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## Bay Area projected to come out on top for economic growth this year: report

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Layoffs and economic uncertainty notwithstanding, the Bay Area is expected to enjoy economic growth of 4.8% this year, fueled by what remains strong performance from the tech sector, according to new research from the Kenan Institute of Private Enterprise.

The report, 2022's Fastest-Growing Cities in the U.S., Ranked, looks at the performance of the greater Bay Area, which includes San Jose, Oakland and San Francisco. The findings underscore the powerful economy that the Bay Area continues to enjoy, with its emphasis on innovation and technology.

See the attached slideshow to see the 2022 growth forecast for the nation's top 10 metro areas.

"The San Francisco Bay Area has extremely high productivity. Every job created in the Bay Area creates a lot of economic activity. That's an underlying source of strength," said Gerald Cohen, chief economist of the Frank Hawkins Kenan Institute of Private Enterprise at the University of North Carolina's Kenan-Flagler Business School in Chapel Hill.

The region's tech employment continues to grow, if more slowly, Cohen said. But he cautions that 2023's economic growth



TODD JOHNSON | SAN FRANCISCO  
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The Bay Area, including San Francisco, Oakland and San Jose, is enjoying the strongest economic growth of any region in the nation, according to a new report from the Kenan Institute of Private Enterprise.

projections, coming out in January, could see a change in rankings.

Bay Area companies, including Meta, Google, Robinhood and numerous startups, have announced hiring freezes and layoffs that may not show up yet in the data, he said.

The Bay Area is getting a lift from the adoption of technology to improve corporate performance and make remote work easier, but the sector is also taking a hit this year by the slowing economy.

Another concern is the Bay Area's expensive housing market that may make it difficult for talent to move to the region, said Cohen, who has family ties to the Bay Area. High housing costs remain a concern even as the region is among the fastest declining housing markets nationwide.

As the institute seeks to provide timely insights into regional economic data, the Kenan Institute sometimes looks at a region more broadly than others do. For instance, Cohen said the Bay Area in his report stretches from Santa Rosa to Santa Cruz and east to Merced and Modesto, adding that the Central Valley cities are in the Bay Area's economic orbit.

The study assigns economic activity to where workers and their offices are located. But one of the challenges Cohen is grappling with is the rise of remote work and accurately assigning where economic activity is occurring with those workers. It's one thing to measure a region's economic activity if employees are working remotely from their homes near the office.

"But if people are working remotely from Boise — which we know that's a trend — then it gets a bit more complicated," Cohen said of those working remotely from the Idaho capital without an employer's office nearby. "It's a work in progress."

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