

Memorandum

TO: Joint MTC Planning Committee with the
ABAG Administrative Committee

DATE: February 1, 2019

FR: Executive Director

RE: Vital Signs: Equity Update

Background

The Vital Signs performance monitoring initiative was a key implementation action of the original Plan Bay Area in 2013, allowing residents to track trends for 41 indicators related to transportation, land & people, the economy, the environment, and equity. To date, more than 84,000 users have visited the Vital Signs website, with traffic increasing by 25 percent between 2017 and 2018. Managed by MTC and ABAG, Vital Signs involves close cooperation with other project partners, including the Bay Area Air Quality Management District, the Bay Conservation and Development Commission, and the Bay Area Regional Collaborative.

In February 2019, five of the six Vital Signs equity indicators will be updated with the latest data, with the updated data scheduled for release on the Vital Signs website in early 2019. The sixth equity indicator, life expectancy, will be updated when new data is available.

Key Findings for 2017: Jobs by Wage Level

- *The number of high-wage jobs in the region dipped between 2016 and 2017.* While the largest number of jobs in the Bay Area are in high-wage occupations, the gap between the number of high-wage and low-wage workers narrowed in 2017. The number of high-wage jobs in the region decreased by around 12,000 in 2017, while the region added around 9,000 low-wage jobs.
- *Middle-wage job numbers remain stagnant, despite overall growth in the number of jobs.* Middle-wage jobs are widely seen as a gateway to economic opportunity for those without a college degree or specialized training. The number of middle-wage jobs in the region has hovered around 800,000 for the past few years, despite growth in low- and high-wage employment numbers.

Key Findings for 2017: Poverty

- *The regional poverty rate is at an all-time low.* Less than one in five Bay Area residents are living in poverty, the lowest share since at least 1980, the first year for which data is available.
- *Poverty in coastal, inland and delta communities is increasing.* While the largest share of people in poverty in the Bay Area live in the region's three largest cities, the share of residents in poverty living in smaller cities and towns has grown. In 2000, 44 percent of people in poverty lived in the three largest cities, falling to 39 percent in 2017. Meanwhile, poverty rates have increased in inland communities like San Leandro and Rohnert Park and communities along the delta such as Oakley and Antioch.

Key Findings for 2017: Housing Affordability

- *Housing affordability is a challenge for many low- and middle-income households.* Roughly one in three Bay Area households is excessively-burdened by housing costs. Perhaps unsurprisingly, this share is much higher for households earning less than \$50,000 per year. However, 40 percent of households earning between \$50,000 and \$75,000 and 25 percent of households earning between \$75,000 and \$100,000 remain excessively-burdened, suggesting that affordability is a problem for many middle-income households.
- *A larger share of renters struggles with housing affordability, though the gap between renters and owners varies by county.* Across the region, 30 percent of renter households are excessively-burdened, compared to 23 percent of owner households. At the county level, the disparity between cost-burden for renters and owners can be even greater, with over 40 percent of renters households in the counties of the North Bay considered excessively-burdened compared to 23 percent of owner households. The gap is smallest in San Francisco, where high rents have likely priced out many lower-income renters.

Key Findings for 2017: Displacement Risk

- *The share of lower-income residents at risk of displacement peaked in 2017.* The share of lower-income residents at risk of displacement grew by two percentage points each year between 2015 and 2017 to reach an all-time high of 42 percent.
- *Displacement risk is no longer just a problem for the region's more urban counties.* Historically, displacement risk has largely not affected lower-income households in Napa, Solano, Sonoma, and Contra Costa counties, with less than 5 percent of lower-income households in these counties at risk of displacement in 1990. By 2017, displacement risk in each of these counties was within five percentage points of the regional average.

Key Findings for 2015: Migration

- *The number of people moving from Southern California and other states to the Bay Area has grown in recent years.* In 2011 and 2012, more Bay Area residents moved to the San Diego area than made the opposite move, a trend that was reversed in 2013. The Bay Area now has positive net migration with the San Diego and Los Angeles metro areas. Similarly, 2015 was the first year in which more residents of other states moved to the Bay Area than made the opposite move.
- *2015 was the first year where more residents moved from the East Bay to the North Bay than made the opposite move.* The East Bay has traditionally represented a more affordable destination for those priced out of more expensive counties. However, migration data suggest that high housing costs may now be affecting the East Bay. In 2015, more East Bay residents moved to the North Bay than made the opposite move, potentially due to East Bay residents seeking less expensive housing in places like Solano County.



Steve Heminger

Attachment:

