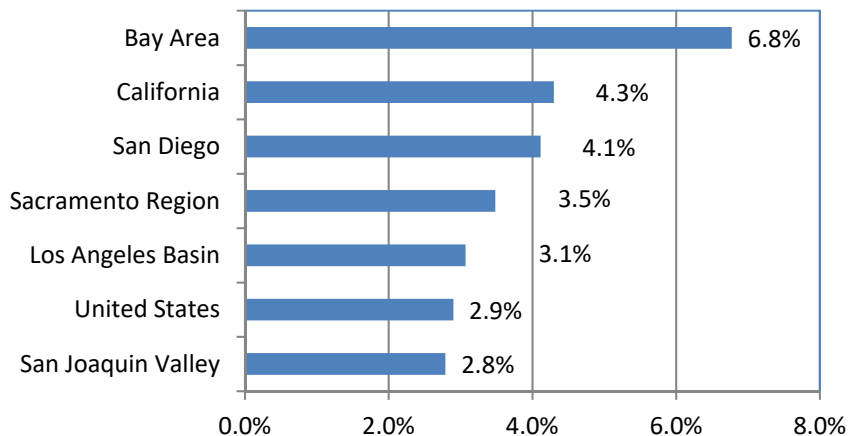


January 2020

The Bay Area Leads the State GDP and Income Growth in 2018

The Bay Area led California and the nation with a real (inflation adjusted) GDP gain of 6.8% in 2018, more than twice as fast as the national growth rate. California posted a 4.3% increase and all regions except the San Joaquin Valley (which was close) outpaced the national gain. Per capita income gains also outpaced the state and nation. Both sets of data are published by the Bureau of Economic Analysis (BEA) in the U.S. Department of Commerce.

Real GDP Growth in 2018



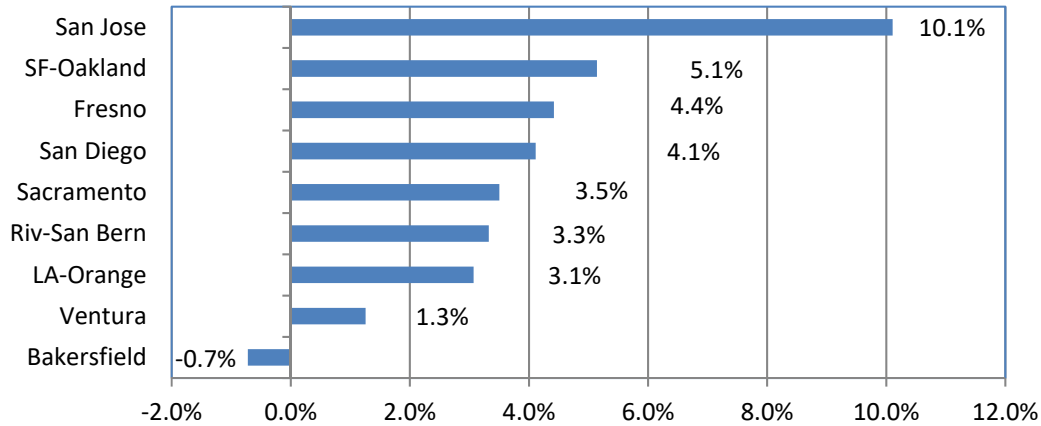
San Jose led all metro areas in California with a real GDP increase of 10.1% in 2018 led by gains in tech related sectors. The San Francisco-Oakland metro area was 2nd at 5.1% with gains in tech and finance.

2018 saw areas outside of the Bay Area with strong gains as these areas are now fully participating in the state's growth. Fresno GDP grew by 4.4% followed by San Diego County's 4.1% growth. Next with gains of 3.5%, 3.3% and 3.1% were the Sacramento, Riverside-San Bernardino and LA-Orange metro areas.

The Bakersfield metro lagged as the oil cutbacks restrained growth. The Ventura metro area was the only other metro area trailing the nation as job growth slowed during 2018.

The first half of 2019 brought slower GDP growth to the state and that should be reflected in lower metro area growth when those data become available.

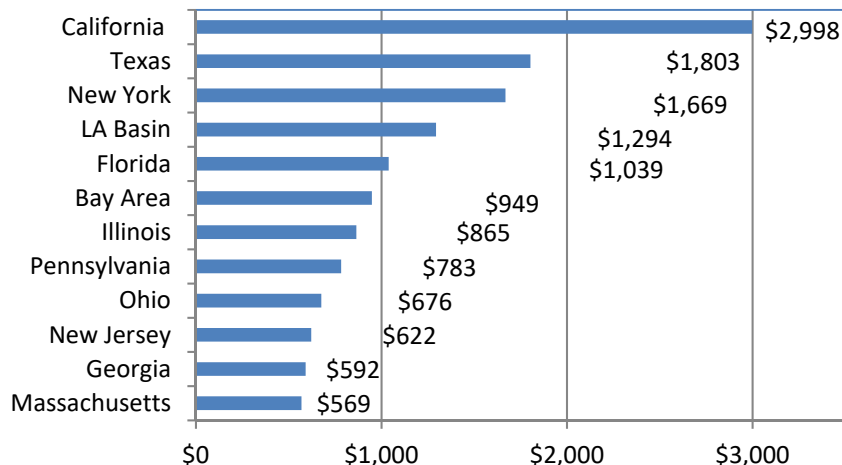
GDP Growth in Major Metropolitan Areas in California in 2018



The LA Basin and Bay Area rank high in comparison to most states.

The five county LA Basin economy ranks behind only California, Texas and New York in 2018 with a \$1.3 trillion dollar economy. The nine county Bay Area economy would rank 5th among all states with a \$949 billion dollar economy measured by the value of goods and services produced in each area.

