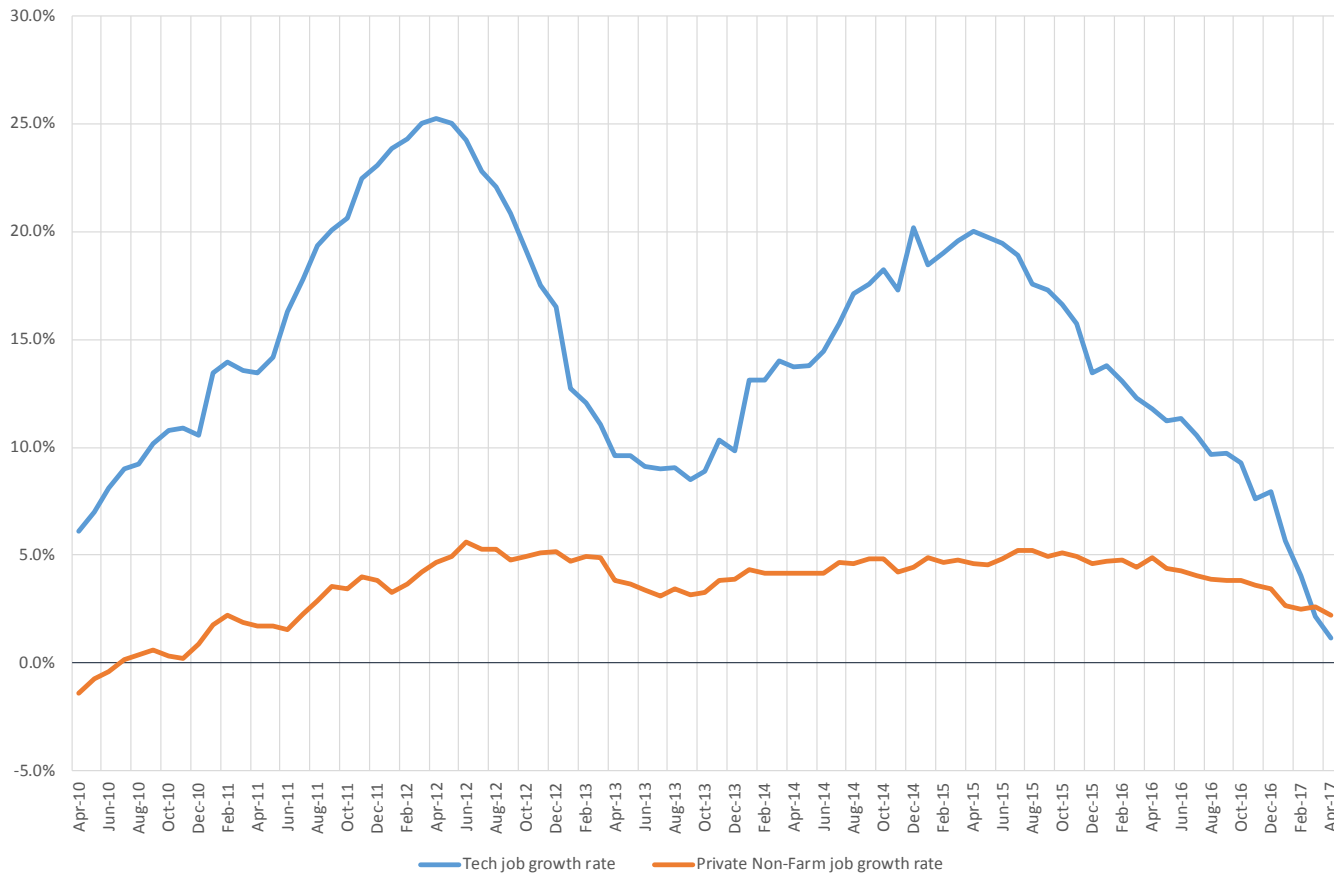
# Tech's Growing Importance in San Francisco's Labor Market

Technology Industry Share of Private Sector  
Payroll and Employment in San Francisco, 1990-2016