- Presentation

SH:rm

FEBRUARY 8, 2019

EQUITY UPDATE

JOINT MTC PLANNING COMMITTEE WITH THE
ABAG ADMINISTRATIVE COMMITTEE



MTC

ABAG

BAAQMD

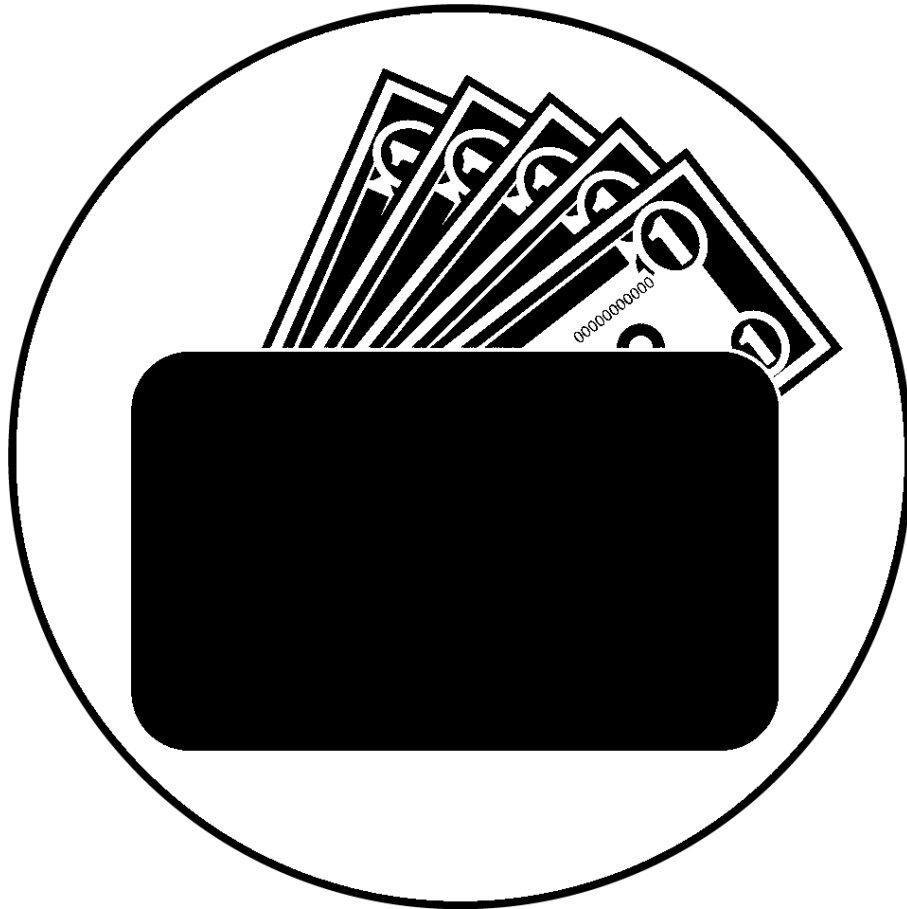
BCDC

BARC



Today's presentation will focus on findings from the Vital Signs equity indicators.





JOBS BY WAGE LEVEL

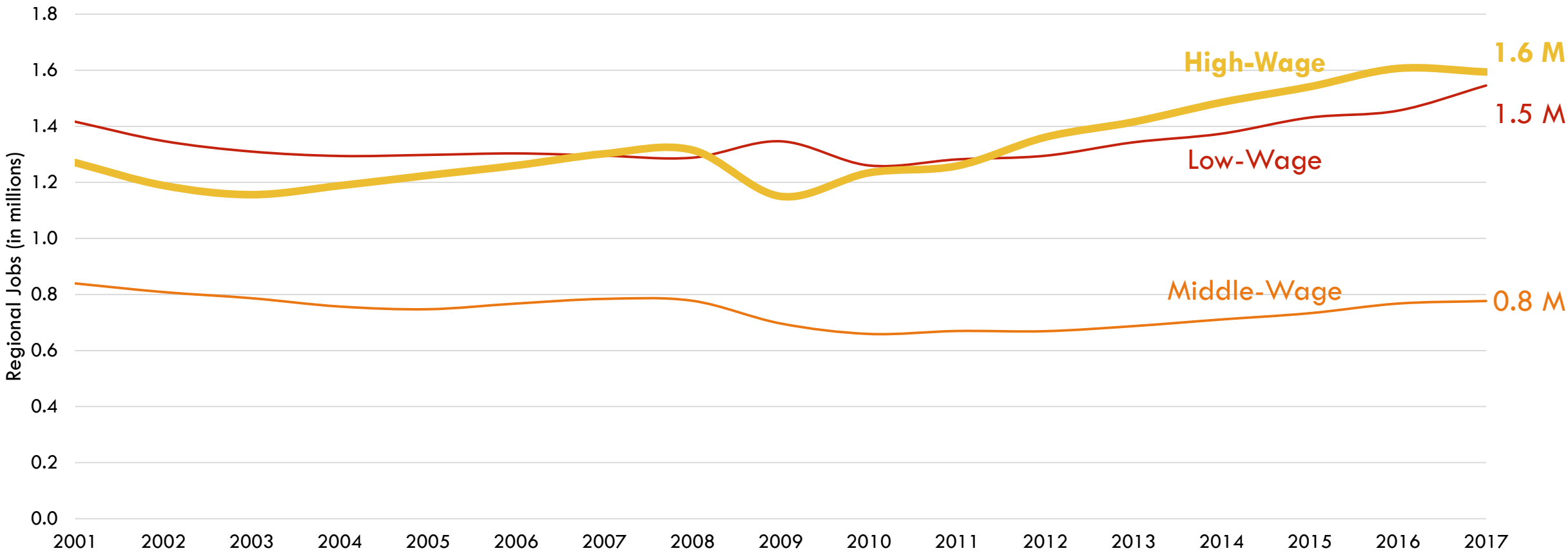
Indicator definition: the number of jobs in low-, middle-, and high-wage occupations