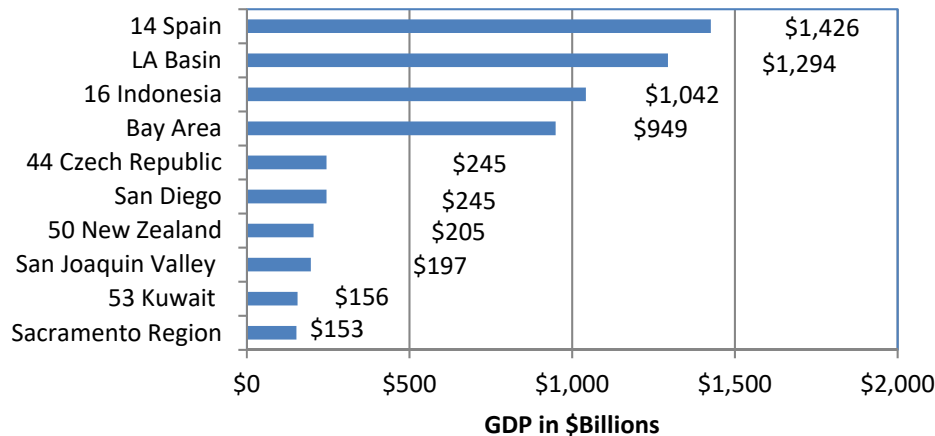
LA Basin and Bay Area Among Top Ten States (2018 GDP \$ Billions)



Where do California Regions Rank Worldwide?

The LA Basin economy would rank 15th in terms of the output of goods and services behind Spain and ahead of Mexico. The Bay Area would rank 17th (up from 18th two years ago) behind Indonesia and ahead of the Netherlands. San Diego County would rank 45th behind the Czech Republic and ahead of Vietnam. The eight county San Joaquin Valley would rank 51st behind New Zealand and ahead of Qatar. And the six county Sacramento region would rank 54th behind Kuwait and ahead of Morocco. California and the regions were not counted as countries in these rankings.

California Regional Economies Ranking in the World 2018 (\$Billions)



Per Capita Income in 2018

Ten Highest California Counties for Per Capita Income in 2018

Marin	\$134,275
San Francisco	\$130,696
San Mateo	\$126,392
Santa Clara	\$107,877
Contra Costa	\$82,506
Alameda	\$76,644
Napa	\$74,984
Alpine	\$73,307
Santa Cruz	\$69,355
Orange	\$69,268
California	\$63,557
United States	\$54,446

These estimates from BEA use a definition of income that goes beyond money income to include imputed rent for home owners and employer paid benefits like health insurance.

The top seven counties are in the Bay and number nine Santa Cruz County is adjacent to the Bay Area. The Bay Area strength is the result of large number of high paying tech jobs. Note that these estimates are for average per capita income, which is influenced by high paying jobs as opposed to median incomes, where half of residents are above and half below the median.

California's per capita income in 2018 (\$63,557) is 16.7% above the national average.

The ten lowest counties for per capita income in 2018 are shown below. Five (Kings, Merced, Kern, Madera and Tulare) counties are in the San Joaquin Valley. Two (Riverside and San Bernardino) are in the inland portion of the southern California region. And there are three smaller counties (Imperial, Del Norte and Lassen). All of these counties have per capita incomes well below the state and national average.

Ten Lowest Counties for Per Capita Income in 2018

Kings	\$35,306
Imperial	\$36,974
Del Norte	\$37,268
Lassen	\$37,844
Merced	\$38,519
Kern	\$39,703
Madera	\$39,897
San Bernardino	\$40,316
Tulare	\$40,420
Riverside	\$40,637
California	\$63,557
United States	\$54,446

Eight of the ten fastest growing counties for per capita income growth for 2015-2018 were in the Bay Area and one, San Benito, was adjacent. The other top ten county was Mariposa. All of these counties grew fast than the nation. It is also true that per capita income in California grew slightly more slowly (14.0%) compared to the nation (14.4%) for these years.

Fastest Per Capita Income Growth in California
2015-2018

Santa Clara	25.2%
San Mateo	23.2%
San Francisco	21.0%
Alameda	20.0%
Contra Costa	19.1%
Mariposa	17.7%
Marin	17.2%
Napa	17.2%
San Benito	16.4%
Sonoma	16.2%
California	14.0%
United States	14.4%

California had several counties where per capita income grew at half or less of the national growth rate. Three (Kern, Merced and Stanislaus) are in the San Joaquin Valley, two (Yolo and Yuba) in the Sacramento region, Imperial an four smaller non metro area counties,

Slowest Per Capita Income Growth in California
2015-2018

Imperial	4.2%
Colusa	4.3%
Kern	4.4%
Alpine	4.4%
Modoc	4.5%
Merced	6.9%
Amador	7.0%
Yolo	7.2%
Yuba	7.2%
Del Norte	7.2%
Stanislaus	7.6%
California	14.0%
United States	14.4%

Comments

State leaders are calling attention to the wide disparities in income and other measures of economic health among different regions in California. This has led to an initiative called Regions Rise Together <https://cafwd.org/reporting/c-new/regions-rise-together>. The income and GDP data above confirm that there are wide income disparities within California.

It is also true that the high and rising costs of housing in recent years have increased the economic pressure on many residents even in regions with strong job and income growth.

Notes

The estimates presented above are based on 2018 advance metropolitan area estimates published by BEA in December 2019.

GDP is referred to as output or the output of goods and services in the text. GDP is used instead of GSP (gross state product) although the meanings are similar).

The LA Basin includes Los Angeles, Orange, Riverside, San Bernardino and Ventura counties. The Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Solano and Sonoma counties. The San Diego region includes San Diego County. The San Joaquin Valley region includes Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare counties, The Sacramento region includes El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties.