



OAKLAND
CHAMBER *of* COMMERCE

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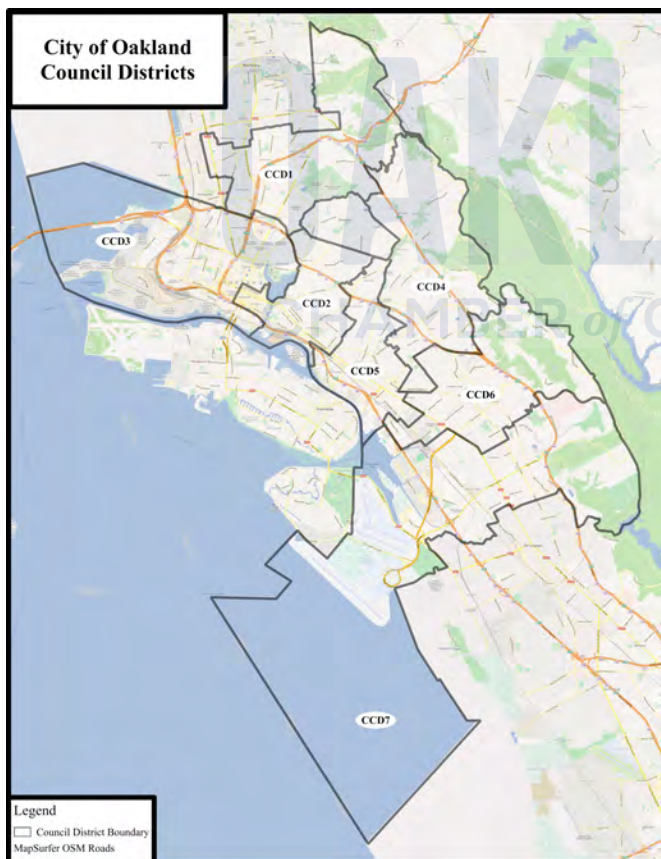
INTRODUCTION

The Oakland Metropolitan Chamber of Commerce commissioned Beacon Economics to compile a report that would facilitate focused dialogue about economic conditions in the City of Oakland and the East Bay region that would present information on underlying trends in each of its seven City Council districts.

The goal of this, the fifth annual Oakland City Council Districts Report, is to provide economic and demographic indicators for the City of Oakland and the disparate areas within the City. This analysis is also intended to track progress, identify potential regional challenges, and provide context for the economic and policy decisions that will shape the future of the City.

As an introduction to its analysis of the City of Oakland, the report presents a broad summary of economic conditions at the national, state, and regional levels. It concludes with a specific analysis of Oakland's current economy as well as each of Oakland's seven City Council districts.

DATA SUMMARY



District Boundaries - The data contained in this report is based on the City Council boundaries as laid out in the City of Oakland's City Council boundary geospatial data file.

Employment - Drawn from the U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW, formerly the ES-202), this database provides the number of employers, employees, and payrolls for every establishment in the City for every month of the year. This data, provided by the Labor Market Information Division of the California Employment Development Department, was entered into geographic information system software to determine the appropriate council district. It was then aggregated into the non-confidential format seen throughout this report. County employment changes were drawn from the Bureau of Labor Statistics' employment by industry report for comparisons. The data cover the calendar years 2008 through 2017.

Demographics - The American Community Survey (ACS) from the U.S. Census Bureau provides demographic, housing, and labor force statistics by place of residency. The data for each City Council District are grouped by census tract and are only available in the five-year version of the survey. To use the data provided by the one-year version of the ACS, Beacon Economics developed a process by which the City of Oakland census tracts were grouped

with the associated Public Use Microdata Areas (PUMAs) used in the one-year survey. This process created a share of the total PUMA population in each census tract broken down by several characteristics. This share was then applied to the relevant data used to estimate the demographic characteristics contained in this report. This allowed Beacon Economics to break down the most recent ACS data in a way that represents the City Council Districts in the City of Oakland more accurately than would otherwise be possible. The data cover the calendar years 2015 and 2017.

Sales Tax Revenues - Obtained from HdL Companies, sales tax receipts are a dollar count of revenues from sales tax in each City Council District. The data cover Q1-2009 through Q3-2018.

Building Permits - The City of Oakland Bureau of Building keeps a database of all commercial and residential building permits granted within the City. For the purposes of this report, mix-use development projects have been categorized as residential.

EXECUTIVE SUMMARY

The U.S economy has experienced roughly 2.9% growth for 2018, mirroring the strong performance seen a year prior. Aside from the Federal budget deficit, most of the economic indicators show positive growth. Job growth across the nation has been steady, and the unemployment rate remains low.

California continued to prosper throughout 2018, despite the issue of a tightening labor market and the short supply of housing. Increases in employment and wages however helped further expand the Californian economy. As of October of 2018, California managed to add 308,700 jobs (year-over-year), the second largest of any state in the country. California is expected to see steady economic trends over the next two years.

The East Bay economy has been enjoying the lowest unemployment rate in years, thanks to increases in employment within Logistics, Technical and Goods Producing industries. Furthermore, the commercial real estate market has become a key point of development in the region, fueled by increased demand as an alternative to the high cost neighboring areas.

The City of Oakland has expanded at a moderate pace over the course of 2017, thanks to the 3,300 added jobs that came from various industries such as Health Care (+5.0%), Leisure & Hospitality (+4.3%), and Professional services (+1.7%). Annual average wages have gone up by 4.5%, which contributed to a 3.6% increase in taxable sales for the City of Oakland.

Tourism has seen a recent surge in the City of Oakland, with the number of visitors and total spending from tourists going up over recent years. This has been a positive force for the City, with increased employment and taxable sales as a result.

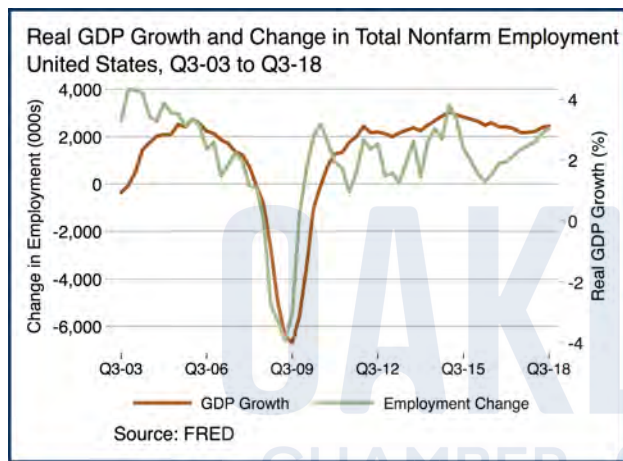
Altogether, the City of Oakland's economy continues to show stable economic performance. The biggest issue that the City faces is supplying more housing to match demand and alleviate the ever-increasing prices.

UNITED STATES OUTLOOK

Why So Glum?

The 2018 midterm election is finally behind us, and proved to be just as dramatic as would befit today's hyper-charged political environment. Moreover, the final results pretty much assure that the drama coming of Washington DC will not diminish over the next two years of the Trump administration. Indeed, without even taking a breath, it feels as if we are already in the run up to 2020. Will the Democratic takeover continue? Will the Republicans be able to hold the Senate and/or the Presidency? While President Trump's actions in the months ahead will be a major determinant of what happens in 2020, the outcomes will depend even more on where the economy heads over the next two years.

Beacon Economics' outlook for the U.S. economy hasn't changed much over the course of 2018, despite

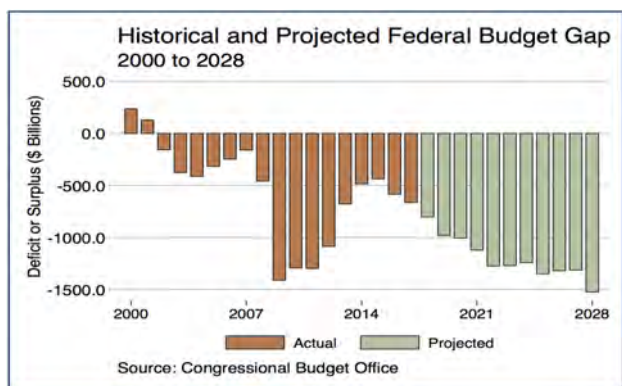


the fact that we are on the edge of the longest economic expansion in the nation's history. Growth has progressed at a steady, sustainable pace since the 2015 commodity bust and mild economic slowdown that occurred that year. Growth in the last quarter of this year is expected to come in at slightly less than 3%, with growth for the entire year reaching 3.2%. This modest jump is being driven by the Tax Cuts and Jobs Act passed by congress at the end of 2017. Outside of the rapidly growing Federal budget deficit, the U.S. economy looks to be well-balanced in terms of the structure of growth with solid fundamentals including private sector debt

levels, consumer savings rates, rising wages, the overall pace of homebuilding, and business investment. Unemployment is low—but job growth remains steady.

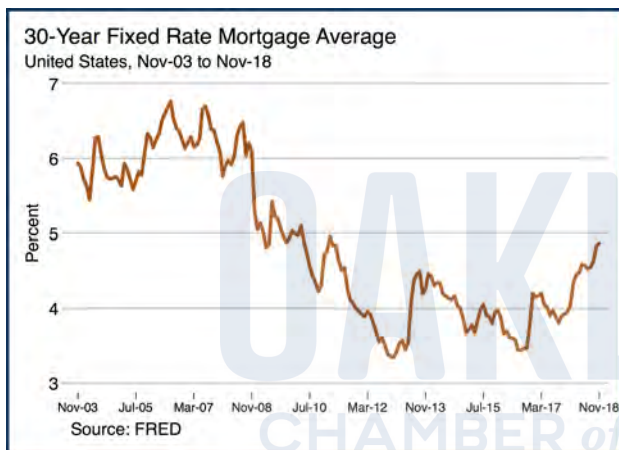
In short, Beacon Economics' forecast remains boringly positive, and yes, that outlook is expected to stay in place though 2020. This isn't optimism. Rather, we don't have any real reason to think otherwise.

The only major short-term worry has been wrapped around the direction of U.S. trade policy, but the worst scenarios have not materialized. Rather than unilaterally pull out of NAFTA as threatened, the United States instead negotiated a new trade agreement with our two neighbors and largest trading partners that, thankfully, looks almost exactly like the old trade agreement. A brewing trade fight with the European Union that began with steel tariffs has also settled down, and there are now discussions about renewing talks and working towards a new trade agreement. It sounds a lot like T-TIP—the EU-U.S. trade negotiations canceled by President Trump in one of his first acts in office—but this one will likely be better.



Yes, the China trade dispute is still brewing. But even a major trade war with China would not be sufficient to end the current economic expansion. The United States exports fairly little to China—only 8% of all the nation’s exports. And what does get shipped out typically doesn’t have a long supply chain. The greater threat comes from the fact that the United States sources 20% of its manufactured imports from China. But the tariff-increased costs to U.S. importers have been largely offset by a 13% depreciation in the Yuan relative to the U.S. dollar. And even as this article is being penned, there are reports, albeit few specifics, of a possible breakthrough in negotiations.

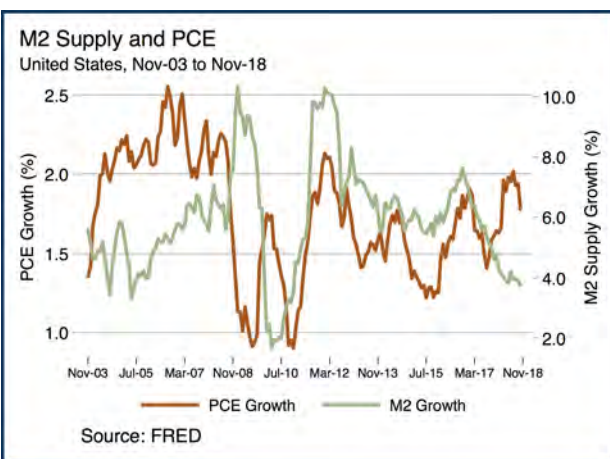
All said, from a technical or data standpoint there is not much change in Beacon Economics’ forecast for the U.S. economy. The framing of the outlook is another story. While little has changed in the actual economy, much of the public discourse surrounding the economy has taken a sharp turn for the worse. This new wave of pessimism has likely been driven by the sell-off in the stock market, slowing home sales, and rising interest rates. Yet, as we see it, these short run trends do not amount to anything that could truly threaten the current expansion.



