



PLAN BAY AREA 2050

Draft Regional Growth Forecast

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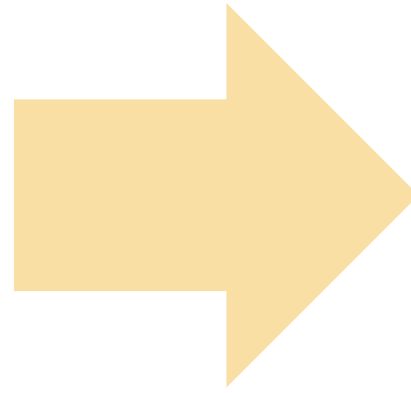
Regional Planning Program

ABAG Regional Planning Committee - March 4, 2020

Setting the Stage: Context for Plan Bay Area 2050

Regional affordability
remained a critical issue
in **Plan Bay Area 2040**

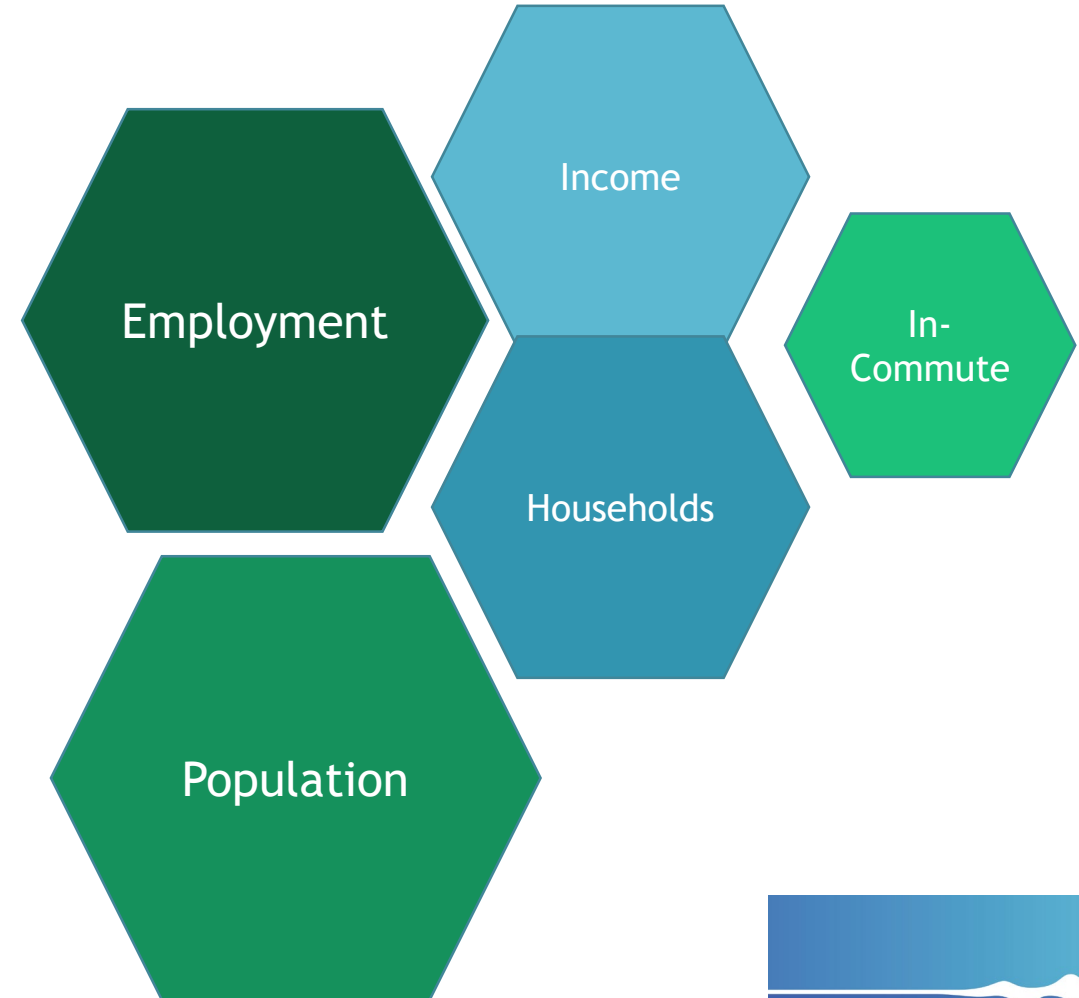
Horizon Initiative
studied how the region
could respond to
uncertainties with a
suite of new strategies



Plan Bay Area 2050
Regional Growth
Forecast to integrate
strategies that affect
both the level of
growth and critical
regional outcomes

Setting the Stage: How Will We Forecast the Growth Pattern

- **Plan Bay Area 2050 Regional Growth**
Forecast estimates employment and population, households by income category, and in-commuting change at the regional level between 2015 and 2050.
- The next step is to forecast the total amount of growth in **local areas** based on strategies integrated into the Plan.



