Metro Economic Outlook: San Francisco

Health care and tourism are the big contributors to the San Francisco area’s economy, and the city is also making a concerted effort to build a modern manufacturing sector that would complement those industries.

Some of the new manufacturers include producers of textiles and food products, and entities that “bridge the gap” between traditional industry and high tech, said Laurel Arvanitidis, director of business development for the San Francisco Office of Economic and Workforce Development. Since 2011, San Francisco has added 1,200 manufacturing jobs, and 19 new companies set up shop in 2014, she said.

“We are really committed to our manufacturing industry and helping it grow,” she said. “The sector is now really based on our creativity.”

Tech giants such as Google, Yahoo and LinkedIn – all headquartered nearby in Silicon Valley – have conducted expansions recently in the San Francisco metro area. One of the city’s homegrown tech companies, Salesforce.com, added 1,000 local jobs in 2014, and ride-sharing service Uber is in the midst of building a new, 422,000-square-foot headquarters in the Mission Bay neighborhood.

The San Francisco metro region spans nine counties in Northern California. With job creation steady, city officials have set their sights on creating more places for workers to live, led by a plan to build 30,000 new housing units in the city by 2020. One-third of those units would be permanently designated as affordable for low-income residents, and more than half of the new units will be priced for middle-income residents.

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**SAN FRANCISCO METRO: VITAL STATS**

- **Total working age population:** 2,864,582 out of a total population of 4,516,276
- **Number of households:** 1,654,554
- **Consumer price index:** 259.117 (goods and services that cost $100 in 1982-1984 cost $259.12 in June 2015)
- **Percentage of local residents with bachelor’s degrees:** 27.0
- **With graduate or professional degrees:** 18.2
- **Student concentration:** 86 college students per 1,000 residents

Some of the Fortune 500 members based in the San Francisco region include Pacific Gas & Electric, Gap Inc. and Charles Schwab.

In San Francisco alone, the city’s fast-growing technology sector is home to more than 2,200 companies that employ more than 58,000 workers. And one particular program has aimed to help fill the payrolls at those tech interests.

The TechSF Training Academy opened in October 2012 and provides training in mobile applications development, IT support and other fields of study. As of the spring of 2015, the academy has served trained and placed more than 500 residents in jobs and internships, Arvanitidis said.

Other training academies focus on health care, hospitality and construction, and all are operated by the city and made possible through state and federal grants. The hospitality initiative, for example, placed 330 residents in jobs in 2014, and the health care program recently graduated 168 students, Arvanitidis said.

Youth employment has also been targeted by San Francisco officials. A successful summer jobs program was recently converted to a year-round effort called Youth Jobs Plus. In 2014, 7,000 residents between the ages of 16 and 24 were placed into jobs.

“It’s no longer just about serving kids on break from college,” Arvanitidis said. “Youth unemployment is a huge problem not only here, but for all of California and the United States.”

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**Labor force makeup**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number in thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>94.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>122.3</td>
</tr>
<tr>
<td>Trade, transportation and utilities</td>
<td>357.7</td>
</tr>
<tr>
<td>Information</td>
<td>79.6</td>
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<tr>
<td>Financial activities</td>
<td>128.1</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>457.1</td>
</tr>
<tr>
<td>Education and health services</td>
<td>324.3</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>246.7</td>
</tr>
<tr>
<td>Other services</td>
<td>83.4</td>
</tr>
<tr>
<td>Government</td>
<td>304.2</td>
</tr>
<tr>
<td><strong>Total nonfarm</strong></td>
<td><strong>2205</strong></td>
</tr>
</tbody>
</table>


**Working age categories**

- 280,677, 10%: 25 to 34
- 698,187, 24%: 35 to 44
- 652,822, 23%: 45 to 54
- 664,912, 23%: 55 to 59
- 698,187, 24%: 60 to 64
- 300,769, 11%: 60 to 64
- 267,215, 9%: 60 to 64

Source: U.S. Census Bureau (2013)
Employers in the San Francisco metro area are somewhat less likely to offer consumer-driven health plans compared with the national level, by a 9 percent margin.

They are considerably more likely to offer domestic partner benefits, by a 39 percent margin above the national level.

The San Francisco metro area’s workforce has a slightly lower rate of 401(k) participation compared with the national level, by a margin of 4 percent.
The turnover rate in the San Francisco metro area’s workforce is somewhat lower than the national level, by a 6 percent margin.

Median household income in the San Francisco metro area is much higher than the national level, by more than $27,000 annually.

Per capita income in the San Francisco area is also much higher than the national level, by more than $14,000 annually.
Median salaries for top management positions in the San Francisco metro area are typically on par with or higher than national levels.

* California state median data

Source: Towers Watson Data Services 2014 Survey Report on Top Management Compensation

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