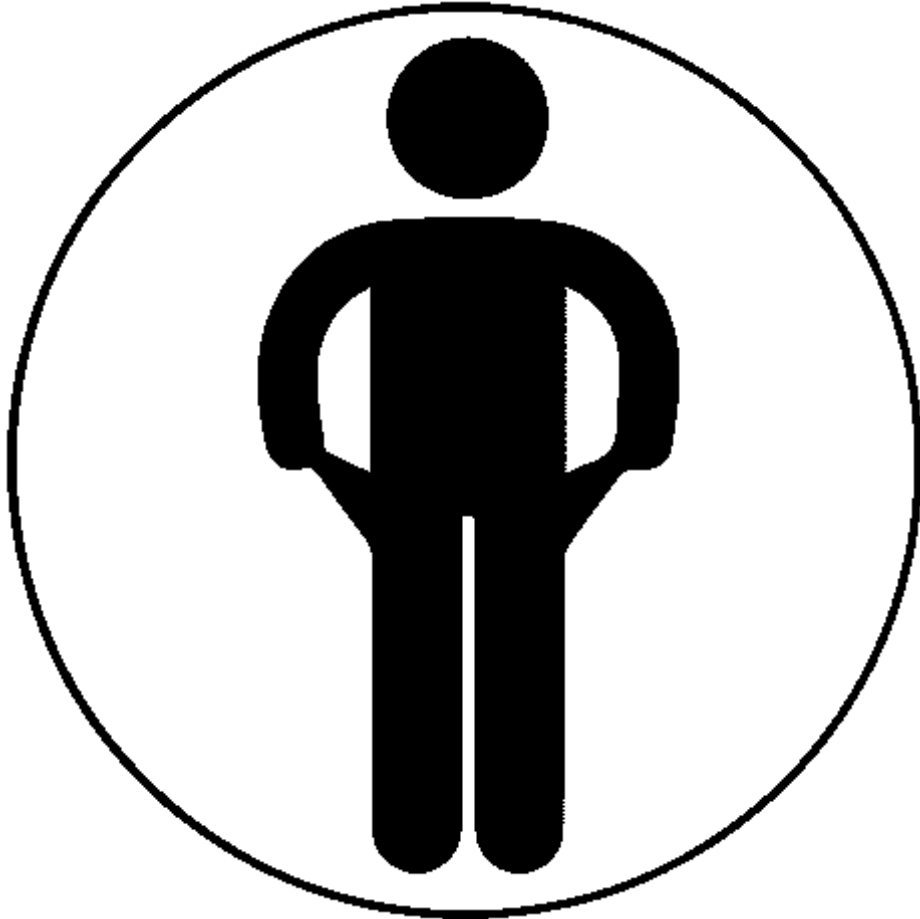
REGIONAL PERFORMANCE

The number of high-wage jobs in the Bay Area dipped between 2016 and 2017, while low-wage work increased.

REGIONAL JOBS BY WAGE LEVEL



Sources: Employment Development Department; U.S. Census Bureau/American Community Survey, 2017



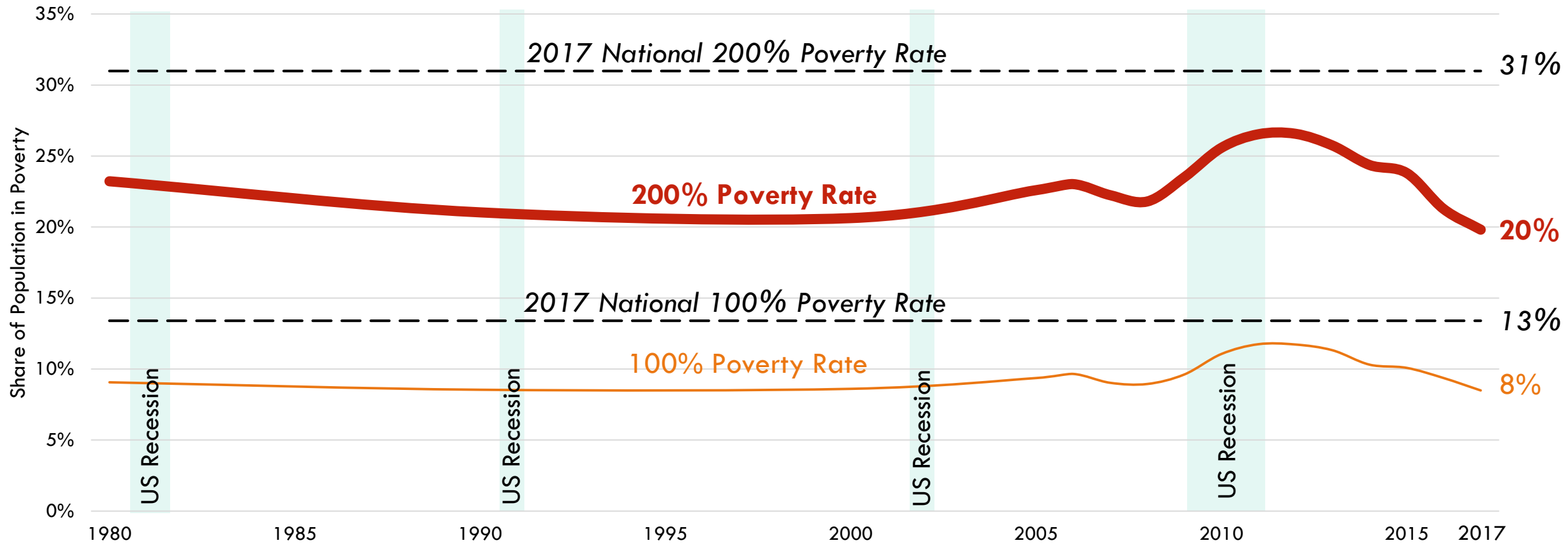
POVERTY

Indicator definition: the number of people living in households earning less than twice the national poverty measure

REGIONAL PERFORMANCE

The regional poverty rate is at the lowest it has been in almost four decades.

