

The Bay Area Economy

UCLA Forecast Seminar

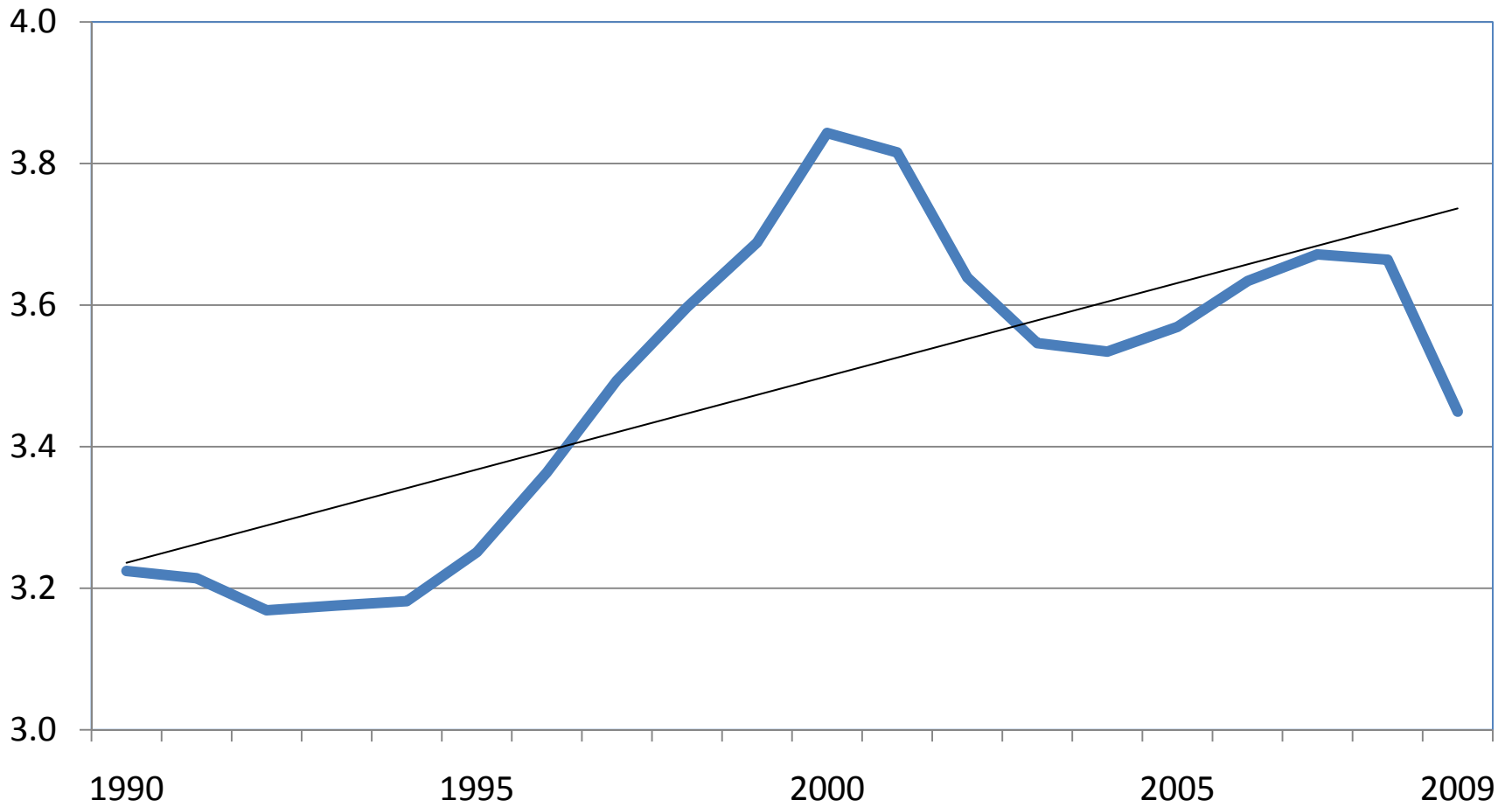
Stephen Levy, Director CCSCE

September 14, 2010

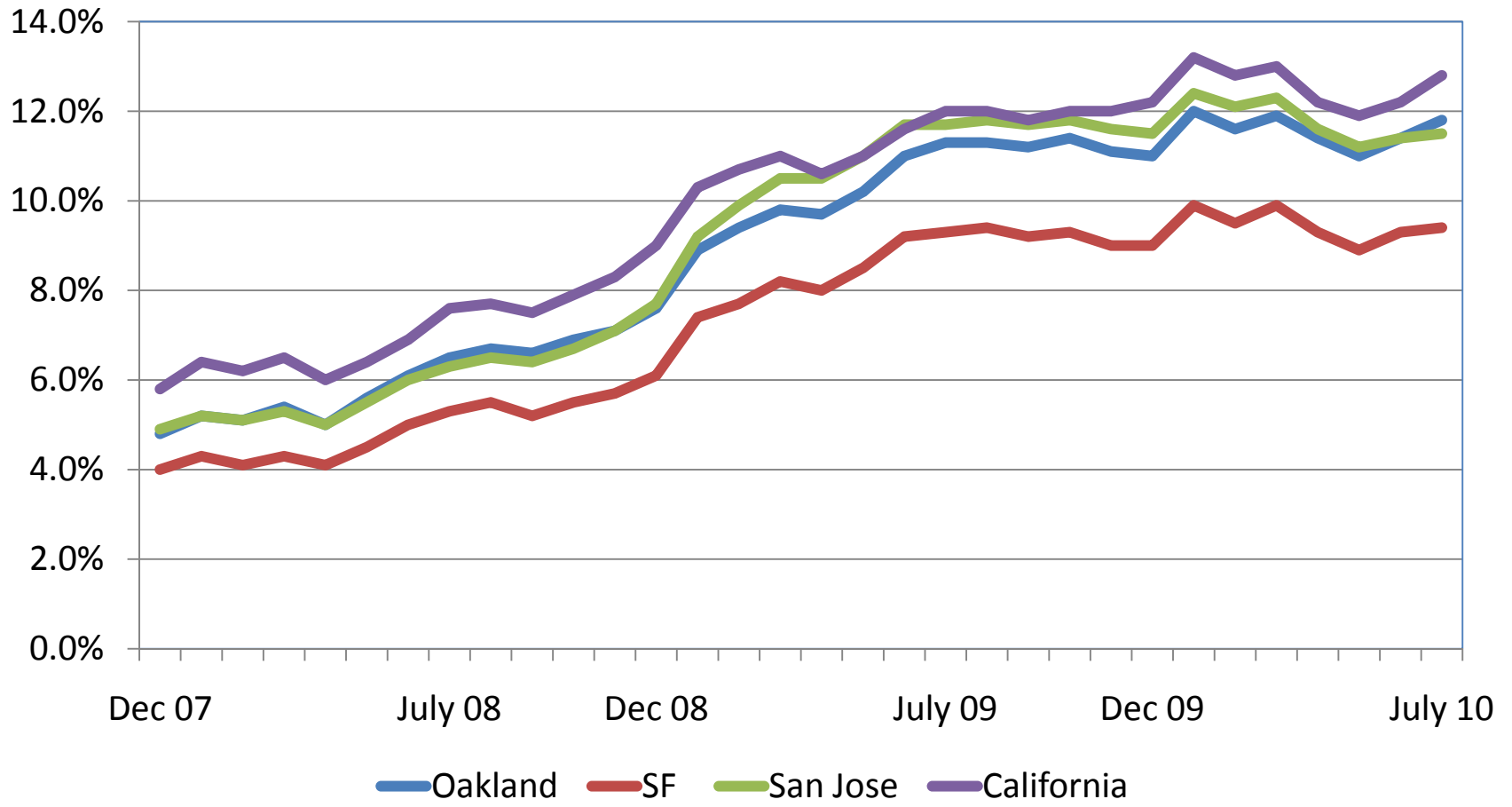
Summary

- Not immune from recession
- VC Funding Critical to Short and Long-term Growth
- Resilient housing market so far
- National, state and regional challenges face the Bay Area economy