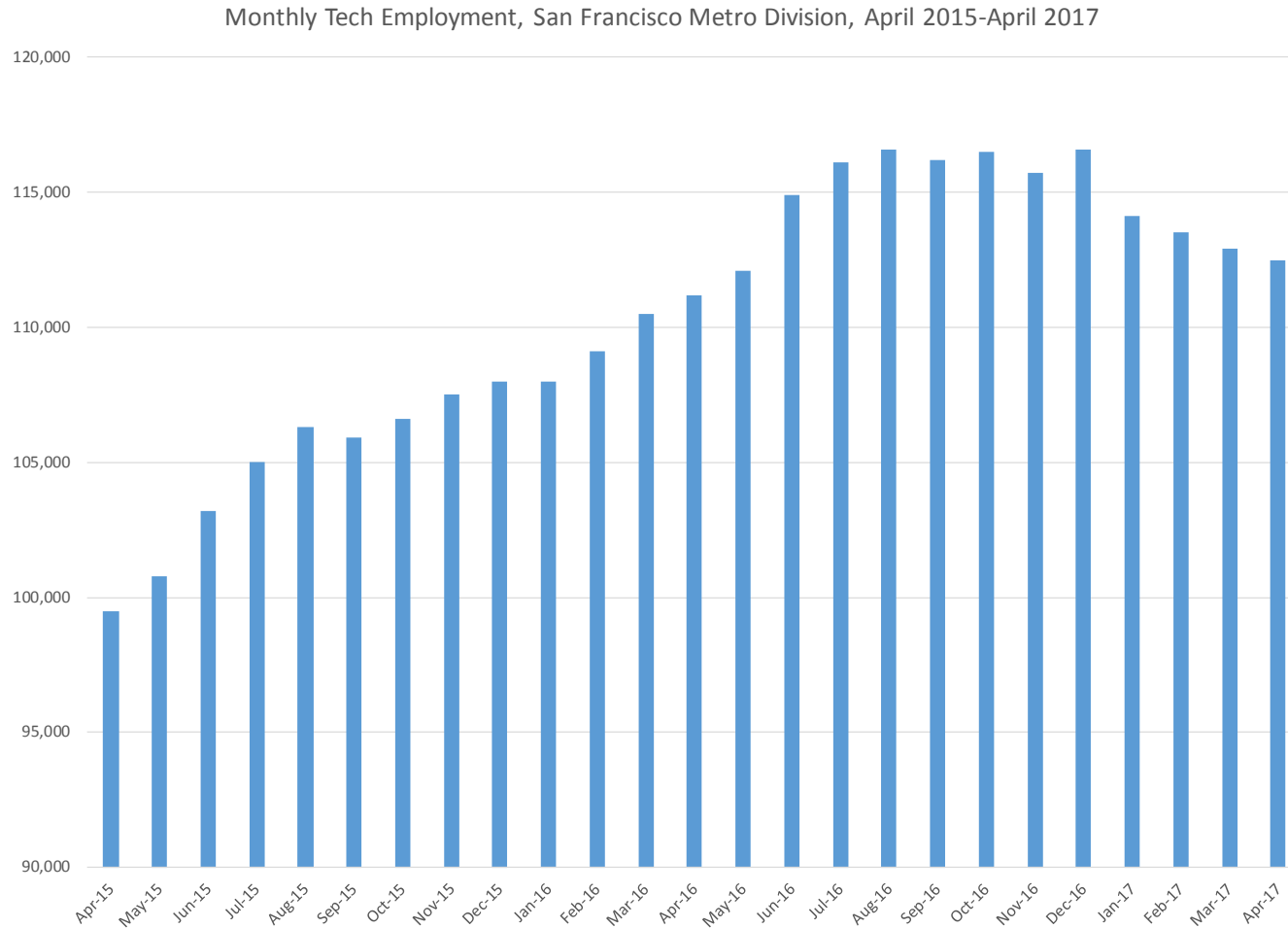


# Monthly Growth Rate Data Shows a Notable Slowdown in Tech, and Total, Employment in the San Francisco-San Mateo Metro Division