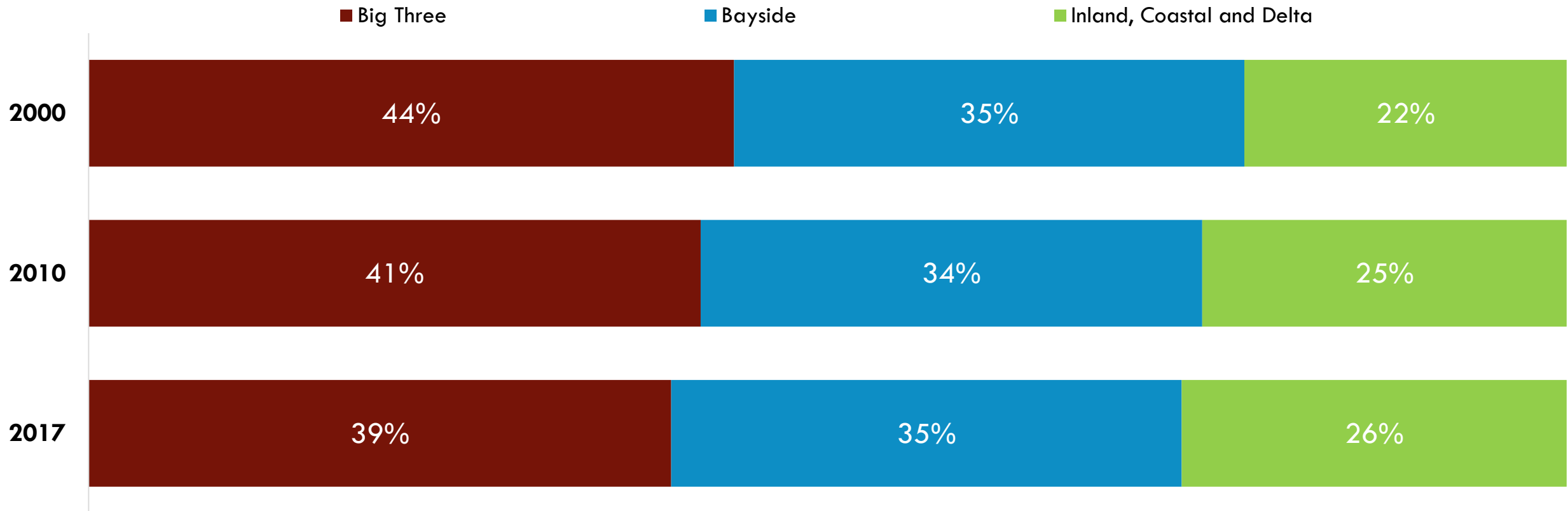
REGIONAL SHARE OF POPULATION IN POVERTY



LOCAL FOCUS

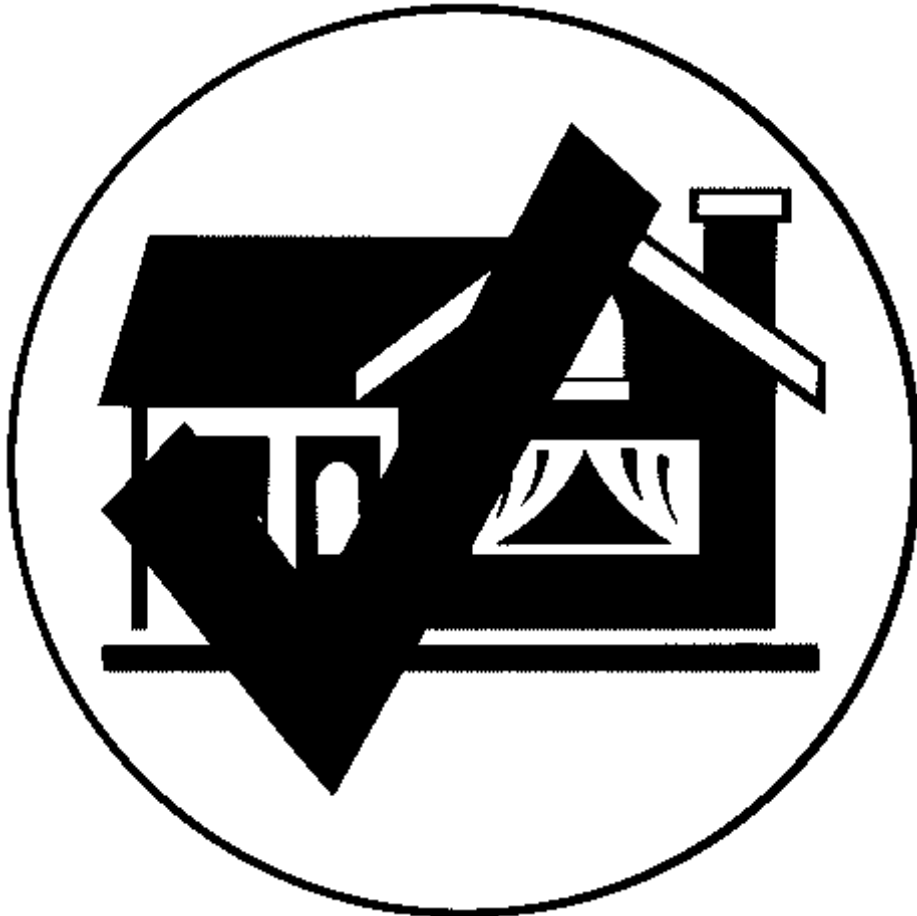
The share of people living in poverty in the three largest cities has declined, due in part to displacement of lower-income households.