Consider rising interest rates. Mortgages are now hovering just below 5%, up one percentage point from where they were 2 years ago. But while this is a recent high, it is hardly an historic one. In fact, it is still lower than at any time between 1968 and 2008. Rates are higher but they certainly aren’t high. And it isn’t surprising that rates have drifted up given that the economy has been growing well and there has been a sharp increase in Federal borrowing.

One wrongly assumed reason for rising rates is inflation. After years of inflation tracking below the Fed-targeted pace, price growth finally increased above the 2% mark. This should have made investors more confident as deflation is less of a risk. Instead, it created a panic about the potential for further increases. They need not have worried: the most recent numbers now show inflation back below the 2% range.

Beacon Economics expects inflation to remain weak over the next few years. Oil prices are once again down based on high levels of U.S. output. Money supply growth is also very constrained at the moment. And yes, unemployment sits at an extremely low 3.7%—but if this were going to have an effect, we would already feel inflationary pressures on the economy. Add it up and we don’t see much chance for rates to continue their upward drift. Moreover, the Federal Reserve seems to be taking the hint from the flattening yield curve and have been signaling a gentler future path on short run rates.



The U.S. housing market has slowed as a result in the bump in mortgage rates, which has created considerable consternation. However, there is a big difference between a housing pause and a housing bust. The U.S. housing market is not overpriced, nor has there been much risky lending – or lending in general – occurring. The pace of building has been reasonable, so there is no excess supply to worry about. That the market is responding to changes in interest rates is a good thing. Prices need to adjust to a higher carrying cost; once that happens, the market should get back on track. The slowing pace of sales is part of that process.

As for the stock market sell off, it's quite amazing that the recent dip has created such a wave of concern as it is no less than the sixth major sell off since the Great Recession ended. And this says more about the stock market than the economy. Excessive growth in equity prices followed by excessive sell-offs is the new normal in today's high-speed electronic trading environment. There has also been a lot of good news for corporate America recently. Corporate taxes were cut sharply a year ago and gross profits are growing again after being flat last year.

So, for now, Beacon Economics is forecasting the expansion to continue and, barring some unexpected external impact, does not anticipate any major change in economic growth leading up to the 2020 election ... for better or worse.

CALIFORNIA OUTLOOK

Growth Prospects for 2019

As 2018 progressed it became evident that the California economy would continue to prosper despite the challenge of a tight labor market and concerns about the state's housing situation. Indeed, California's economic performance was remarkably steady in 2018, fueled by expansion in the state's industries, increases in incomes and wages, and in response to Federal tax cuts enacted early in the year. Beacon Economics expects a continuation of these trends in 2019 and possibly into 2020.

As of October, the state is on track to add approximately 337,000 jobs in 2018, slightly less than the 340,000 added in all of 2017. Between February and October 2018, California has consistently added jobs at an average yearly rate of 2.0%, virtually identical to the same period one year ago. The state's unemployment rate has been in

Job Growth Across California Industries

Industry	October 2018	Year-to-Year Change	Growth (%)
Total Nonfarm	17,236,600	308,700	1.8%
Health Care & Social Assistance	2,357,200	63,100	2.8%
Prof., Scientific & Technical Services	1,287,000	52,000	4.2%
Leisure & Hospitality	2,009,500	46,900	2.4%
Administrative Support Waste Services	1,150,000	46,000	4.2%
Government	2,607,000	36,500	1.4%
Construction	858,200	30,000	3.6%
Transportation, Warehousing & Utilities	655,000	21,400	3.4%
Manufacturing-Durable	840,900	13,400	1.6%
Information	544,300	5,800	1.1%
Educational Services	372,800	5,500	1.5%
Real Estate & Rental & Leasing	287,200	3,100	1.1%
Mgmt. of Companies & Enterprises	235,000	1,400	0.6%
Finance & Insurance	548,700	1,000	0.2%
Mining and Logging	22,300	0	0.0%
Retail Trade	1,698,000	-1,500	-0.1%
Wholesale Trade	724,900	-2,000	-0.3%
Other Services	561,600	-4,600	-0.8%

Source: EDD, Analysis by Beacon Economics, LLC

historically low territory for most of the year, dropping to 4.1% in the last two months, marginally higher than the U.S. rate of 3.7%. All in all, the headline numbers look good as we move from 2018 into 2019.

For the month of October, California's 308,700 year-to-year job gain was the second largest among the 50 states. One-fifth of the increase occurred in Health Care (63,100), followed by Professional, Scientific and Technical Services, Leisure and Hospitality, Administrative Services, Government and Construction, and Transportation. These seven industries accounted for 96% of the jobs added in October, and have consistently contributed the lion's share of job gains throughout the year. Over the same period, three industries saw losses totaling 8,000 jobs, small relative to the total, but evidence of recent weakness in job growth in these areas.

With California industries expanding in a tightening labor market, workers have experienced wage growth for several quarters running. In the second quarter of 2018, the average weekly wage for private sector workers was \$1,265, up 4.6% over the prior year. Over the same period, prices in California increased 2.6%, implying a 2% inflation-adjusted gain in the average wage. This continues a recent trend of wage increases generally outpacing inflation, giving workers more purchasing power to drive spending and economic activity.



Most headline economic numbers for the state show that California maintained an edge over the nation throughout the year. Its 1.8% yearly growth rate in jobs surpassed the 1.6% gain for the United States in October. California's gross state product growth outpaced U.S. GDP in the second quarter, with a 3.3% year-to-year gain compared to 2.9% nationally. Over the same period, the average weekly wage in California increased more rapidly at 4.6% compared to 3.4% for the nation. However, the U.S. labor force grew by 1.0% over the first ten months of this year, well ahead of California's 0.4% growth rate. The scant increase in the state's work force is cause for concern in 2019, although there is evidence that metro area labor force dynamics are such that rapidly growing regions continue to attract workers, most notably in the San Francisco Bay Area and the Inland Empire.

Looking ahead to 2019, the question is, where will growth occur in California? The answer depends on the type of growth. Over the past three years, half of the job gains among the state's industries have occurred in its population serving sectors. This trend was led by Health Care, which accounted for 22% of California's job gains over the three-year period from 2015 through 2018, followed by Leisure and Hospitality, and Government, and will continue through 2019. Smaller but noteworthy contributions also came from the state's leading external facing industries such as Professional Scientific and Technical Services (9%) and Transportation Services (9%).

The picture is considerably different when looking at the composition of growth in terms of output. Over 40% of the output generated during this three-year period emanated from just one industry, Information, with the gains mainly attributed to the tech-related segments of the sector. Combine this with the 11% contribution from Professional, Scientific and Technical Services, and about half of all output generated

in California came from tech-related activities over the past three years. Other external industries that weighed in with sizable contributions included Manufacturing at 7% and Transportation at 5%. Among those industries that contributed the largest job gains, only Health Care made a sizable contribution to output at 9% of the total.

These findings provide insight into the future direction of the state economy. California can count on increases in employment among its population serving industries in the coming quarters, but if the state wants to increase the size of the economic pie, it must look to its external industries to fuel that growth. That is the challenge that lies ahead for California's newly elected governor and the rest of the state.

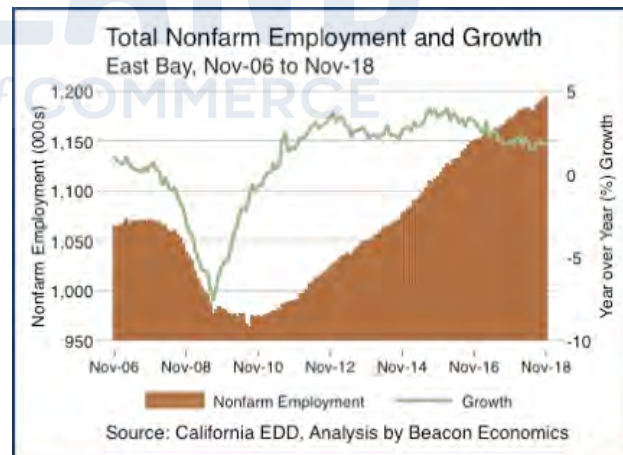
EAST BAY OUTLOOK

Thanks to large employment increases in logistics, goods producing, and technical industries, the East Bay's unemployment rate is the lowest it has been in decades, suggesting that the current expansion of the region's economy is far from over. The local commercial real estate market stands out as it remains on a strong growth path and rents are increasing. Still, while the East Bay economy is continuing on its upward trajectory, the rate of growth in the region has slowed marginally compared to one year ago.

Healthy Expansion Continues

From October 2017 to October 2018, the unemployment rate in the East Bay decreased 0.9 percentage points from 3.3% to 2.9%, with the labor market tightening further. Over the same period, total nonfarm payroll increased by 1.7% – an addition of 19,600 jobs, as the region reached a total of 1.2 million jobs. Despite these solid gains, neighboring San Francisco and the South Bay outpaced the area, growing at rates of 1.8% and 3.2%, respectively. The slower pace of hiring in the East Bay is not attributed to a weakening economy, but to a very tight labor market that has seen negligible increases for much of this year, similar to the California labor market as a whole.

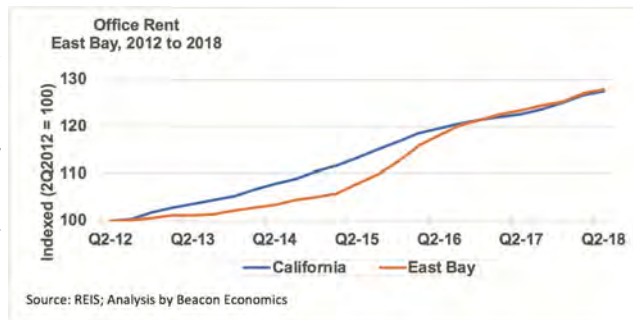
Between October 2017 and October 2018, the Transportation and Warehousing sector experienced the largest growth in terms of percentage change (+8.1%), adding 3,800 jobs. The Professional, Scientific & Technical Services sector experienced the largest absolute expansion, adding 3,800 jobs. The largest decrease in employment occurred in the Wholesale Trade sector with the loss of 600 jobs. Also, Leisure and Hospitality grew by only 0.1%, or 100 jobs.



Steady Growth for Commercial Real Estate

According to commercial real estate data source, REIS, the cost of rent increased across all of the major commercial property types in the East Bay from the second quarter of 2017 to the second quarter of 2018.

- The average yearly cost of rent for Office space in the East Bay increased 3.7% to \$33.20 per square foot, even as the vacancy rate increased 0.4 percentage points to 14.5%.
- The average cost of rent for Retail space rose 2.5% to \$31.16 per square foot, with the Retail vacancy rate increasing 0.8 percentage points to 7.4%.
- The average cost of rent for Warehouse/Distribution on properties increased 5.7% to \$6.54 per square foot, as the vacancy rate decreased by 0.2 percentage points to 6.9%.



The cost of rent for all commercial market segments in the East Bay remains below that of San Francisco and the South Bay.

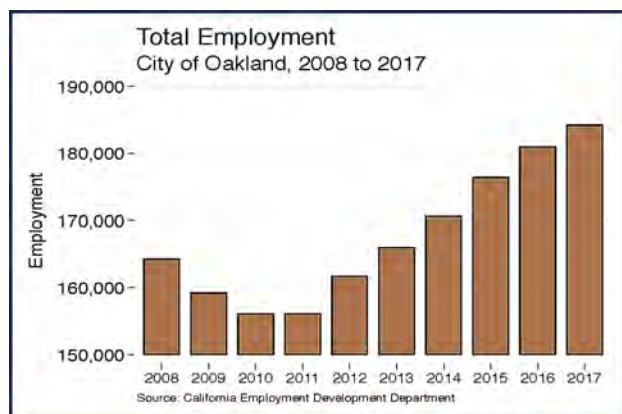
Overall, the value of all commercial permits issued in the second quarter of 2018 came to \$151 million, slipping 19.6% compared to one year earlier. Permits issued for Office space totaled \$72.7 million, up 12.6% year-over-year. However, for retail space, permits over the same period totaled \$5.1 million, a 91.4% year-over-year decrease. Permits issued for Warehouse/Distribution on properties totaled \$77 million, up 95.9% year-over-year.