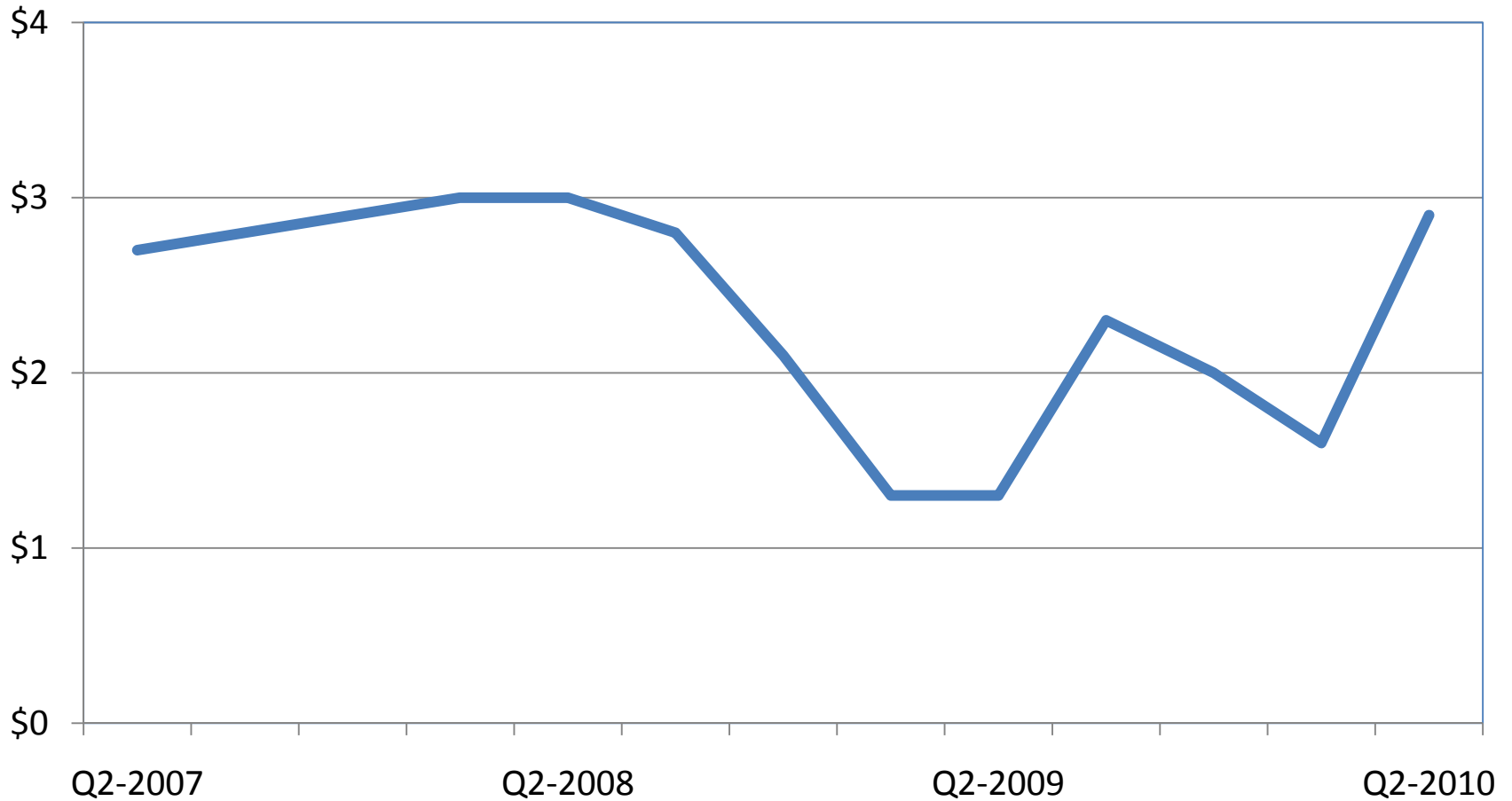
Bay Area Jobs (Millions)