GEOGRAPHIC DISTRIBUTION OF HOUSEHOLDS IN POVERTY



Source: U.S. Census Bureau/American Community Survey

Note: poverty is defined as living below twice the national poverty level



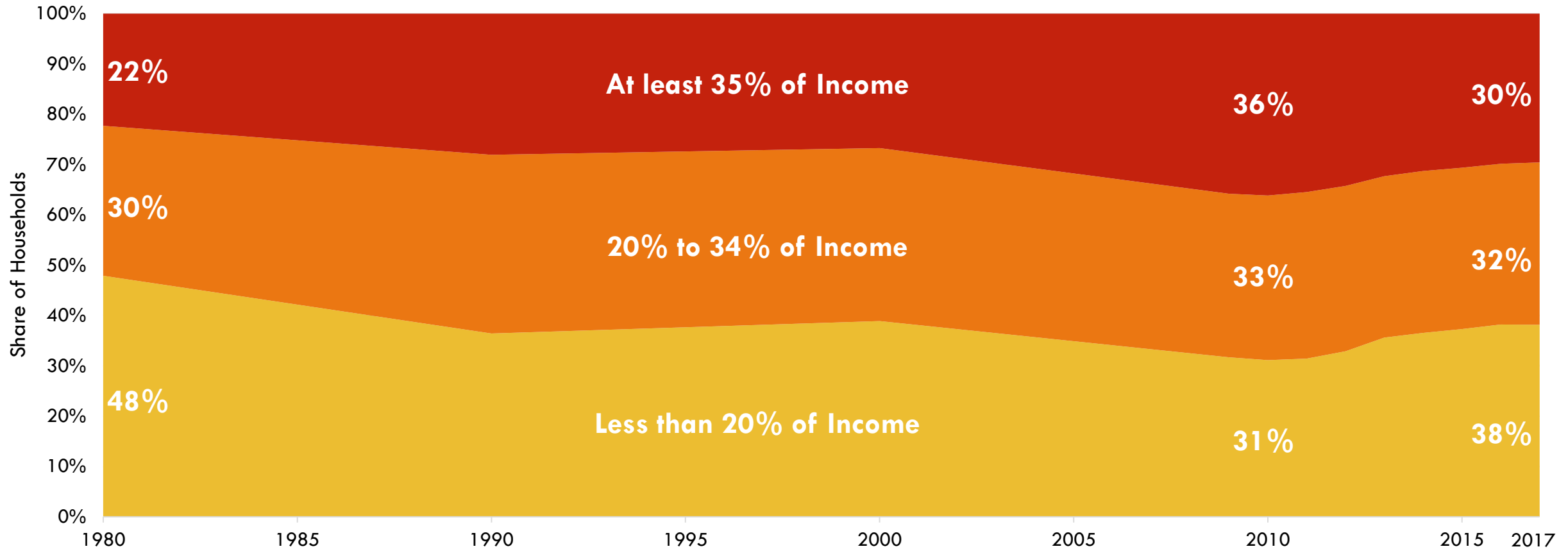
HOUSING AFFORDABILITY

Indicator definition: households are considered excessively-burdened by housing costs if they spend 35% or more of their income on housing

REGIONAL PERFORMANCE

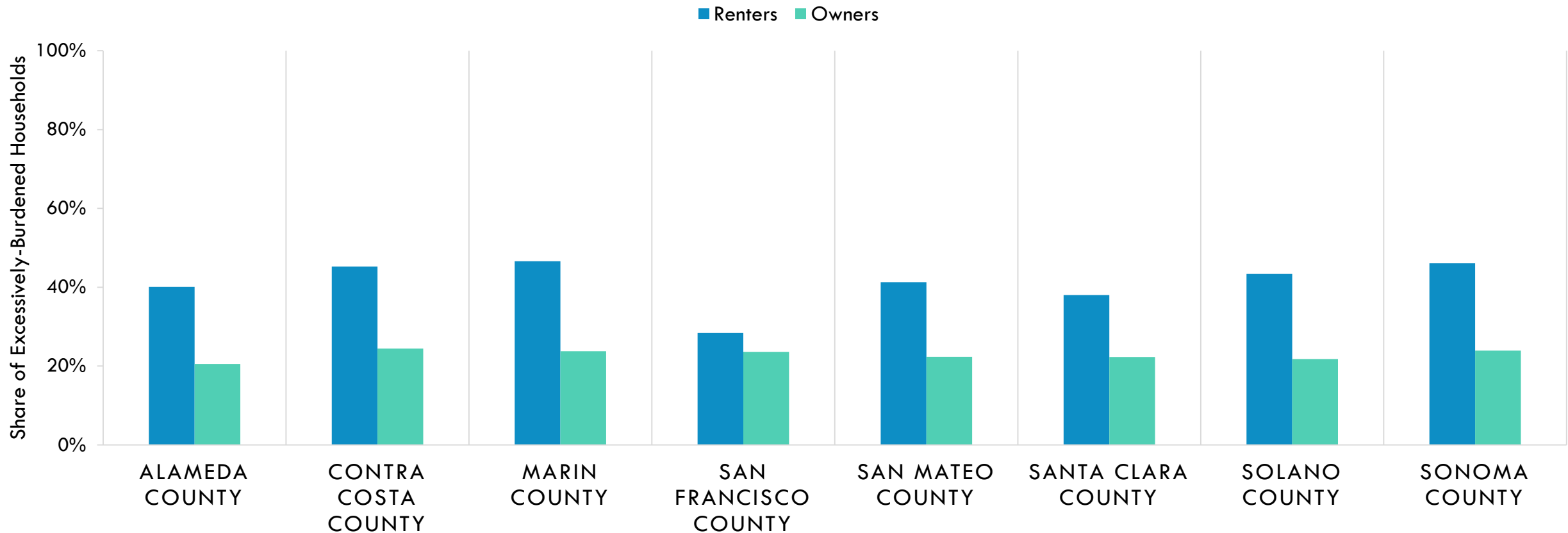
Housing affordability has worsened over time, but the region's economic recovery has resulted in progress since 2010.

SHARE OF HOUSEHOLD INCOME SPENT ON HOUSING



LOCAL FOCUS

San Francisco shows the smallest disparity between the share of excessively-burdened renter and owner households.