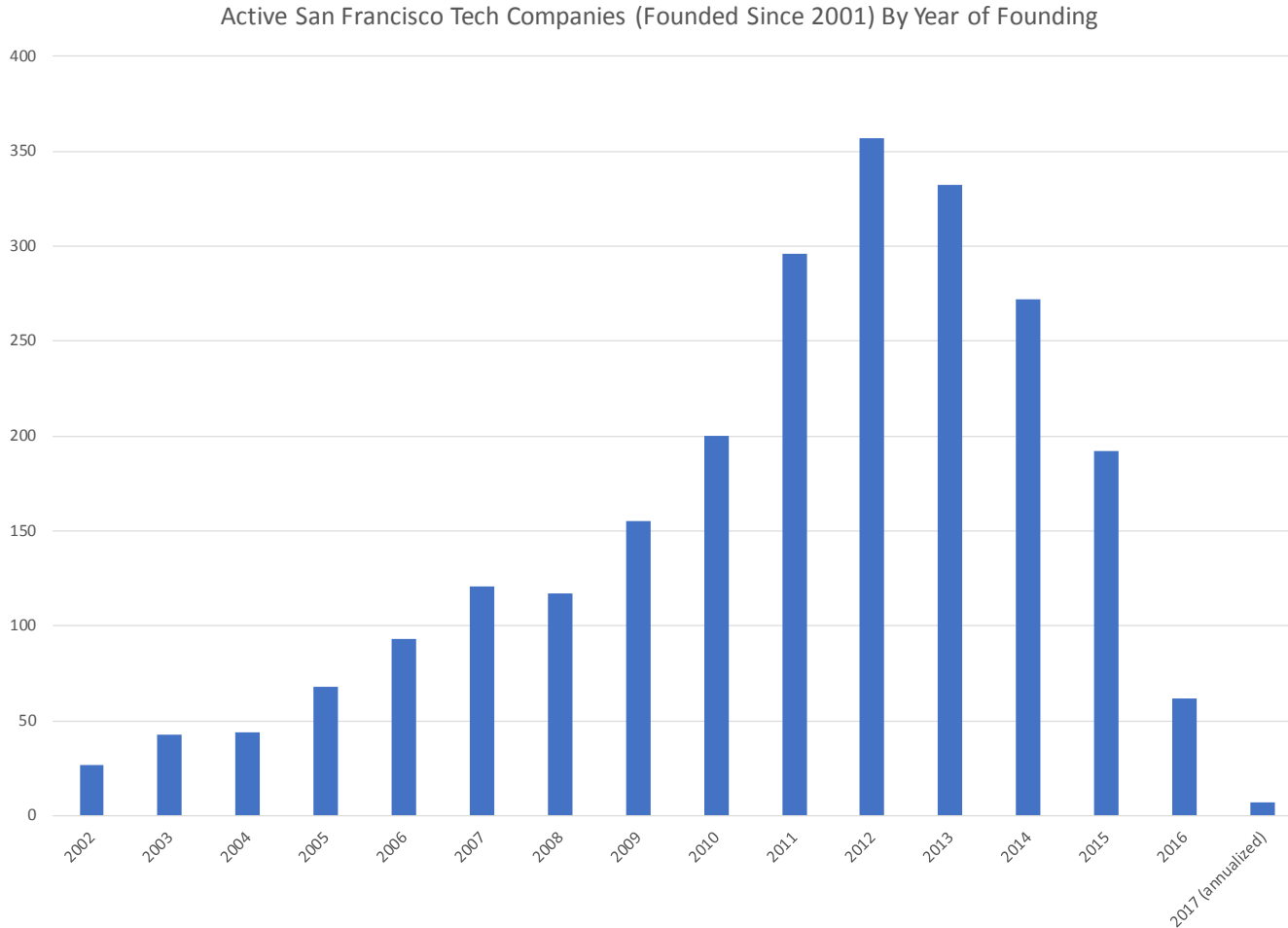
Annual Growth Rate, Tech and Total Employment,  
San Francisco Metro Division, April 2010-April 2017