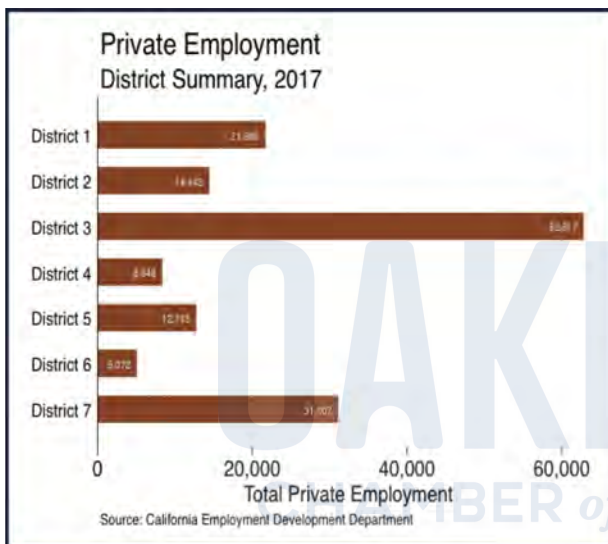
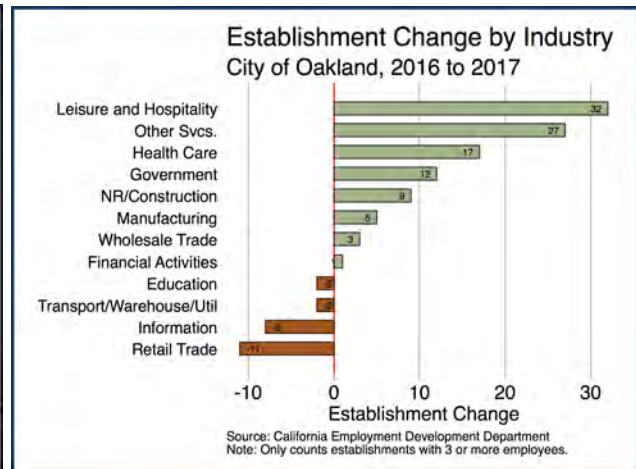


OAKLAND OVERVIEW

Oakland's economy expanded in 2017, although at a more sedate pace than in previous years. Despite the ever-tightening labor market, the City added a considerable number of jobs. City of Oakland employment increased 1.8% from 2016, to total 184,200 jobs. The County of Alameda outpaced the City, with a 2.7% increase in employment.

Much of the employment growth was in Health Care; Leisure & Hospitality; Professional, Scientific, Technical & Management; and Finance sectors. At 38,700 workers, Health Care remained the largest industry in the City, supplemented by 5% growth from 2016 to 2017. Oakland outpaced Alameda County's 3.4% job growth in the industry. All Oakland districts had substantial increases in Health Care in 2017, and for most, it is the largest employing industry. Leisure & Hospitality grew 4.3% from 2016 to 2017 and amid significant increases in Districts 1, 5 and 7, the industry reached a total of roughly 18,200 workers. Financial Services & Real Estate had one of the largest percentage gains in the City, increasing 7% over 2016



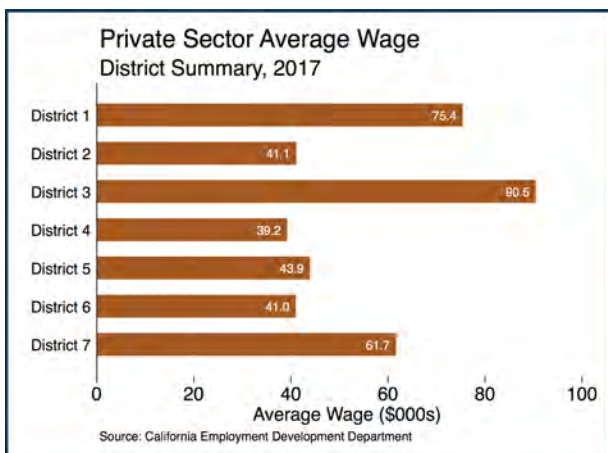


thanks to large additions in Districts 2, 3 and 6. One striking difference between the County and the City of Oakland is the City's decline in Construction jobs. From 2016 to 2017, City of Oakland's sector contracted 0.7%, while Alameda County's grew 6.2%.

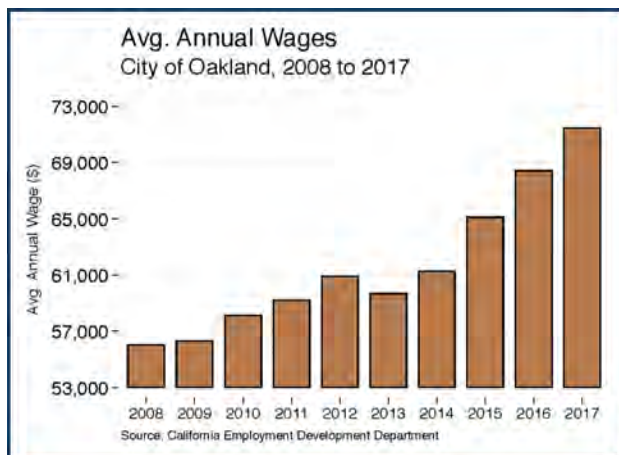
The number of businesses in Oakland with fewer than 15 employees increased 5.5% in 2017, to total 41,700 employees. The share of small-business employment has risen to 26.7% of total workers. Large establishments (those with more than 150 employees) declined 2.3% but still account for the largest share of employment, with 31.5% of all workers. Establishments paying an average wage

higher than \$50,000 increased 2.5%, representing 47.8% of employment. Businesses paying less than \$25,000 fell to 35,000 workers.

Increased demand for workers and a tight labor market caused wages to rise significantly in the City.

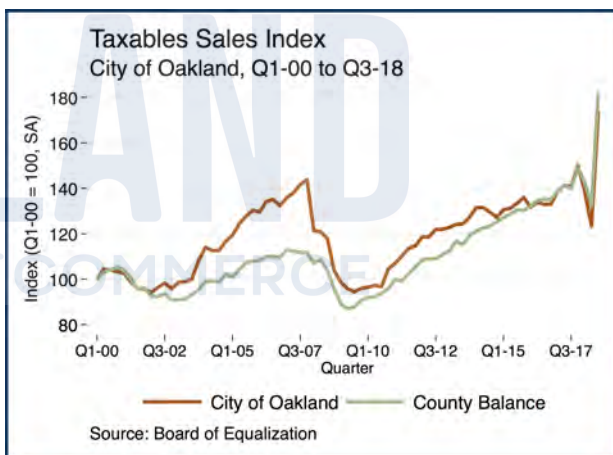


From 2016 to 2017, the average annual wage increased 4.5%, reaching \$71,500. In Alameda County, wages rose 4.8%. Wages in the City of Oakland remain roughly 3.3% lower than those of Alameda County. No Oakland industry sustained wage declines from 2016 to 2017, a sign of bolstered demand for workers in general. In Financial Services and Real Estate, which had one of the largest increases in employment, wages rose 14.4%, reaching \$118,800. Wages in Health Care, which has the largest share of workers of any industry, increased 1.2% from 2016.



Increased employment and wages prompt higher consumer spending, as shown by higher taxable sales in 2018. The City of Oakland amassed \$3.6 billion in taxable sales from the first to third quarters of 2018, a 3.6% increase from the same period in 2017. Tax revenue in 2018 increased in almost all sectors, some rather substantially compared with 2017. Taxable receipts from Fuel & Service Stations in 2018 YTD (up to third quarter) rose 16.0% in Oakland, supplemented by high growth in Districts 1, 3, 5 and 7. Building & Construction had strong growth in taxable receipts despite the decline in commercial permitting, with

the sector increasing 11.2% thanks to 36.4% growth in District 7. The City's highest taxable receipts come from Restaurants & Hotels, which gathered \$7.7 million from the first to third quarters of 2018. (The sector had 2.7% revenue growth in 2017.) Taxable receipt revenue rose in all industries except Autos & Transportation, the City's second-largest in terms of revenue, which declined 2.7% from 2017 YTD to 2018 YTD.



Tourism in the City of Oakland has grown considerably in recent years, and has positively impacted spending and employment for the city. Between 2016 and 2017, the number of visitors increased by 3.1%, reaching 3.8 million. This has helped drive spending up – where visitors expenditures reached \$668 million in 2017, a 6.5% surge compared to 2016. Up to 32% of that spending has gone to lodging, while 25% of the sum was on food and beverages. Tourism employment has been rising steadily over the past five years. Between 2013 and 2017, tourism related employment has gone up by 17.3% - with Leisure & Hospitality accounting for most of the new employees. Between 2016 and 2017, 5,980 jobs were directly added as a result of tourism, and Leisure & Hospitality constituted over 86% of the increase.

Demand for housing surged as workers found themselves in more comfortable financial positions, especially with recent wage increases. But supply has come rather short in meeting demand, as is evident from the significant increase in home prices. From the third quarter of 2017 to the third quarter of 2018, the median home price in Oakland rose 16.1%, to \$735,800. Although the City outpaced Alameda County's median price growth of 12.0%, the median price in Oakland was more affordable than the

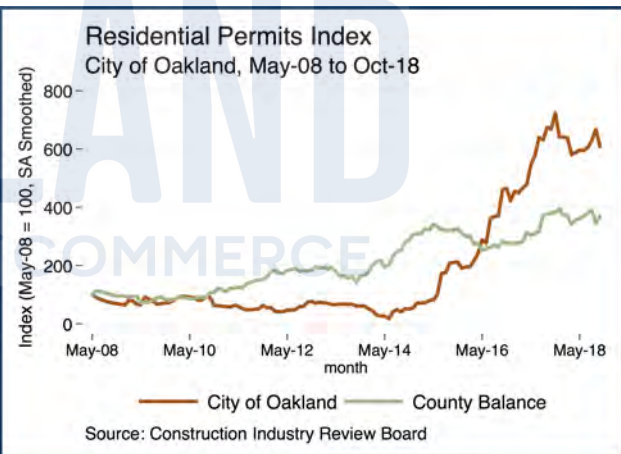
County's \$890,000.

To address the issues of affordability and home shortages, housing supply needs to increase. From the first to third quarters of 2018, 3,013 residential permits were issued, up 12.4% from the same period in 2017. Most of this growth, however, came from increases in multifamily permits. These increased 22.3%, with almost 3,300 issued up to the third quarter of 2018. Conversely, single-family permits declined significantly, with only 88 issued in the first three quarters of 2018 — a 72.2% drop from the previous year.



drop. But the area is poised for growth through upcoming developments in the region. For example, financial services company Square recently signed a lease with Oakland's Uptowns Station for a 365,000-square-foot expansion. This deal is one of the largest in the City and will make room for up to 2,000 employees, which would make Square the largest tech company in Oakland (1). This follows up on a recent trend in Oakland, where firms are taking advantage of the lower cost of rent compared to neighboring areas such as San Francisco. Blue Shield is expected to move into

Nonresidential construction in the City of Oakland was much slower in 2018, and the slowdown resonated in the lack of employment growth in Construction. From the first to third quarters of 2018, total commercial permits in the City were valued at \$163 million, a 47.1% drop from the same period a year earlier. The value of nonresidential alterations also contracted, to \$177 million up to the third quarter of 2018, a 27.1%



Non-Residential Permit Values by Type City of Oakland

Category	2018 YTD (\$000)	Annual Growth (%)
New Commercial	116,994,316	-61.9
Office	63,897,561	-48.5
Retail	28,121,918	-59.0
Industrial	0	NA
Other Nonres.	45,881,532	+5,832.7
Nonres. Alts./Add.	177,037,979	-27.1
Total Nonres.	339,913,827	-38.3

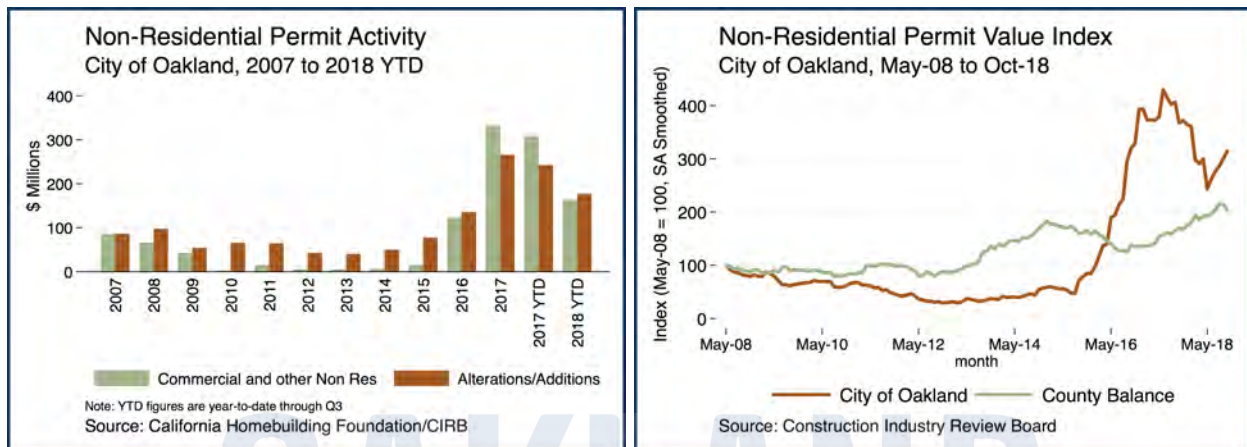
Source: Construction Industry Research Board

their new headquarters by the end of 2019, bringing in 1,200 workers and leasing up to 200,000 of office space(2). The University of California Office of the President has also leased over 165,000 square feet at 1100 Broadway, a new high-rise office building currently in development by Ellis Partners in a joint venture with Intercontinental Real Estate(3). Part of the deal includes renovating the former headquarters for the Key System.