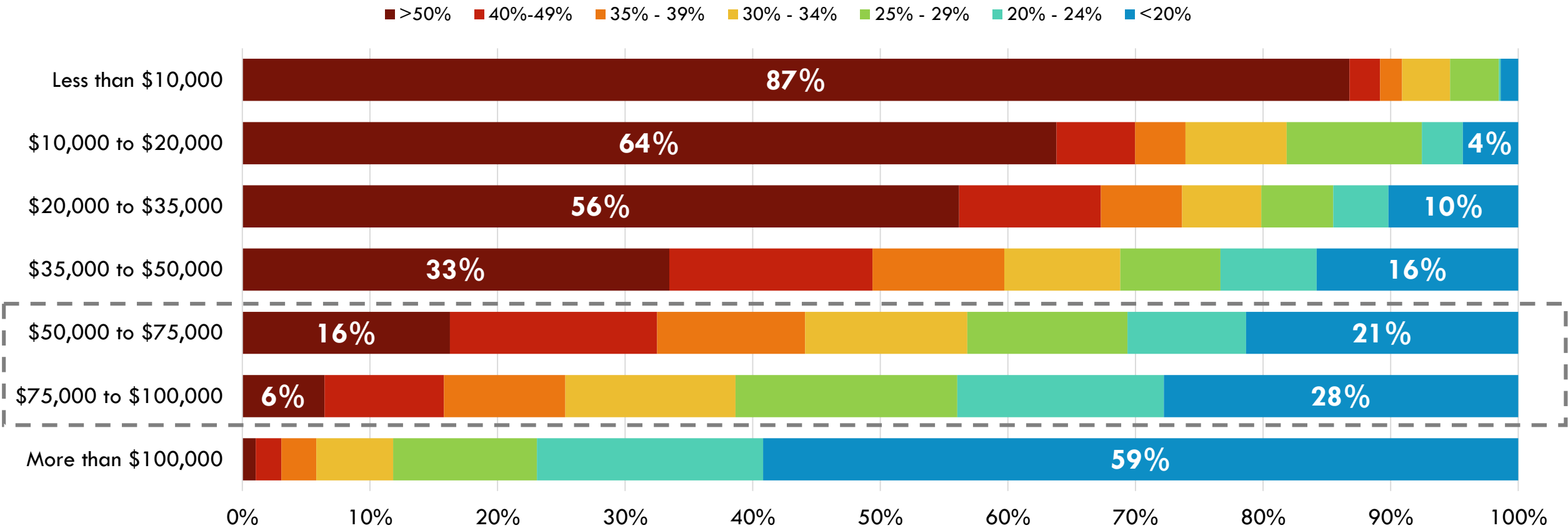
2017 SHARE OF EXCESSIVELY-BURDENED HOUSEHOLDS BY COUNTY



REGIONAL PERFORMANCE

Housing affordability remains a challenge even for middle-income households.

2017 SHARE OF INCOME SPENT ON HOUSING BY HOUSEHOLD INCOME LEVEL





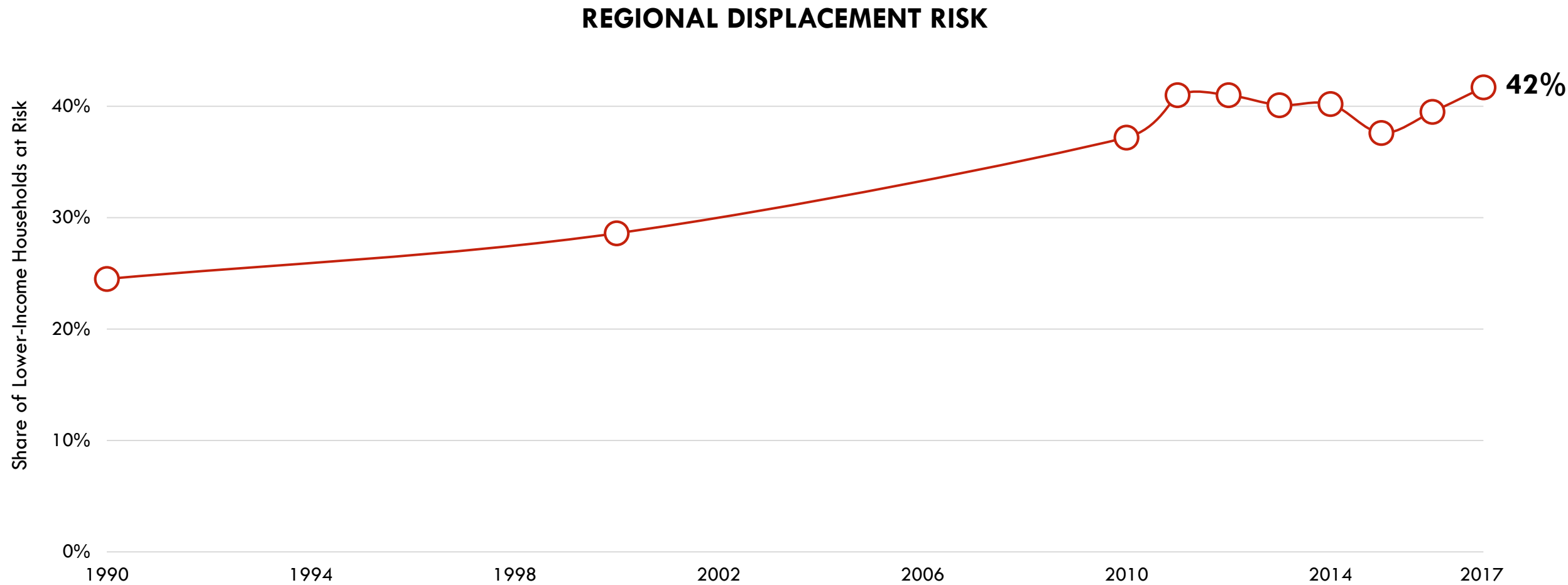
DISPLACEMENT RISK

Indicator definition: the share of lower-income households in census tracts that are designated as “at risk” of displacement



REGIONAL PERFORMANCE

The share of lower-income households at risk of displacement peaked in 2017.