# Tech Employment in the Metro Division is Now 5,000 Below Last Year's Peak



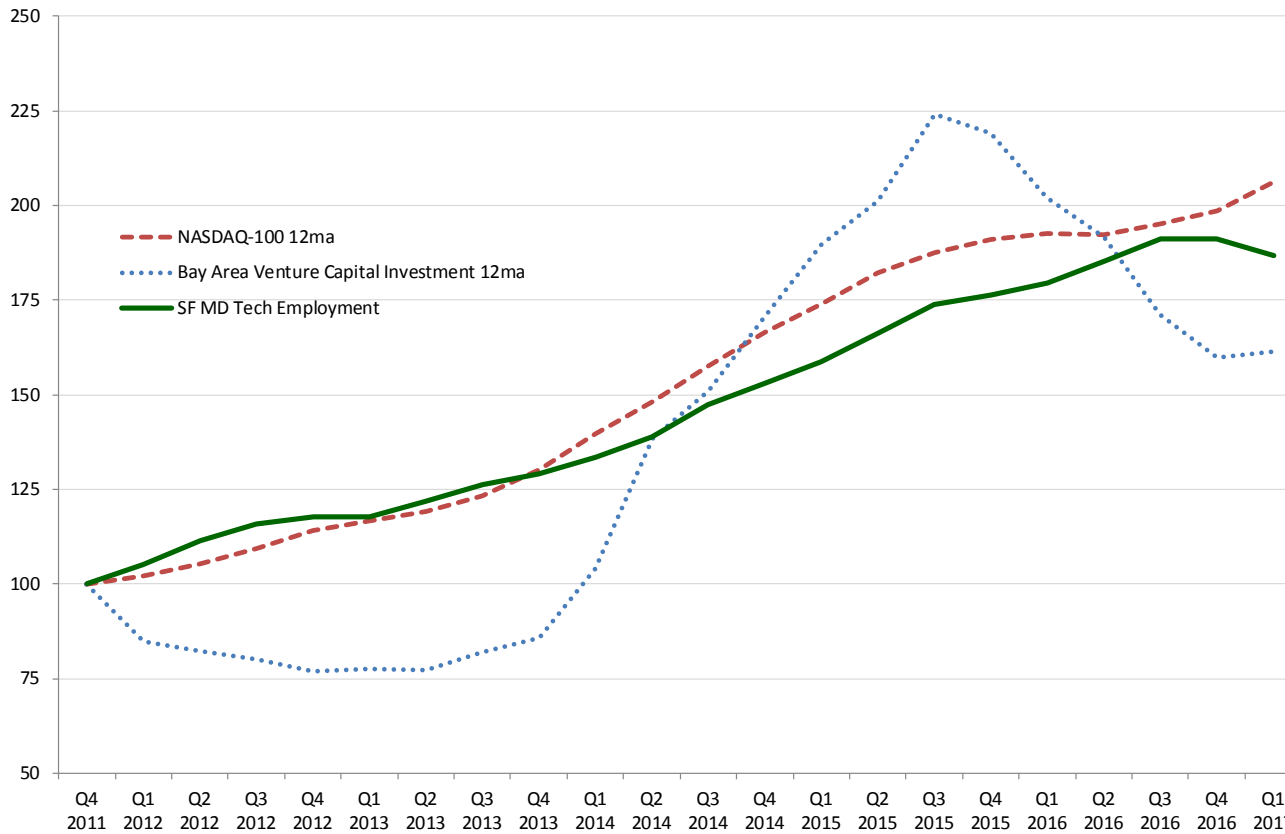
# Tech Startup Activity Has Been Slowing Since 2013