Overall, the economic situation appears stable for the City. Employment continues to grow at a healthy pace despite the labor shortages, and wages are

increasing across all sectors. There seems to be no cause of concern in the short run, but the lack of housing still looms as an issue for the region.

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Trade Wars with China and the Port of Oakland

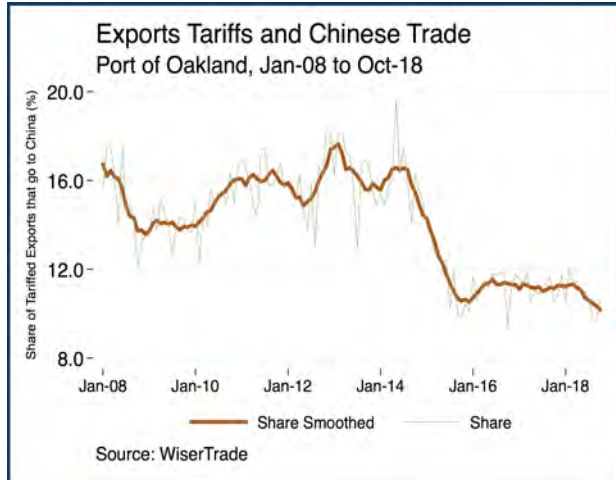
The past year has been marked by trade conflicts between the United States and its major trading partners. Although the Trump Administration appears to have resolved its differences with our North American neighbors, and tariffs aimed at the European Union are on hold, the ongoing situation with China has created both tension and uncertainty as the new year begins.

The current trade picture has been shaped by a number of forces. As 2018 drew to a close, the prospect of new and higher tariffs led to a surge in imports and exports nationally. The trade war has also helped strengthen the U.S. dollar, while currencies of countries facing U.S. tariffs, such as the Chinese yuan, have declined as traders fear that a trade war with the world's largest economy will stifle economic growth. A stronger dollar tends to deter export volumes and encourage imports. Tax cuts coupled with an increase in government expenditures have also provided a short-term boost to economic growth, which tends to heighten demand for imports. In other words, policy and market developments have caused the trade deficit to worsen, not improve, in recent months.

Following their meeting in Buenos Aires in December, President Trump and Chinese President Xi Jinping agreed to stop escalating tariffs and to launch new talks aimed at resolving the dispute, and the U.S. delayed a tariff increase until March 2019. Negotiations were set to take place in early January.

How important to Oakland is trade with China? Historically, China has accounted for roughly 14% of total exports on average since 2008, but the share slowly drifted down to roughly 10% in October 2018 (the latest data available). Imports are a noticeably larger share of trade activity with China, as China continues to be the largest source country for imports through the Port of Oakland. Like the United States,

the Port of Oakland runs a trade deficit with China, which year to date has grown 5.4%. Of total imports that pass through the Port of Oakland, Chinese goods account for nearly half of total value, followed by Japan, which accounts for 5% to 7%.



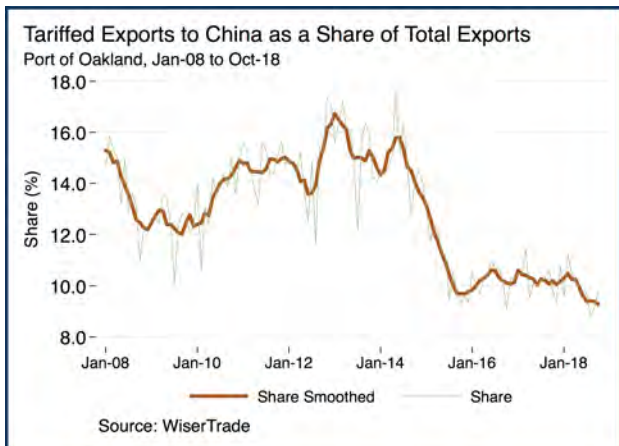
How has activity through the Port of Oakland been affected by the tariffs enacted in the second half of 2017? Perhaps it's too soon to tell, but it is important to look at how much each country depends on the particular goods that are subject to tariffs. To examine the impact of Chinese-imposed tariffs on U.S. exports to China, we first isolate the goods that are subject to tariffs on China's list and exported to China. For example, if China imposed tariffs on goods X, Y and Z, we're looking at the share of X, Y and Z exports to China relative to total exports. The chart above shows that the goods subject to Chinese import tariffs (U.S. goods to

China) account for less than 10% of exports going out of the Port of Oakland dating to late 2015, a much smaller share compared with the years following the Great Recession.

Overall exports to China were down 0.4% year to date through October. A noticeable slowdown occurred in waste and scrap products, the second-largest major category of exports out of the port, which was down 11.3%. The Chinese government has gradually pushed for bans on recyclable waste being imported and has renewed its list of prohibited import items, including stainless-steel scrap, titanium scrap, wood scrap and used hardware, ships and auto parts(4), which could be a factor in the decline.

Despite policy changes and uncertainty, not all categories of exports have been hurt by Chinese tariffs. In fact, to get ahead of tariffs, motivated retailers and other American companies have boosted volumes at the port for certain categories subject to tariffs. Import tariffs were applied to many California fruit exports such as apricots, citrus fruits, grapes, apples. Fruit and nut exports, the port's third-largest major export category to China, were up 14.9% year to date through October.

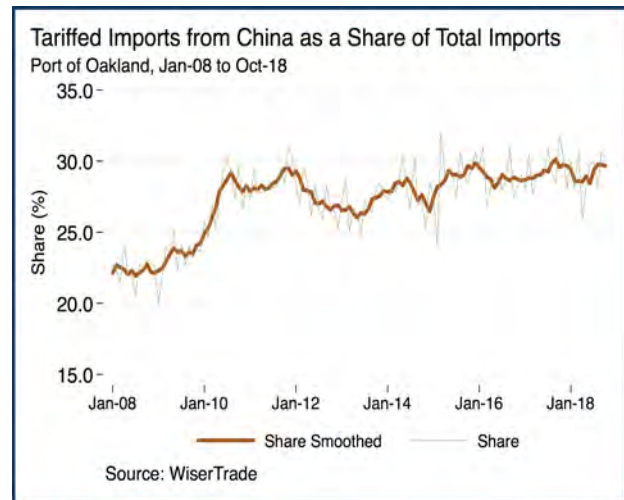
It's also important to look at goods subject to Chinese import tariffs and what percentage go to China. For example, if China placed an import tariff on leather boots, what percentage of total leather boot exports are affected? The chart above shows that goods subject to Chinese tariffs are for the most part exported to other countries, and that China accounts for roughly 10%. There has also been a clear break in the trend following 2014, when the share hovered closer to 16%.



The import side of the trade ledger tells a different story. To get Beijing to change its trade rules, Trump

has imposed tariffs on \$250 billion worth of Chinese imports and has repeatedly threatened to impose tariffs on all remaining imports from China (\$267 billion in additional tariffs). The Chinese imports subject to the latest rounds of tariffs constituted close to 30% of all imports through the Port of Oakland, with a moderate rise in the overall trend in the last decade. Many of the goods subject to tariffs are exclusively from China, but the overall trend has declined from 50% in 2012, to close to 43% in the current year.

It may not be immediately obvious, but much of what is imported into the United States gets exported abroad as well. For instance, industrial machinery (including computers) is the second-largest import into the Port of Oakland, but it is also its second-largest export. It's hardly front-page news that trade is mutually beneficial and supply chains have become increasingly global and intertwined. Depending on the degree to which Trump pursues protectionist policies, he may hurt the very people he has promised to help. As of the time of this writing, talks are in place to negotiate a deal between the two countries. Stay tuned.



OAKLAND EMPLOYMENT OVERVIEW

Industry Employment City of Oakland, 2017					Average Wages by Industry City of Oakland, 2017				
Industry	Employment (000s)	Annual Growth City (%)	County (%)	Location Quotient*	Industry	Avg. Wage (\$000s)	Annual Growth City (%)	County (%)	City vs. County (%)*
Health Care	38.7	+5.0	+3.4	3.1	Information	141.2	+2.3	+5.7	-14.2
Leisure and Hospitality	18.2	+4.3	+3.8	2.1	Fin. Svcs. and Real Estate	118.8	+14.4	+5.8	+23.9
Prof, Sci, Tech, and Mgmt	16.3	+1.7	+0.4	1.6	Prof, Sci, Tech, and Mgmt	105.3	+4.6	+6.3	-15.0
Transport/Warehouse/Util	12.0	+0.8	+4.1	3.6	Wholesale Trade	90.4	+3.0	+4.5	+9.9
Retail Trade	11.1	-1.2	+1.4	1.3	NR/Construction	83.9	+4.7	+5.7	+2.3
Fin. Svcs. and Real Estate	11.1	+7.0	+1.1	3.1	Manufacturing	78.0	+0.9	+8.5	-19.8
Admin Support	10.1	-13.4	+3.2	2.0	Transport/Warehouse/Util	72.8	+2.6	+0.5	+6.4
Other Svcs.	9.3	+5.7	+4.0	2.7	Health Care	64.6	+1.2	+2.3	+6.1
NR/Construction	7.2	-0.7	+6.2	1.3	Education	50.6	+4.7	+3.9	+18.4
Manufacturing	6.9	+2.8	+6.6	0.7	Other Svcs.	48.6	+5.6	+5.3	+5.8
Wholesale Trade	6.1	+2.0	+1.0	1.3	Admin Support	43.3	+11.3	+5.2	-8.8
Education	6.1	-2.1	+1.1	3.4	Retail Trade	41.5	+4.1	+3.7	+8.5
Information	3.1	-8.5	+2.4	1.4	Leisure and Hospitality	40.0	+1.3	+3.6	+26.0
Total Private	156.2	+1.5	+3.1	-	Total Private	70.0	+4.7	+5.1	-4.5
Government	28.0	+3.4	+2.4	-	Government	79.9	+3.0	+4.5	+7.4
Total	184.2	+1.8	+2.7	-	Total	71.5	+4.5	+4.8	-3.3

Source: California Employment Development Department
*Measures the concentration of an industry in the City of Oakland relative to the concentration of the industry in Alameda County.

Source: California Employment Development Department, QCEW
*Industry Wage relative to the Avg. Annual Wage for the Industry in Alameda County.