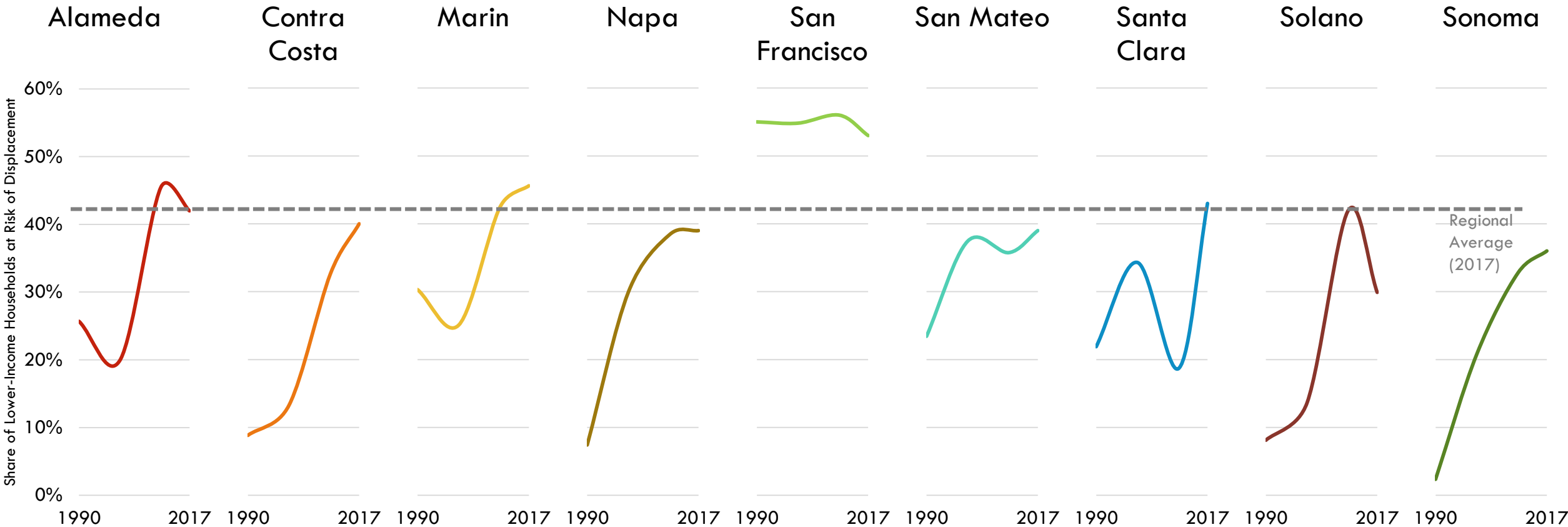




LOCAL FOCUS

Displacement risk has increased dramatically in the counties of the North Bay and East Bay.

HISTORICAL TREND FOR DISPLACEMENT RISK





MIGRATION

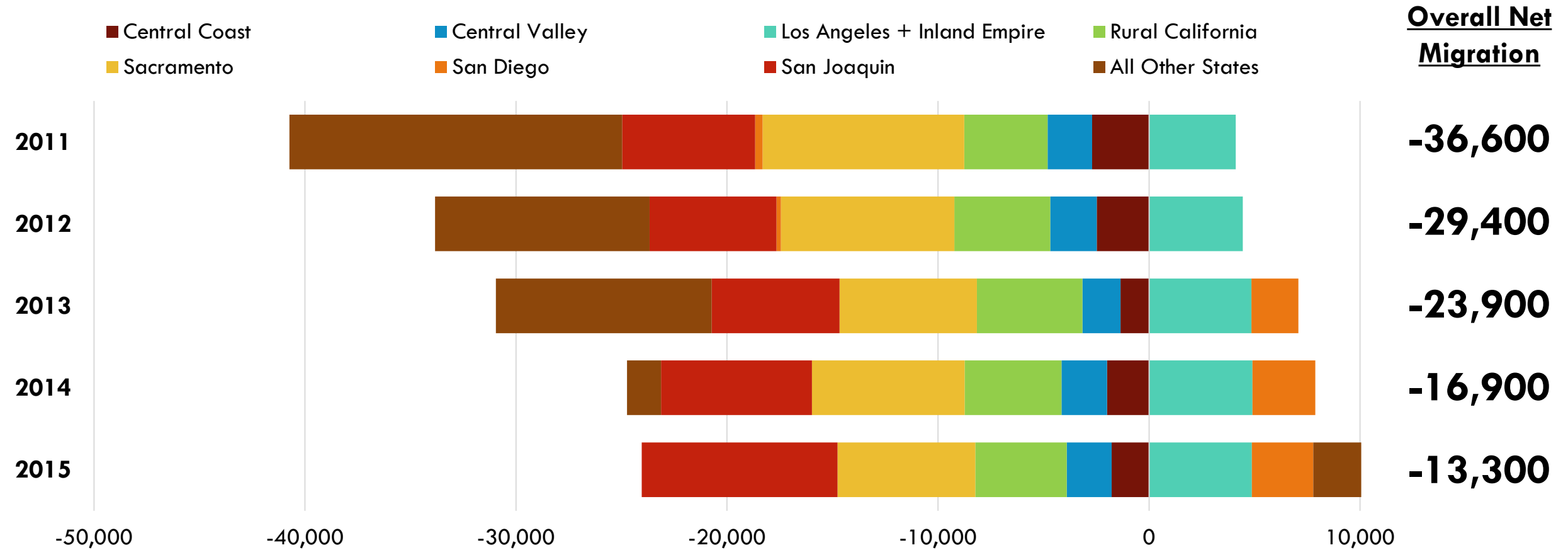
Indicator definition: the flow of people within the Bay Area and between the Bay Area and other counties



REGIONAL PERFORMANCE

2015 was the first year in at least four years in which the Bay Area had net positive migration from other states.