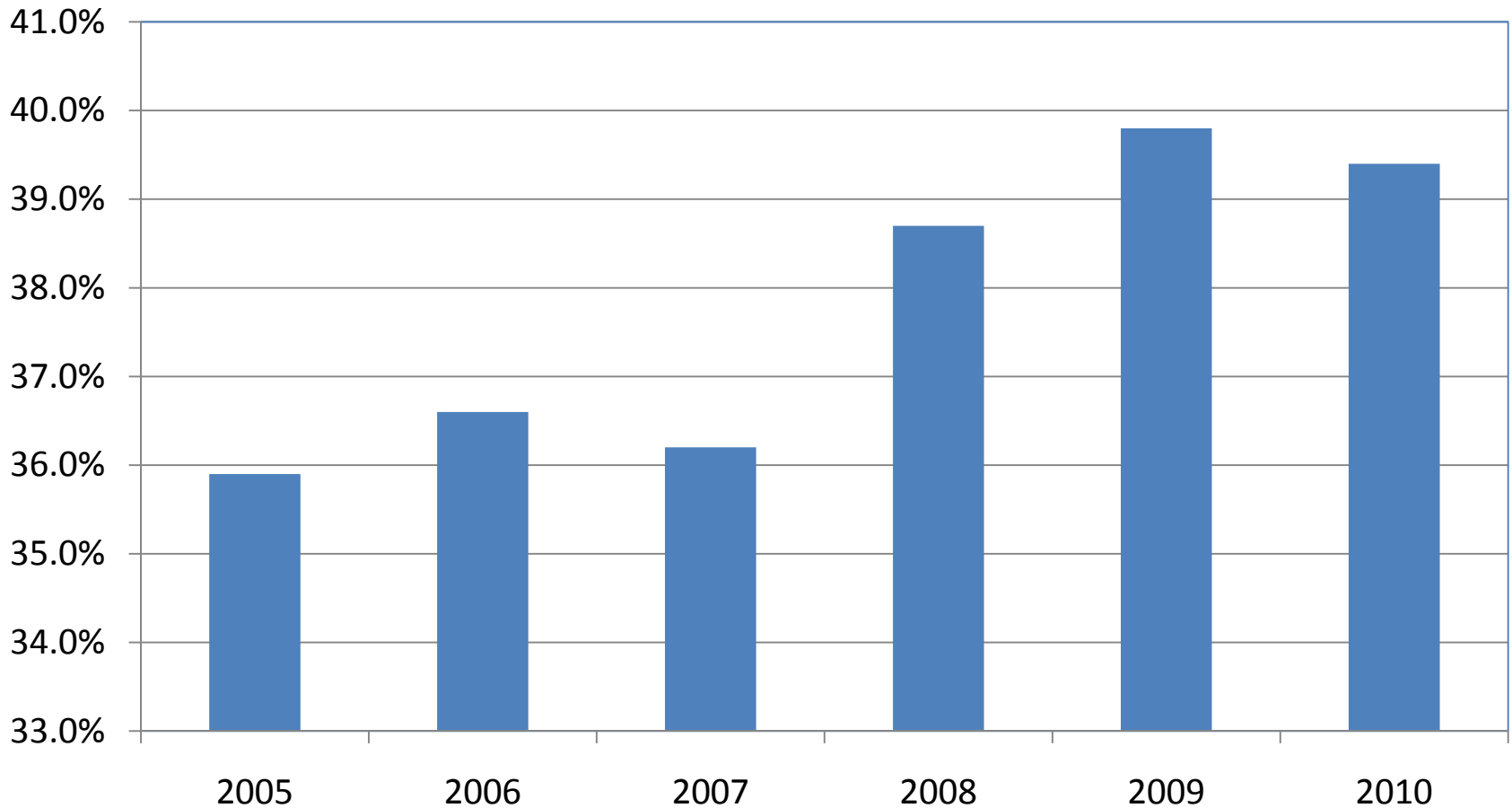
Unemployment Rates



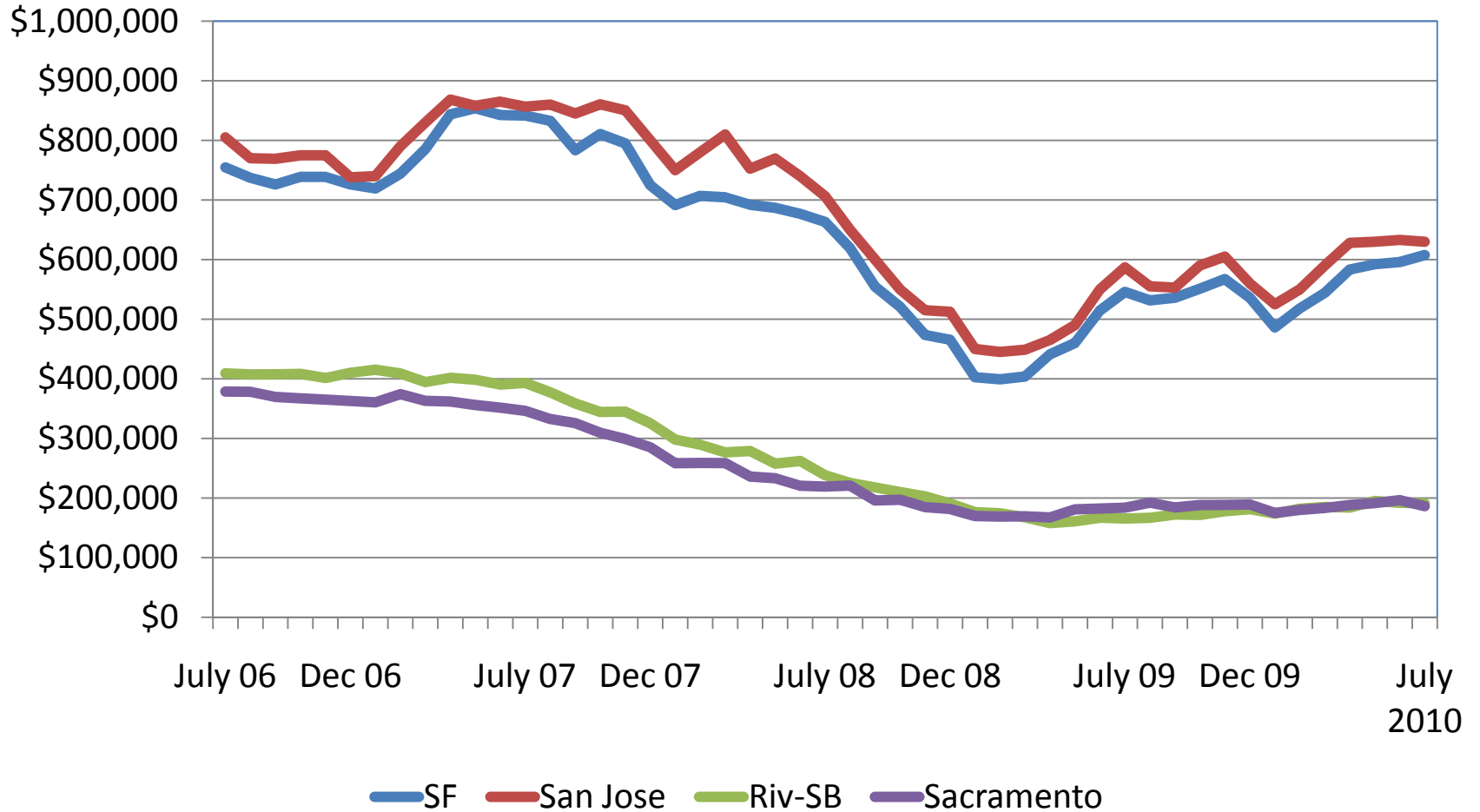
Bay Area VC Funding (Millions)



Bay Area Share of U.S. VC Funding



Median Resale Housing Prices



Challenges

- Bay Area economic growth is tied to the nation's economic fate
- Leading business groups (Bay Area Council and Silicon Valley Leadership Group) fear Prop 23 will harm the regional economy
- The Bay Area economy longer term is tied to overcoming state policy gridlock—CA is getting a reputation as “the state that can't or won't” — sending a “stay away” signal to entrepreneurs and families