Employment Gains/Losses by Subsector
City of Oakland, 2016 to 2017

Subsector	Employment		Wage	
	Total (000s)	Annual Change	Average (\$000s)	Annual Growth (%)
Subsectors with the Most Jobs Gained				
Social Assistance	15.8	+1,366	23.6	+2.4
Insurance Carriers	6.0	+742	147.9	+18.8
Food Svcs. and Drinking Places	14.1	+431	24.7	+3.3
Professional and Technical Svcs.	14.5	+295	103.8	+4.2
Hospitals	7.3	+188	96.7	+2.3
Subsectors with the Most Jobs Lost				
Warehousing and Storage	0.6	-97	57.4	+6.8
Educational Svcs.	6.1	-128	50.6	+4.7
Truck Transportation	2.2	-161	55.7	+2.1
Couriers and Messengers	3.8	-204	49.0	+3.3
Specialty Trade Contractors	3.6	-259	80.1	+4.0
Admin and Support Svcs.	8.9	-1,580	38.9	+11.6

Source: California Employment Development Department

Private Employment by Establishment Type
City of Oakland, 2017

Establishment Type	Total Employment (000s)	Annual Growth (%)	Share of Employment (%)
Establishment size			
Less than 15 Employees	41.7	+5.5	26.7
15 to 24 Employees	14.8	+3.8	9.5
25 to 49 Employees	18.7	-1.4	12.0
50 to 150 Employees	31.8	+3.3	20.4
More than 150 Employees	49.2	-2.3	31.5
Establishment Average Wage			
Less than \$25,000	35.0	-3.7	22.4
\$25,000 to \$50,000	46.6	+4.1	29.8
More than \$50,000	74.6	+2.5	47.8

Source: California Employment Development Department

MAJOR EMPLOYMENT SUBSECTORS

Private Employment by Subsector

Sector	Job Count 2017	Annual Growth 2017 (%)	Wages (\$) 2017	Annual Growth 2017 (%)	Establishment Count*
Admin Support					
Investigation and Security Svcs.	4.4	-23.8	33.0	+14.1	49
Employment Svcs.	1.9	-10.9	41.5	+9.0	27
Svcs. To Buildings and Dwellings	1.5	+8.6	32.4	+4.2	76
Education					
Colleges and Universities	1.8	-0.8	60.9	+3.4	12
Elementary and Secondary Schools	1.4	-4.1	58.0	+5.3	30
Other Schools and Instruction	1.3	-7.5	31.9	-3.1	54
Educational Support Svcs.	1.2	+3.8	51.9	+8.4	40
Fin. Svcs. and Real Estate					
Insurance Carriers	4.9	+20.1	161.5	+17.4	18
Insurance Agencies and Brokerages	1.2	-6.4	90.3	+10.8	54
Depository Credit Intermediation	1.1	-6.8	83.2	+7.7	79
Activities Related To Real Estate	1.0	-2.0	71.8	-13.3	76
Health Care					
Individual and Family Svcs.	13.8	+10.0	21.3	+2.3	254
General Medical and Surgical Hospitals	7.3	+2.7	96.7	+2.3	11
Outpatient Care Centers	6.7	+1.4	116.6	+1.6	74
Offices of Physicians	2.9	-1.6	127.3	+10.6	119
Information					
5173 Telecommunications Resellers	0.4	+0.9	102.7	+1.7	11
Motion Picture and Video Industries	0.2	+0.1	54.0	+7.4	10
Leisure and Hospitality					
Restaurants and Other Eating Places	12.0	+3.1	25.1	+2.9	688
Special Food Svcs.	1.6	+2.6	23.2	+8.9	47
Traveler Accommodation	1.3	+7.0	35.4	+5.0	29
Spectator Sports	1.0	+15.3	276.4	-11.1	4

Source: California Employment Development Department

*Only counts establishments with 3 or more employees.

Private Employment by Subsector (continued)

Sector	Job Count 2017	Annual Growth 2017 (%)	Wages (\$)	Annual Growth 2017 (%)	Establishment Count*
Manufacturing					
Bakeries and Tortilla Manufacturing	0.5	+7.7	32.0	+3.6	24
Other Food Manufacturing	0.4	-7.1	35.0	-12.6	10
NR/Construction					
Building Equipment Contractors	1.7	-15.8	88.2	+6.0	55
Residential Building Construction	1.3	+3.0	62.4	+7.6	109
Nonresidential Building Construction	1.2	+6.8	103.9	+5.3	32
Other Svcs.					
Social Advocacy Orgs.	1.8	+10.3	64.7	+4.3	99
Professional and Similar Orgs.	1.6	-1.2	71.3	+4.6	86
Automotive Repair and Maintenance	1.1	+5.1	42.7	+2.9	111
Other Personal Svcs.	0.9	+10.9	28.7	+3.3	61
Prof, Sci, Tech, and Mgmt					
Architectural and Engineering Svcs.	4.3	-0.3	112.6	+2.4	160
Legal Svcs.	2.6	+1.9	117.7	+11.6	173
Mgmt and Technical Consulting Svcs.	2.5	+14.3	95.4	+2.9	145
Mgmt of Companies and Enterprises	1.8	-1.4	117.0	+7.9	40
Computer Systems Design and Related Svcs.	1.8	-6.2	116.8	+1.7	98
Retail Trade					
Grocery Stores	2.8	-0.9	30.8	+2.9	92
Health and Personal Care Stores	1.2	+0.7	51.2	+3.1	66
Transport/Warehouse/Util					
Couriers and Express Delivery Svcs.	3.8	-5.4	49.3	+3.2	15
General Freight Trucking	1.5	-6.3	51.6	+3.2	38
Wholesale Trade					
Grocery and Related Product Wholesalers	1.3	+0.7	60.3	-4.0	60
Durable Goods Wholesalers	0.6	+9.1	72.0	+12.5	24

Source: California Employment Development Department

*Only counts establishments with 3 or more employees.

CHAMBER of COMMERCE

PRIVATE EMPLOYMENT AND ESTABLISHMENT DATA

Private Employment and Establishment Statistics

Council District	Employment Statistics					Wage Statistics		Establishment Statistics	
	Job Count (000s)			Annual Growth (%)		Average	Annual Growth	Estab.*	Average
	2015	2016	2017	2016	2017	2017 (\$000s)	2017 (%)	2017	Employees
1	20.3	21.0	21.7	+3.4	+3.4	75.4	+1.2	794	27
2	14.6	14.5	14.4	-0.9	-0.4	41.1	+1.5	889	16
3	58.7	61.3	62.8	+4.5	+2.4	90.5	+5.9	2,164	29
4	8.0	8.2	8.3	+2.7	+2.3	39.2	+2.2	419	20
5	12.5	12.4	12.7	-0.7	+3.0	43.9	+3.2	548	23
6	4.9	4.8	5.1	-1.8	+6.3	41.0	+2.2	224	23
7	31.2	31.8	31.1	+1.7	-2.1	61.7	+5.6	655	47
City Total	150.1	153.9	156.2	+2.5	+1.5	70.0	+4.7	5,694	27

Source: California Employment Development Department

*Only counts establishments with 3 or more employees.

Private Employment Rankings, 2016 and 2017

Council District	Total Jobs		Job Growth		Average Wage	
	2016	2017	2016	2017	2016	2017
1	3	3	2	2	2	2
2	4	4	6	6	5	5
3	1	1	1	4	1	1
4	6	6	3	5	7	7
5	5	5	5	3	4	4
6	7	7	7	1	6	6
7	2	2	4	7	3	3

Source: California Employment Development Department

INDUSTRY EMPLOYMENT

Council District Private Industry Employment (000s), 2017

Industry	District 1	District 2	District 3	District 4	District 5	District 6	District 7	City Total
Admin Support	0.2	0.8	3.9	0.1	0.6	0.3	4.2	10.1
Education/Health Care	11.9	4.3	14.6	3.7	4.2	2.5	3.6	44.8
Fin. Svcs. and Real Estate	0.6	0.6	8.0	0.5	0.3	0.1	1.0	11.1
Leisure and Hospitality	3.7	2.8	5.5	1.2	1.3	0.3	3.4	18.2
Logistics and Wholesale Trade	0.4	0.3	5.3	0.2	1.7	0.3	9.9	18.1
Manufacturing	0.5	0.4	2.0	0.1	1.0	0.4	2.6	6.9
NR/Construction	0.7	0.2	2.4	0.3	0.8	0.2	2.5	7.2
Other Svcs.	1.0	1.5	4.3	0.4	0.6	0.3	1.2	9.3
Prof, Sci, Tech, Info and Mgmt	0.8	2.0	13.5	0.5	0.7	0.2	1.7	19.4
Retail Trade	1.9	1.5	3.4	1.3	1.4	0.5	1.1	11.1
District Total	21.7	14.4	62.8	8.3	12.7	5.1	31.1	156.2

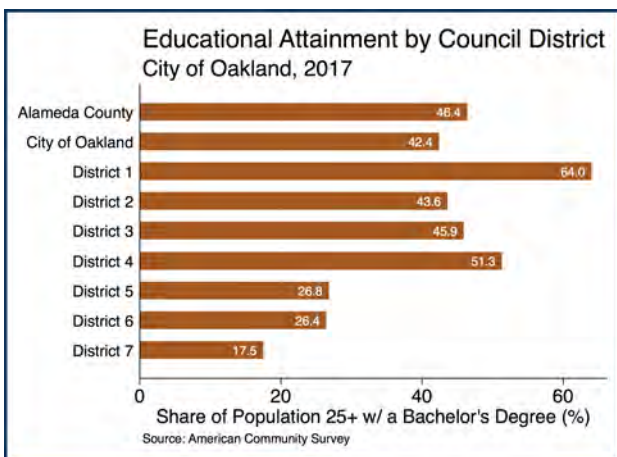
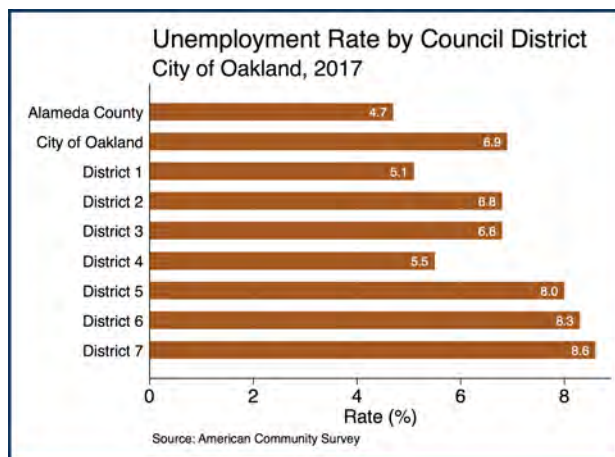
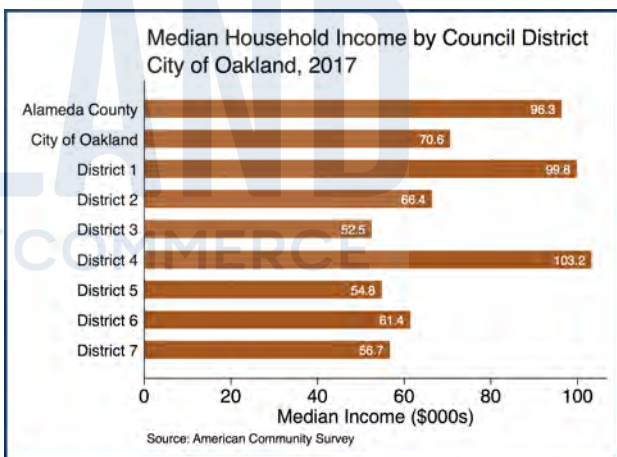
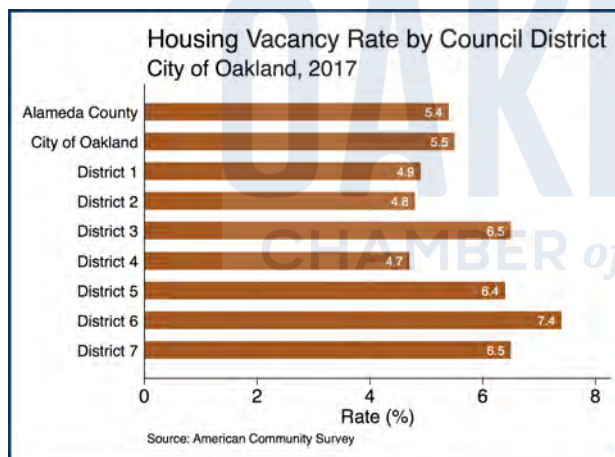
Source: California Employment Development Department

Share of Private Industry Employment (%), 2017

Industry	District 1	District 2	District 3	District 4	District 5	District 6	District 7
Admin Support	2.2	7.8	38.3	1.4	5.7	2.9	41.7
Education/Health Care	26.5	9.6	32.5	8.3	9.5	5.6	8.0
Fin. Svcs. and Real Estate	5.5	5.1	72.0	4.9	2.9	0.7	8.9
Leisure and Hospitality	20.4	15.5	30.4	6.6	6.9	1.7	18.4
Logistics and Wholesale Trade	1.9	1.7	29.3	1.3	9.6	1.4	54.6
Manufacturing	6.8	5.7	28.9	0.8	14.9	5.5	37.5
NR/Construction	9.8	3.3	33.3	4.1	11.2	3.2	35.0
Other Svcs.	10.8	16.5	46.3	4.1	6.9	2.7	12.6
Prof, Sci, Tech, Info and Mgmt	4.2	10.4	69.4	2.4	3.6	1.3	8.6
Retail Trade	17.1	13.3	30.6	11.7	12.8	4.6	9.9
District Total	13.9	9.2	40.2	5.3	8.2	3.2	19.9