NET REGIONAL MIGRATION – DOMESTIC ONLY



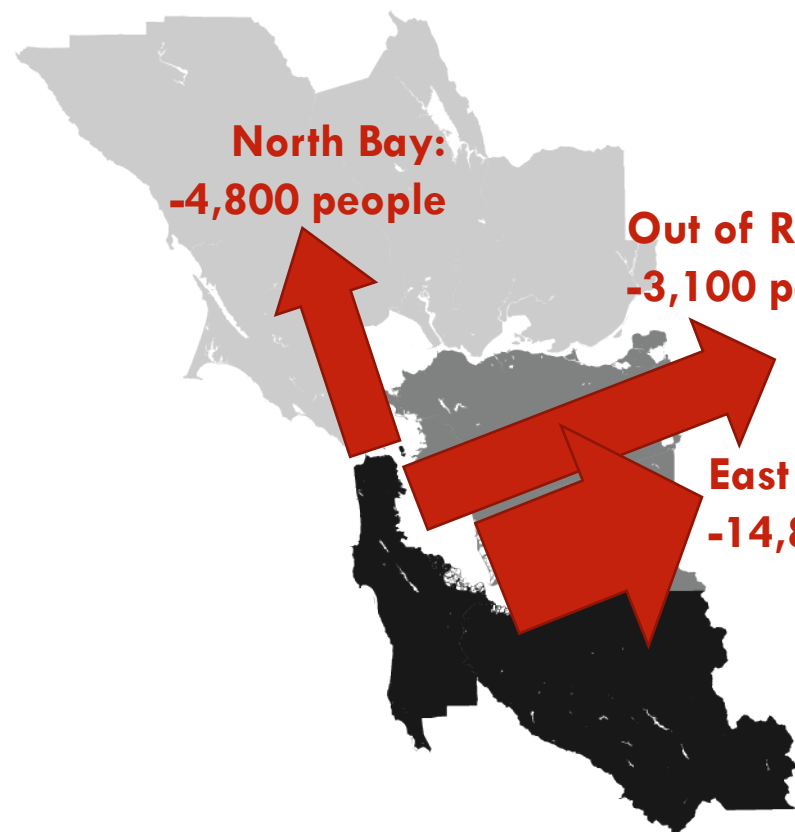


LOCAL FOCUS

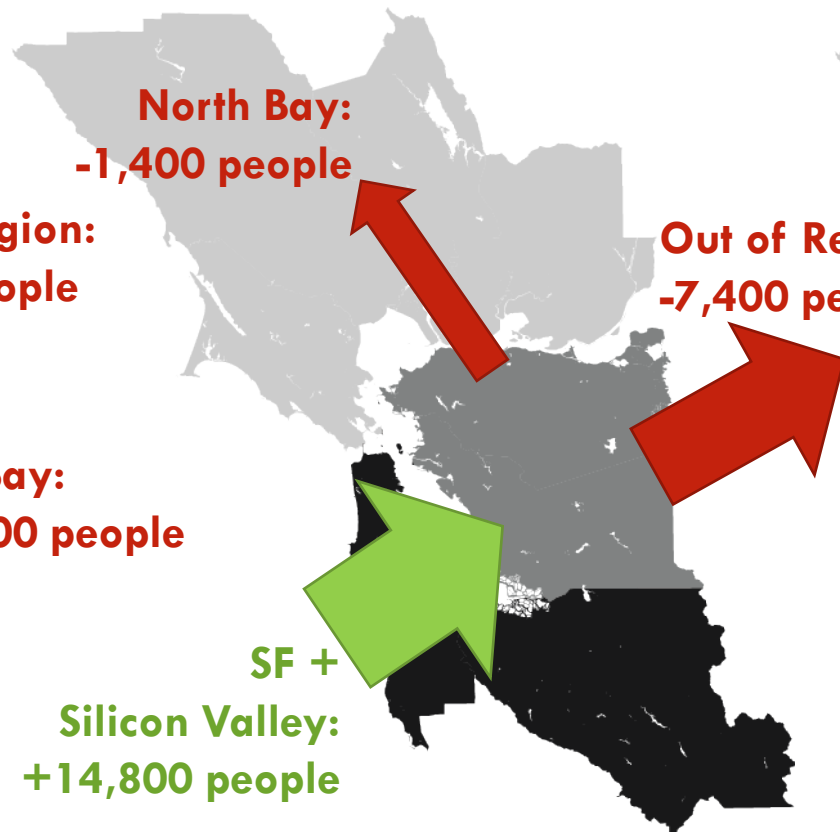
West Bay residents seek cheaper housing in the East Bay, driving East Bay residents north in search of cheaper housing.

2015 NET MIGRATION BY SUBREGION

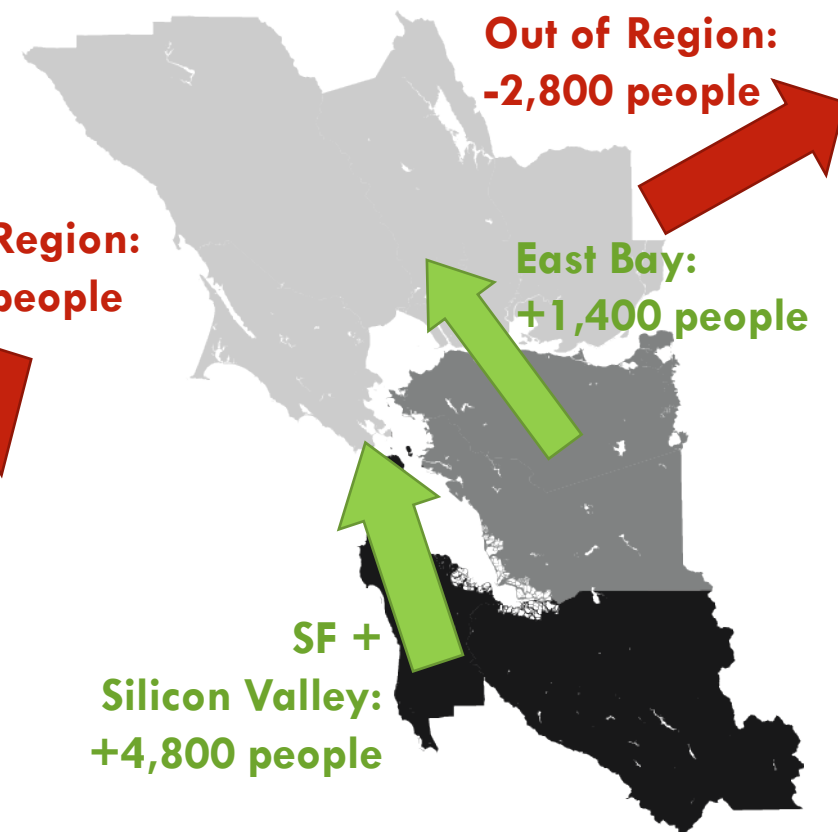
SAN FRANCISCO + SILICON VALLEY



EAST BAY



NORTH BAY



QUESTIONS?

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