Forecast Range: Business as Usual vs. Strategy Infused

- **Base Case:** business as usual, assuming few changes from existing policies.
- **Upper Range:** strategy infused forecast, reflecting the impacts of potential policies and strategies on regional economy and demographics.

Forecasting Tools and Assumptions

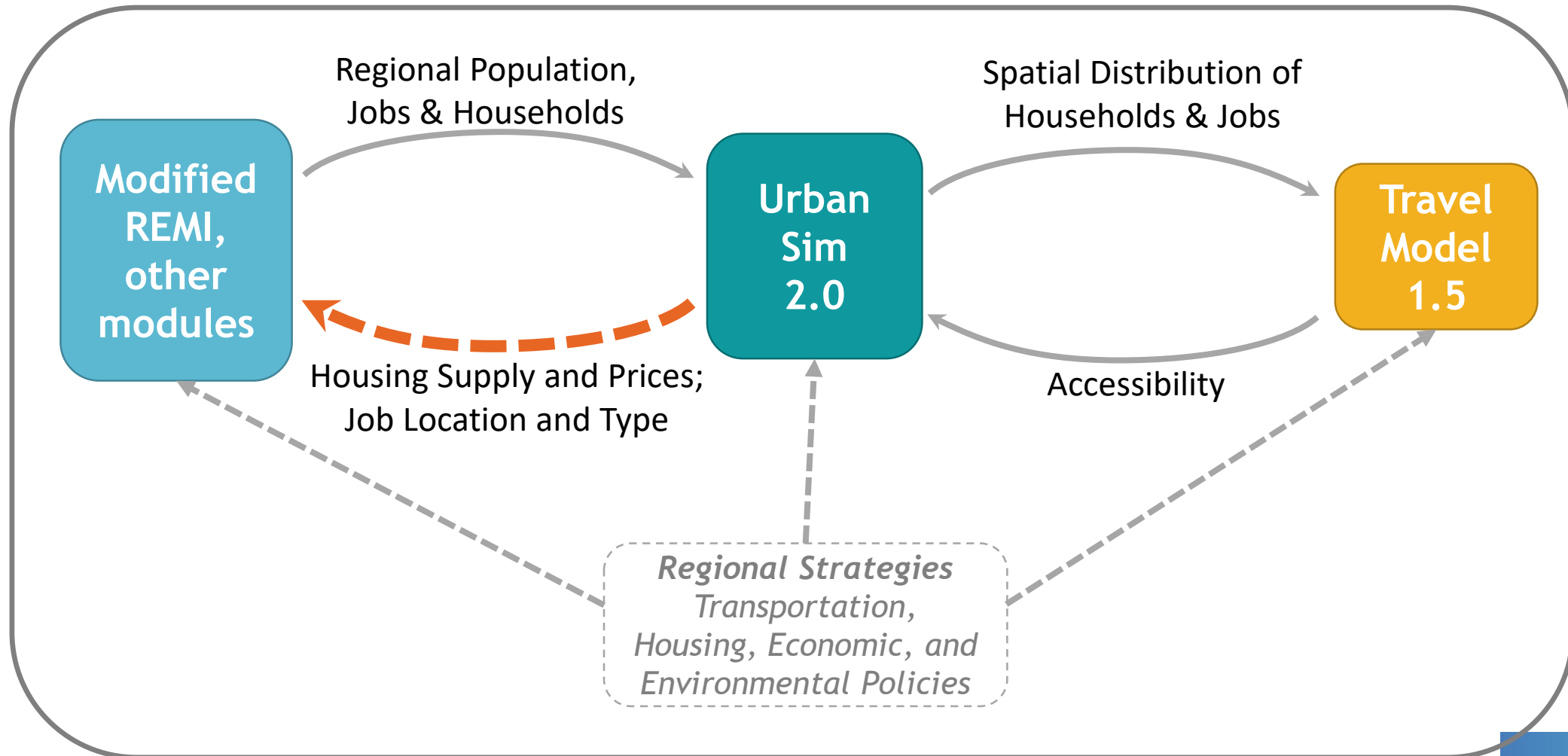
Base Case Assumptions

- Bay Area employment is driven by national trends in population growth and employment.
- Overall U.S. population growth will likely slow over next three decades, particularly given observed decline in Hispanic international migration and birth rates.
- Competitiveness of Bay Area sectors relative to the equivalent sectors in the U.S. will grow slowly then stabilize.