Source: California Employment Development Department

DEMOGRAPHICS



Median Earnings by Educational Attainment, City of Oakland 2017

Educational Attainment	Median Earnings (\$)	Growth Since 2012 (%)			Growth Since 2016 (%)		
		Oakland	Alameda County	CA	Oakland	Alameda County	CA
Less than High School	23,816	34.6	35.3	21.3	9.7	6.9	5.1
High School Diploma	28,556	18.1	19.6	14.8	9.8	8.1	2.3
Some College or Associate's Degree	36,421	14.6	17.1	7.8	12.9	5.2	3.5
Bachelor's Degree	60,774	28.0	18.5	14.9	6.3	4.8	1.4
Graduate/Professional Degree	81,148	14.2	17.2	11.6	1.3	5.5	4.0
Total	42,789	19.8	15.6	14.2	3.0	2.6	2.8

Source: American Community Survey

SPENDING ACTIVITY

Taxable Sales by Region

Alameda County Cities, Selected Counties, and California, Q3-17 to Q3-18

Region	Quarterly Taxable Sales			Quarterly Taxable Sales Per Capita		
	Q3-17	Q3-18	Change	Q3-17	Q3-18	Change
City	\$ Millions		(%)	In \$		(%)
Fremont	1,143.6	1,933.3	69.1	4,889	8,212	67.9
Oakland	1,180.5	1,451.8	23.0	2,761	3,386	22.6
Hayward	704.1	861.1	22.3	4,361	5,314	21.9
Livermore	704.4	826.6	17.3	7,787	9,042	16.1
Pleasanton	508.1	580.8	14.3	6,621	7,333	10.8
Dublin	440.8	560.3	27.1	7,288	8,860	21.6
Berkeley	394.0	494.7	25.5	3,264	4,059	24.3
Newark	267.5	364.8	36.4	5,858	7,686	31.2
Emeryville	191.2	270.7	41.6	15,938	22,568	41.6
Alameda	221.5	270.0	21.9	2,819	3,423	21.4
County	\$ Millions		(%)	In \$		(%)
Alameda	8,054.1	10,475.2	30.1	4,892	6,310	29.0
San Francisco	4,816.8	6,040.5	25.4	5,511	6,833	24.0
Contra Costa	4,086.8	5,119.0	25.3	3,587	4,454	24.2
Santa Clara	10,685.9	13,312.9	24.6	5,515	6,804	23.4
California	167,415.7	207,291.5	23.8	4,238	5,207	22.9

Sources: California Board of Equalization, California Department of Finance

DISTRICT 1

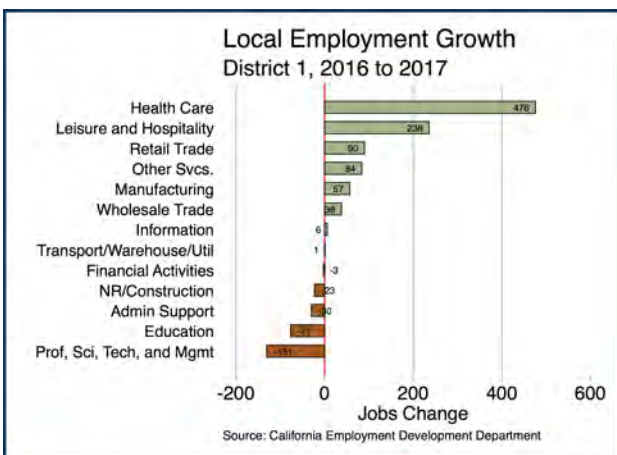
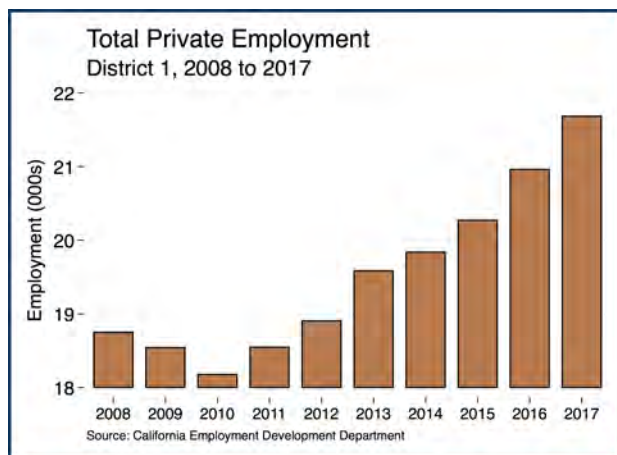
Home to Rockridge, Piedmont Avenue, Temescal and San Pablo shopping districts, District 1 had another strong economic performance in 2017. With 21,700 employees, it remains the third-largest district by workforce size. Furthermore, at \$75,400, the district has the third-highest average wage of all the districts. Much of the City of Oakland's significant industry employment is in District 1, such as Leisure & Hospitality (20% of total employment) and Health Care (28%).

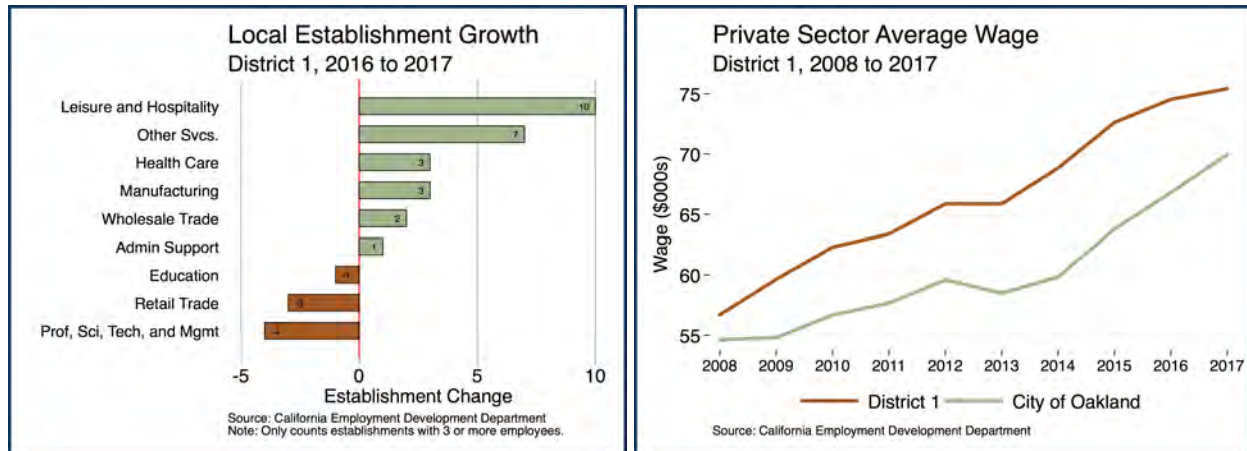
Employment:

- Total employment in District 1 rose 3.4% from 2016 to 2017, the second highest rate of growth of any district.
- Health Care remains the largest employer in the area, with almost 11,000 workers. The industry grew 4.6% from 2016 to 2017, slightly lower than the City's 5.0% rate. Leisure & Hospitality had one of the largest percentage growths (6.8%), reaching a total of 3,700 employees and making it the second-largest industry in District 1 by workforce size.
- Professional, Scientific, Technical and Management had the most significant employee loss in the district, dropping 16.1% from 2016 to 2017, to 700. Education also had heavy losses, shrinking 7.2% to reach 1,000 workers.

Demographics:

- Median household income in District 1 rose 6.6% from 2016 to 2017, reaching \$99,800. Growth in median household income in District 1 was considerably larger than the City of Oakland's (3.7%) but slightly lower than Alameda County's (7.0%).
- The number of households earning above \$100,000 increased 2.8 percentage points to 46.5%, while the number of households earning less than \$25,000 fell to 14.4%.
- Total population in District 1 rose to 62,300, growing 0.9% from 2016 to 2017.





DISTRICT 2

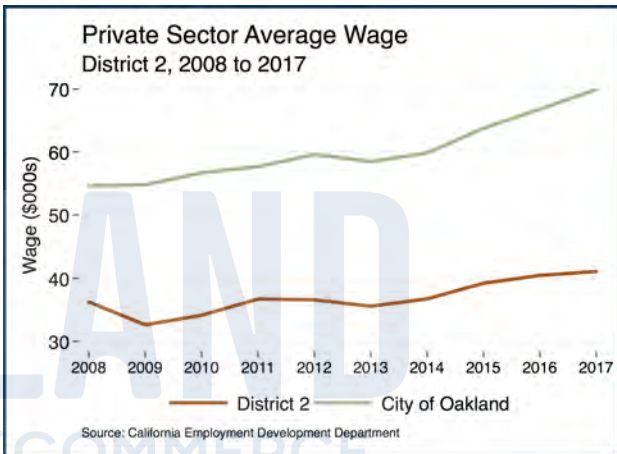
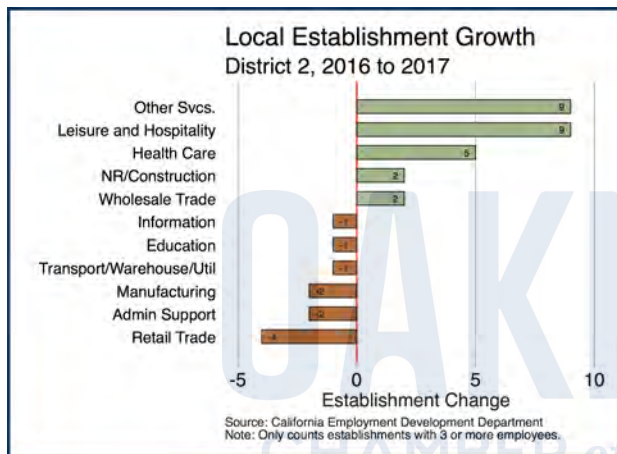
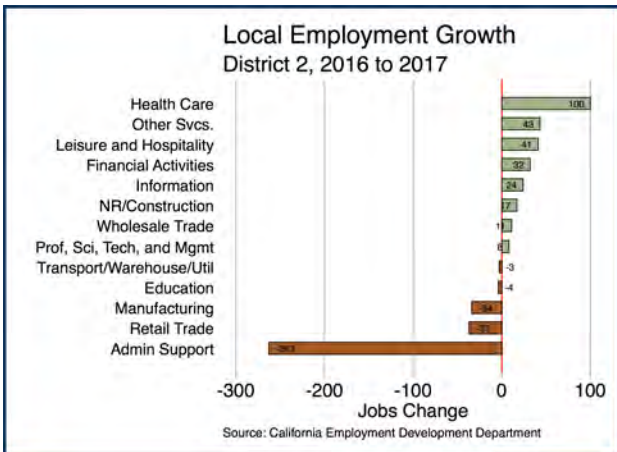
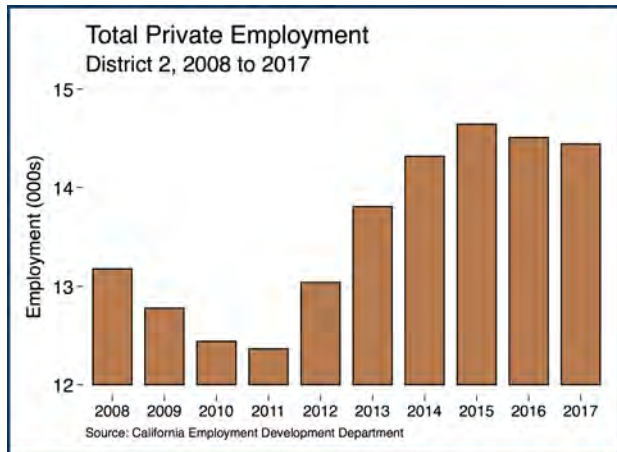
Encompassing areas including Chinatown and Laney College, District 2 has the fourth-largest workforce in Oakland. Private employment fell 0.4% from 2016 to 2017, mainly through losses in Retail Trade and Admin Support. Average wages rose 1.5% to \$41,100, but growth was much smaller than in the City overall (4.7%).

Employment:

- Health Care remained the largest sector in the region with 4,100 employees, growing 2.5% from 2016 to 2017. Leisure and Hospitality followed suit, increasing 1.5% to 2,800 workers.
- Admin Support sustained the largest decline in employment from 2016 to 2017, shrinking 25.1% to 800 workers. Retail Trade also had considerable losses, dropping 2.4% to 1,500 workers.
- Average annual wages in Health Care and Leisure & Hospitality remained at the low end, at \$29,300 and \$24,700. Health Care's annual wage dropped 2.6% from 2016 to 2017.

Demographics:

- Population increased 1.3% to 62,700 from 2016 to 2017, outpacing both the City (1.2%) and County (0.9%).
- Median household income rose 7.7%, reaching \$66,400 in 2017, with the number of households earning above \$100,000 increasing to 29.6% of all households.
- Housing vacancy in District 2 fell 0.7 percentage point to 4.8%, less than in the City (5.5%) and County (5.4%).