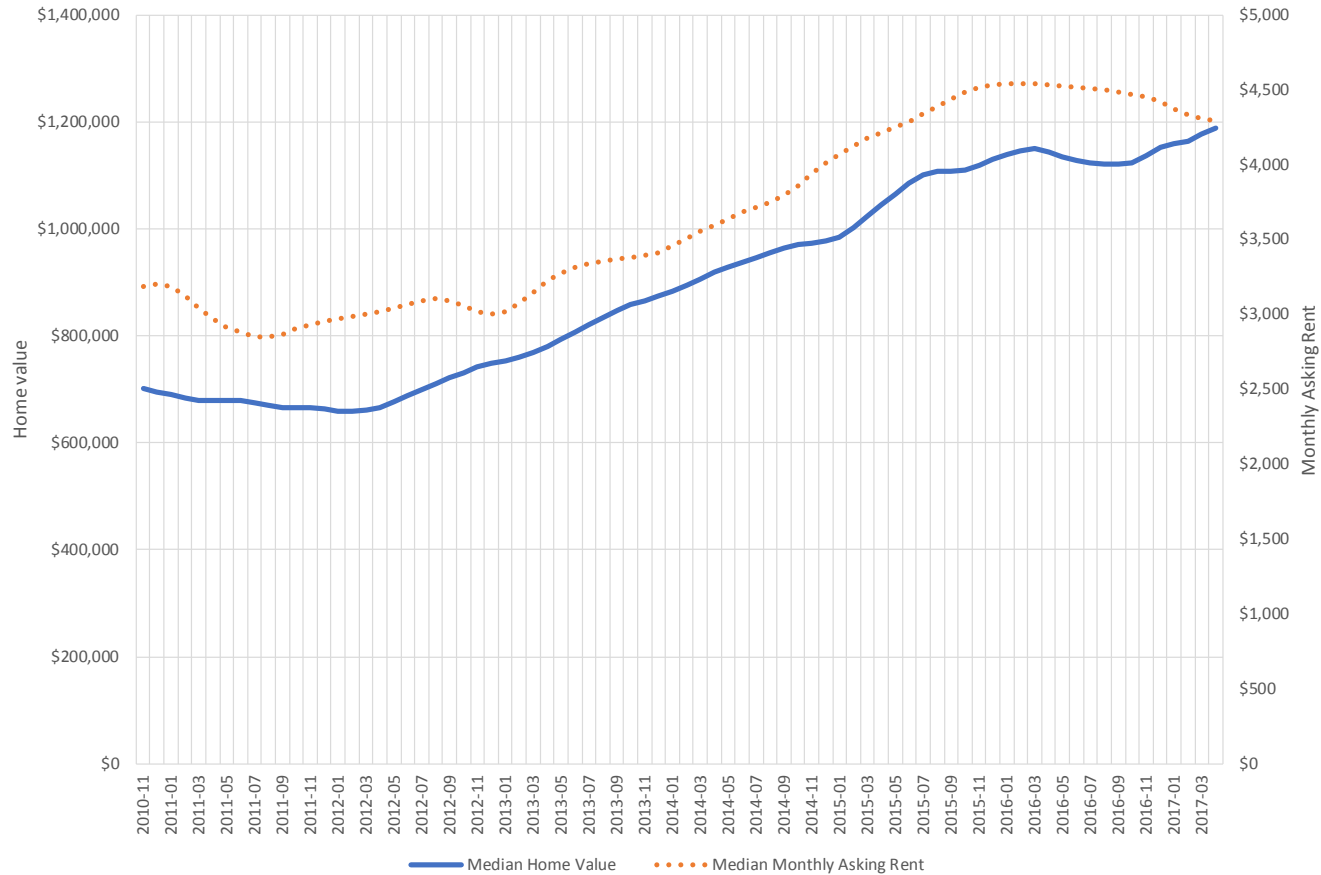
# NASDAQ and Venture Capital Usually Move Together and Affect Our Tech Employment – But Now Moving in Different Directions

Trends in the NASDAQ-100, Bay Area Venture Capital Investment, and San Francisco Metro Division Tech Employment, 2011-17



# Trends in Housing Prices and Rents

Median Housing Value, and Median Asking Rent, in San Francisco:  
November 2010 - April 2017



# Conclusions

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- Through 2016, San Francisco has continued its unprecedented period of strong employment growth, and unemployment well below “full employment”.
- The technology industry has undoubtedly been the primary driver of growth in the city during the decade, and, despite slowing growth, has continued to lead growth through the end of last year.
- The slowdown in technology industry employment has been relatively rapid, though not as rapid as the decline in 2001 and 2002, and actual employment losses in the industry have been modest to date.
- Additionally, the generally strong macro-economic environment, including renewed strength in the stock market, is probably tied to the slight recovery in venture capital investment in 2017. We should not assume a sudden downturn is imminent.
- Nevertheless, given tech’s disproportionate role in the city’s economic story this decade, any prolonged slowdown is likely to have significant effects on the broader local economy.