



IMMEDIATE RELEASE

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40% Considering Leaving in the Next Few Years as Bay Area's Housing, Traffic & Cost of Living Woes Go Unaddressed

Millennials Leading the Way at 46%

SAN FRANCISCO—A growing number of Bay Area residents, led by millennials (18-39), are looking to greener (or less expensive) pastures as the region's housing and traffic crises combined with an astronomical cost of living take their toll, according to results of the 2017 Bay Area Council Poll released today. The poll found that 40 percent of respondents are considering leaving the Bay Area in the next few years, with millennials leading the way at 46 percent, along with those who spend the biggest share of their income on housing.

"Losing our youth is a very bad economic and social strategy," said Jim Wunderman, President and CEO of the Bay Area Council. "But until we get serious about building the housing we need we're going to continue seeing our region drained of the young and diverse talent that has helped make the Bay Area an economic powerhouse. We know what the solutions are – streamline local approval and reduce fees and regulatory costs – we just need the political will here and in Sacramento to make them happen. It can be done, it must be done and we're working now to get it done."

Housing and rent costs were listed as the most important problem by residents in an open-ended question, followed by traffic, other housing problems (like availability), poverty/homelessness and cost of living. Housing costs came in second behind the region's sky-high cost of living in a set ranking of 15 issues, and again was followed closely by traffic.

Cost of living was also chosen most frequently (55%) as one of the top three problems, again, followed by traffic (41%) and housing (39%). Homelessness (30%) and poverty/income inequality (28%) also figured high on the set list of problems, according to the Council's annual public opinion survey.

The growing concerns over housing, traffic and cost of living may be starting to take a toll on the economy. The poll found that 76 percent think the region's housing shortage is threatening the Bay Area economy. An analysis of state employment data by the Bay Area Council Economic Institute foresees a steep drop off in the pace of annual job growth, from 142,000 in 2016 to a projected 86,000 this year.

Millennials aren't the only ones considering leaving. Respondents in the lowest income bracket and those spending the biggest chunk of their incomes on housing also want to get out. The poll found

that 49 percent of residents spending between 45-55 percent of their income on housing costs are likely to bid adieu in the next few years, while 55 percent of those spending 60 percent or more of their pay on housing say they'll be packing their bags. Among those in households making \$75,000 per year or less, 46 percent indicate they are likely to leave within the next few years.

Santa Clara County, home to Silicon Valley and some of the region's most expensive housing, has the highest number of residents thinking of finding a new address outside the Bay Area, at 47 percent. Across the entire region, renters (50%) are also much more likely than homeowners (31%) to want to cast off, while those who have lived in the Bay Area the longest are far less likely to want to exit than those who have more recently arrived.

"We've pulled up the welcome mat," Wunderman said. "A healthy, growing economy needs new blood, but resistance to new housing combined with the grind of traffic and an ever-lengthening commute are closing the door to new residents, to a new generation. The Council is addressing these problems by supporting new funding at a state level to fix roads and highways, advocating for federal funding to increase capacity on Caltrain, working to expand regional ferry service and urging employers to promote greater use of carpool and rideshare technologies. On the housing front, the Council last year sponsored the only significant housing bill to win approval, making it faster, easier and less expensive for homeowners to add affordable in-laws units. This year, we're working with legislators on a number of bills to streamline housing approvals that represent our best hope to address the state's massive housing shortage."

Some significant differences emerged along generational lines about what are the region's most pressing challenges. Consistent with the findings for those thinking of leaving, the Bay Area Council Poll found that 33 percent of millennials (18-39) rank cost of living as the region's top problem and 65 percent choose it as one of the top three, compared with 16 percent and 44 percent, respectively, for voters aged 65 and older. In a ranking of top issues, 5 percent of millennials cited traffic as the biggest problem while 18 percent of voters 65 and older did the same.

The increase in residents eyeing the exits comes even as overall optimism in the region remains largely unchanged from last year, with 42 percent saying the Bay Area is on the right track compared with 40 percent in 2016. Still, optimism is well down from 2014, when 57 percent said the region was headed in the right direction.

The *2017 Bay Area Council Poll*, which was conducted online by Oakland-based public opinion research firm EMC Research from Jan. 24 through Feb. 1 and surveyed 1,000 registered voters from around the nine-county Bay Area about a range of issues related to economic growth, housing and transportation, drought, education and workforce.

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About the Bay Area Council

The Bay Area Council is a business-sponsored, public-policy advocacy organization for the nine-county Bay Area. The Council proactively advocates for a strong economy, a vital business environment, and a better quality of life for everyone who lives here. Founded in 1945, the Bay Area Council is widely respected by elected officials, policy makers and other civic leaders as the voice of Bay Area business. Today, approximately 275 of the largest employers in the region support the Bay Area Council and offer their CEO or top executive as a member. Our members employ more than 4.43 million workers and have revenues of \$1.94 trillion, worldwide.