DISTRICT 3

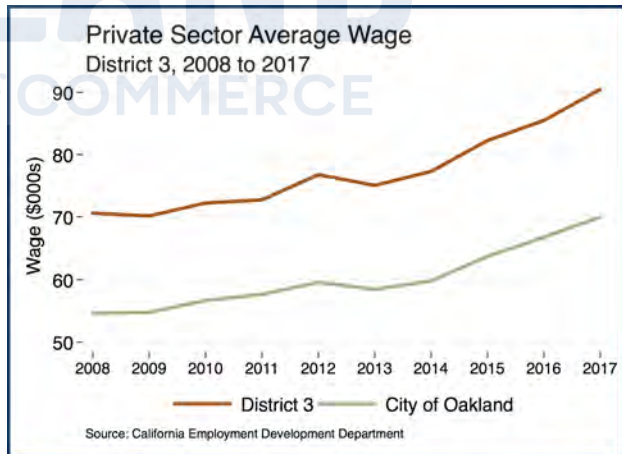
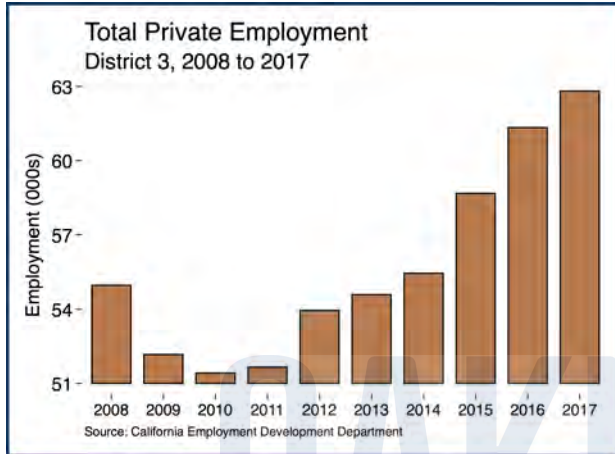
With a workforce of 62,800, District 3 has the highest employment of any in Oakland. Home to the Port of Oakland, Jack London Square and most of downtown, the district has high employment in Professional and Business, giving it the highest average annual wage, \$90,500, in the City of Oakland, a 5.9% increase from 2016 to 2017.

Employment:

- District 3's largest employers are Health Care (11,900 workers), Professional, Scientific, Technical and Management (11,100), and Financial Services and Real Estate (8,000). The Financial Services industry had the highest growth, at 10%, from 2016 to 2017, while Health Care grew 5.4%.
- NR/Construction had the highest loss in employment, falling 10.4% to 2,400 employees from 2016 to 2017.
- In addition to having the most growth in employment, Financial Services and Real Estate topped growth in wages — rising 15.2% to an average wage of \$140,900 in 2017.

Demographics:

- District 3's population increased 2.7% from 2016 to 2017, to 62,000. The population is growing faster than the City and County, where growth is at 1.2% and 0.9% respectively.
- Median household income in District 3 rose 14.2% to \$52,500, double that of Alameda County (7.0%). But median household income remains much lower in the district than in both the City (\$70,600) and County (\$96,300).
- The number of housing units grew 0.4% to 30,800, much less than in the City (1.1%).



DISTRICT 4

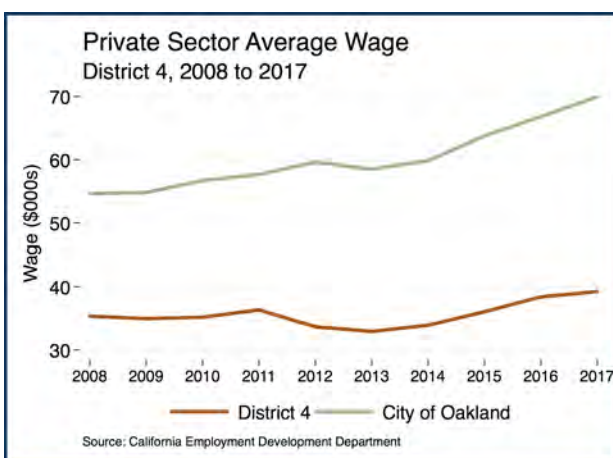
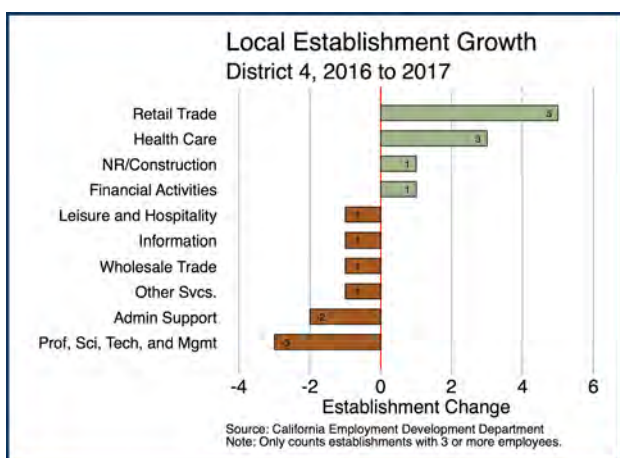
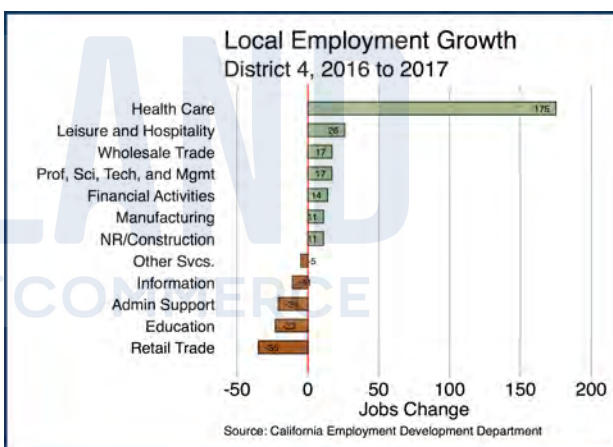
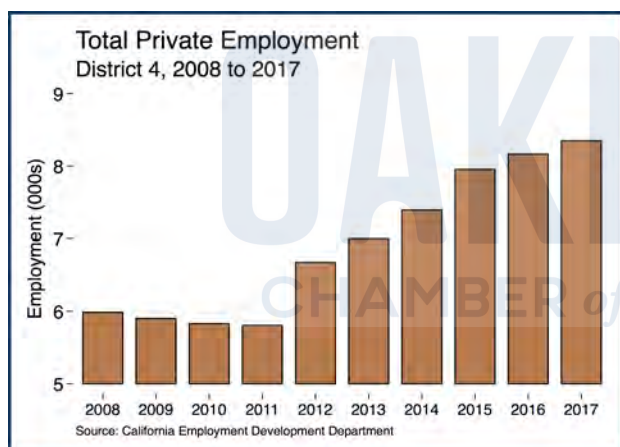
With a workforce of 8,300, District 4 has the second-fewest in Oakland. Employment is dominated by Health Care, Retail Trade and Hospitality; the three industries account for more than 67% of total employment. Growth in employment reached 2.3% from 2016 to 2017, outpacing the City's 1.5% growth. Annual average wages increased 2.2% to \$39,200 yet remained 43.9% lower than the City's.

Employment:

- Health Care is the largest industry by employment in District 4, with 3,100 employees. From 2016 to 2017, Health Care increased its workforce 6.1%, higher than the industry's growth in the City. Leisure and Hospitality expanded 2.2%, to total 1,200 workers.
- Jobs declined 2.6% in Retail Trade, the second-largest industry in the district, from 2016 to 2017. Education employment decreased 3.4%.
- Average wages in Leisure and Hospitality rose 8.5% yet at \$25,000 remained the lowest paying of any industry. Wages fell in the highest-paying industries, Financial Services and Wholesale Trade, 1.9% and 0.9% respectively.

Demographics:

- Population increased 1.0% to 57,800, in line with the City of Oakland's 1.2% growth.
- Median household income rose 8.0% to \$103,200, more than in the City (3.7%) and County (7.0%). The number of households earning above \$100,000 increased 2.3 percentage points to 46.9%.
- Vacancy rates remained unchanged in 2017 at 4.7%, lower than the City of Oakland's 5.5% rate.



DISTRICT 5

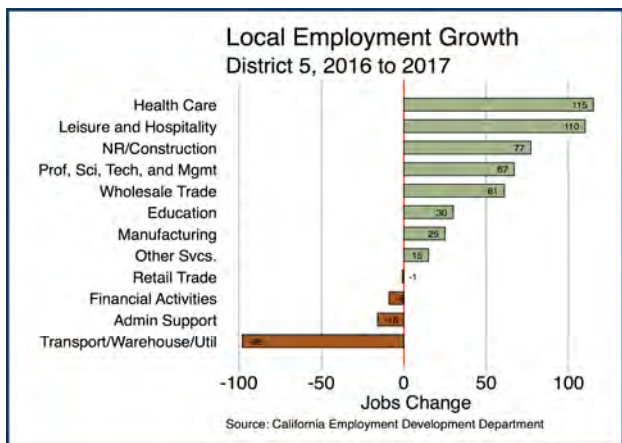
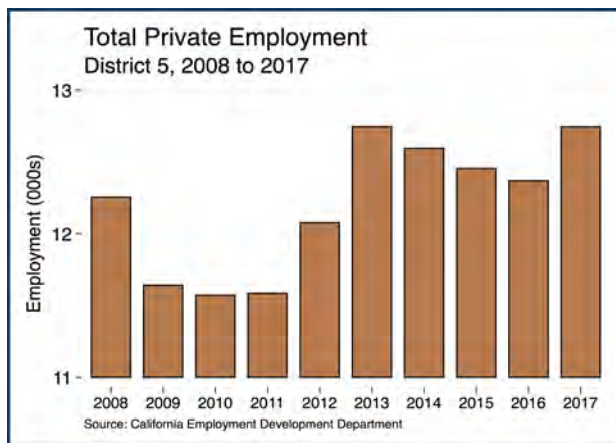
From 2016 to 2017, District 5 recorded robust growth as total employment rose 3.0% to 12,700 workers. Home to the Fruitvale Transit Village, the region recorded the third-highest growth in both employment and wages of all the districts. A boost in small business propelled much of this growth, with employment in companies with fewer than 25 workers rising 14.5% and encompassing more than 40% of total jobs.

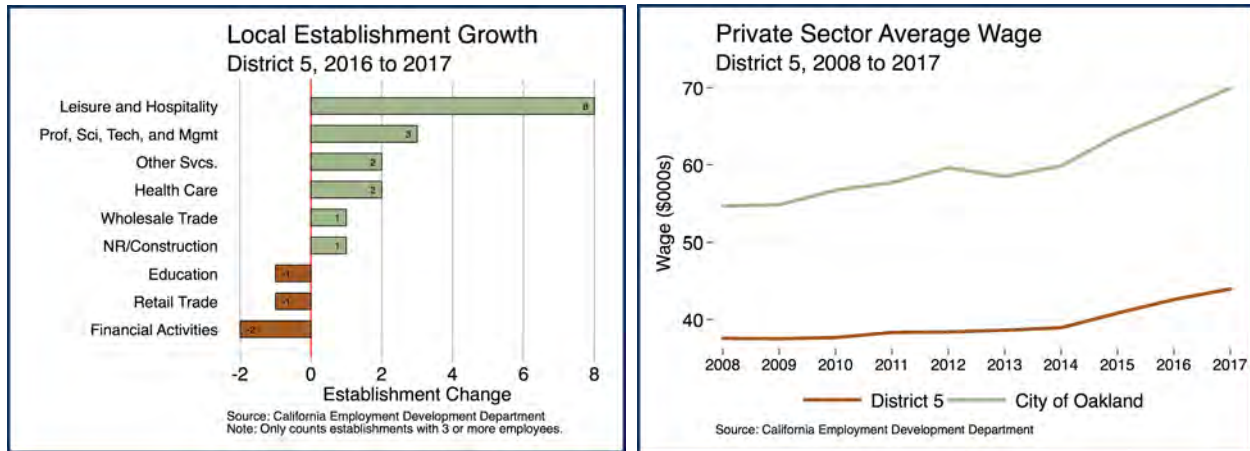
Employment:

- Health Care, the District's largest employer, grew 3.2% to total 3,700 employees. Leisure and Hospitality had one of the largest percentage growths, increasing 9.6% from 2016 to 2017 to 1,300 workers. Construction grew 10.6% to total 800 workers.
- Despite being the second-largest industry in the District, Retail Trade cut 0.1% of its workforce, to total 1,400 employees. Logistics (transportation, warehouse and utilities) fell 13.8% to 600 workers from 2016 to 2017.
- Average wages in District 5 rose 3.2% to \$43,900 from 2016 to 2017. Despite this growth, the district lags the City, where average wages are \$70,000.

Demographics:

- The district's median household income reached \$54,800, growing 6.2%. Despite the strong growth, the median household income remains lower than that of the City (\$70,600).
- Housing vacancy rate dropped 0.2 percentage point to 6.4% but remains higher than the City of Oakland's (5.5%).
- Population fell 0.3% to 55,000 in 2017, compared with 1.2% growth in the City.





DISTRICT 6

With just over 5,000 employees, District 6 has the fewest in the City. After a particularly slow year in 2016, the district picked up steam in 2017 as employment growth reached 6.3%, the highest growth of any district. Average wages rose 2% yet fall considerably short of the City and County's.

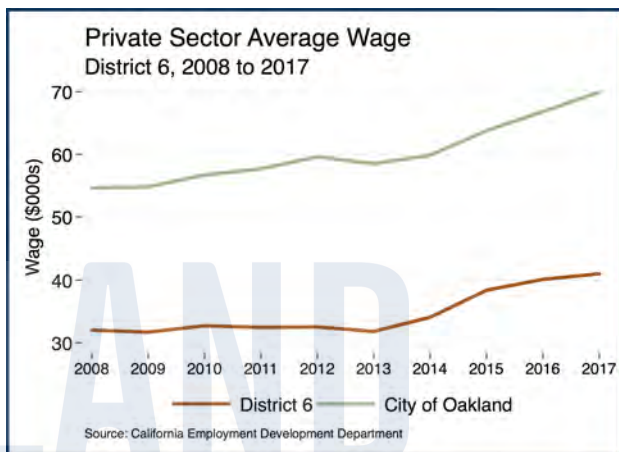
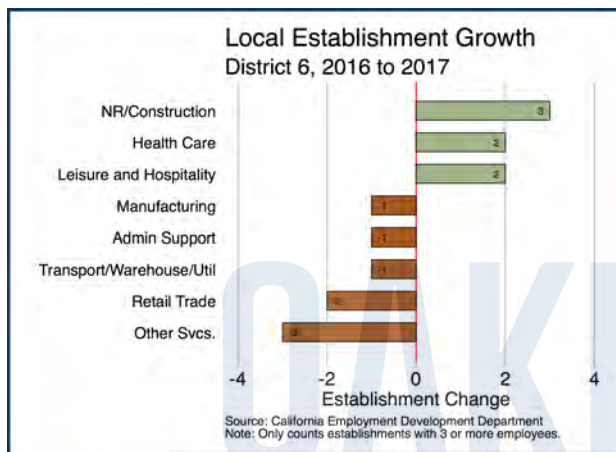
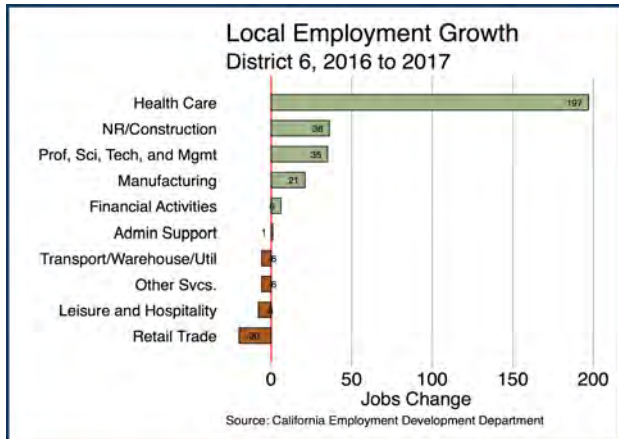
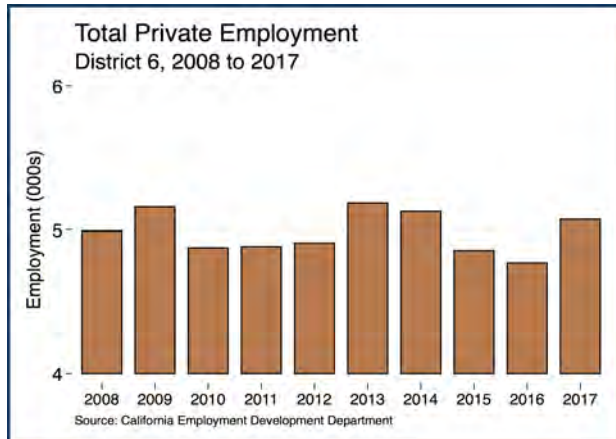
Employment:

^a The largest employment growth by far was in Health Care, which increased 12.2% to 1,800 employees. The industry remains the largest employer in the district, accounting for more than 35% of total employment. Manufacturing grew 6% from 2016 to 2017, reaching 400 employees.

- Retail Trade, the second-largest industry in District 6, fell 3.8% in employment from 2016 to 2017, to 500 employees. Leisure and Hospitality shrank 2.5%, to 300 workers.
- Average annual wages rose to \$41,000, an increase of 2.2% from 2016 to 2017. But all industries except Professional, Scientific, Technical and Management lag the City of Oakland's average wage.

Demographics:

- Total population for District 6 climbed to 62,600 people, a 2.1% increase between 2016 and 2017.
- Housing vacancy rate dropped by 0.9 percentage points as population figures increased over the past year. Overall housing vacancy for District 6 lies at 7.4%.
- Median household income surged by 10.1% between 2016 and 2017 and reached a total of \$61,400. The number of households earning above \$100,000 has gone up to 25.9% - an increase of 3.6 percentage points from 2016.



DISTRICT 7 CHAMBER of COMMERCE

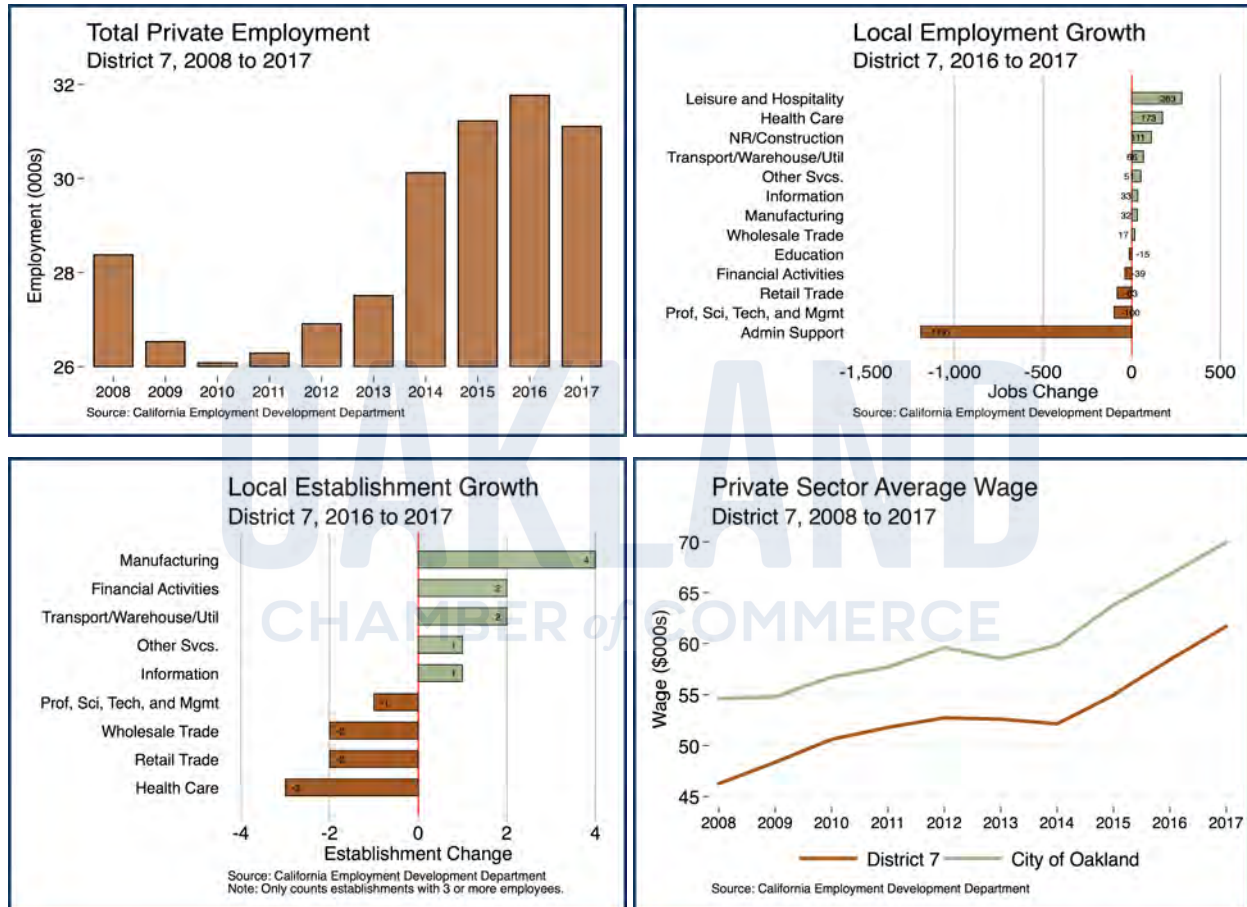
Known for the Oracle Arena, the Oakland Coliseum and the Oakland International Airport, District 7 is the City's second-largest in terms of employment. 2017 was a slow year for job growth, however; total employment fell 2.1% to 31,100 workers. Wages, on the other hand, increased significantly, with the average annual wage rising 5.6% to \$61,700. Large businesses slumped in 2017, with growth in establishments with more than 150 employees falling 8.2%.

Employment:

- Unlike in most districts, Logistics (transport, warehouse and utilities) is District 7's highest-employing sector, with roughly 8,800 workers. The industry grew 0.8% from 2016 to 2017. The largest growth came from Leisure and Hospitality, with an increase of 9.2% to total 3,400 workers.
- Much of the loss in overall employment came from the 22.1% drop in Admin Support, the second-largest industry at 4,200 employees. Professional, Scientific, Technical and Management lost a significant number of workers as well, dropping 6.6% to 1,400 employees.
- Annual average wages increased by 5.6% in the district, thanks to gains from Manufacturing, Construction and Logistics. Leisure and Hospitality, where employment surged from 2016 to 2017, sustained a 4.2% decrease in wages to \$53,100. Nonetheless, wages in Leisure & Hospitality were 32.6% higher in District 7 than in the City.

Demographics:

- Housing vacancy in District 7 shrunk 0.8 percentage point, reaching 6.5%. This was higher than in the City (5.5%) and County (5.4%).
- Total population rose 1.3% from 2016 to 2017, to 62,800 people. Growth in population for the district runs along the same trend as the City (1.2%).
- Median household income increased 9.5% in District 7, eclipsing the growth in the City (3.7%). Households earning above \$100,000 increased by 3.4 percentage points to 22.8%, which helped push the median household income to \$56,700.



Report Footnotes

1) Li, Roland. "Square Leases Oakland's Uptown Station in One of City's Biggest Deals Ever." *San Francisco Chronicle*. Dec. 21, 2018

2) "China Presses on with Scrap Restrictions," *Recycling Today*"; Brian Taylor, 2019.

Oakland/East Bay Economic Forecast 2019

Understanding Oakland's economy is essential in advocating for new jobs and new industry to grow our local ecosystem. With that growth, we are able to advocate for services and programs that support our community. The Chamber, representing small and large businesses in every district across the city, has commissioned this data not only to help guide the city's economic development activities but also as a tool to measure how government policies impact business growth in Oakland.

The report has enabled the Chamber to influence city leadership with economic data, using the information to inform policy makers to the economic realities of their policy decisions. The report has also been widely distributed and used by Chamber members and the greater government and business community to inform business decisions, educate investors outside our city and region and by our city council during their budget planning sessions.

For information:

Oakland Metropolitan Chamber of Commerce
475 14th Street, Suite 100
Oakland CA 94612

oaklandchamber.com

CHAMBER of COMMERCE

Report prepared by:

Beacon Economics

Christopher Thornberg, PhD
Founding Partner

Robert Kleinhenz, PhD
Economist and Executive Director of Research

And by:

Adam Fowler, Research Manager
Brian Vanderplas, Senior Research Associate
Justin Niakamal, Senior Research Associate

Beacon Economics
5777 West Century Boulevard, Suite 895
Los Angeles CA 90045
BeaconEcon.com