- Bay Area relative housing price to the nation remains high.

Upper Range Assumptions

- We use REMI model to explore what happens to the region's economy and demographics if a suite of housing strategies bring prices relative to the nation as a whole back to levels from 2001.
 - This represents a 35 percent decrease from the price differential in year 2018 - an ambitious but feasible target for improving regional affordability.
- Where and how much housing is built could change the cost of housing, as well as the cost and demand for labor.
- A change in housing prices and location could further change the number and types of jobs as well as the labor force that can live in the region.

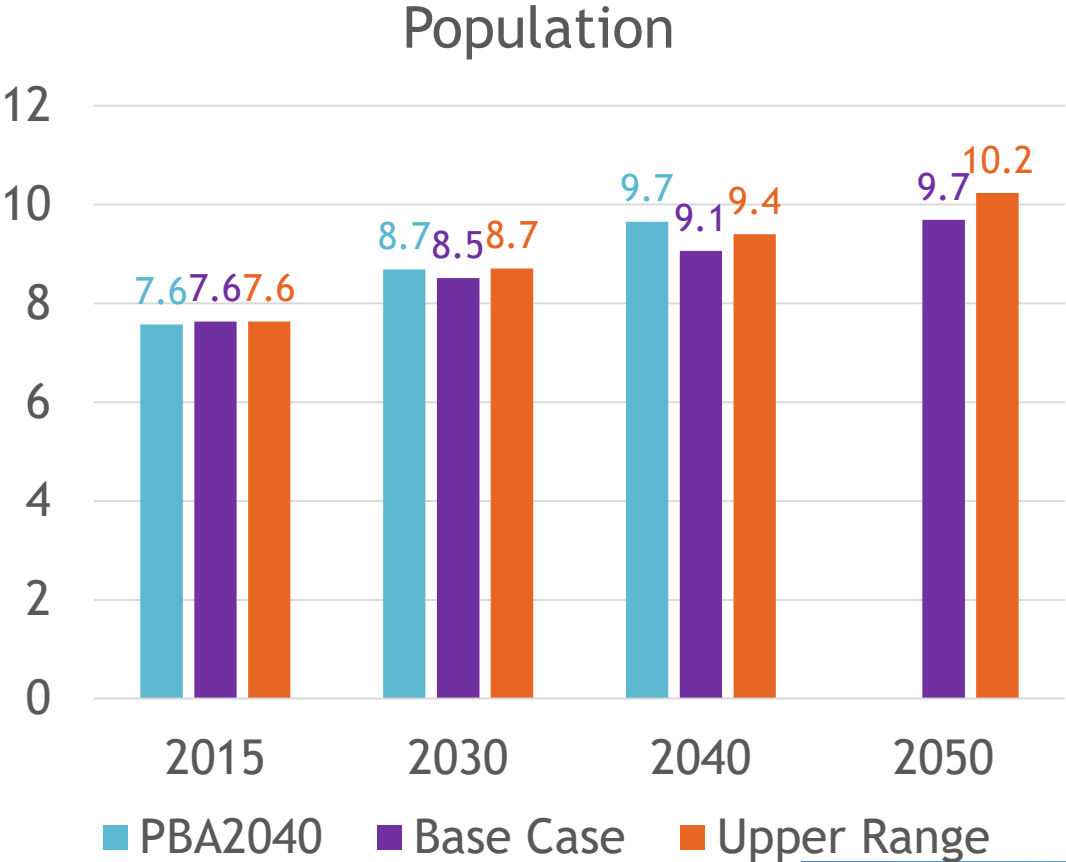
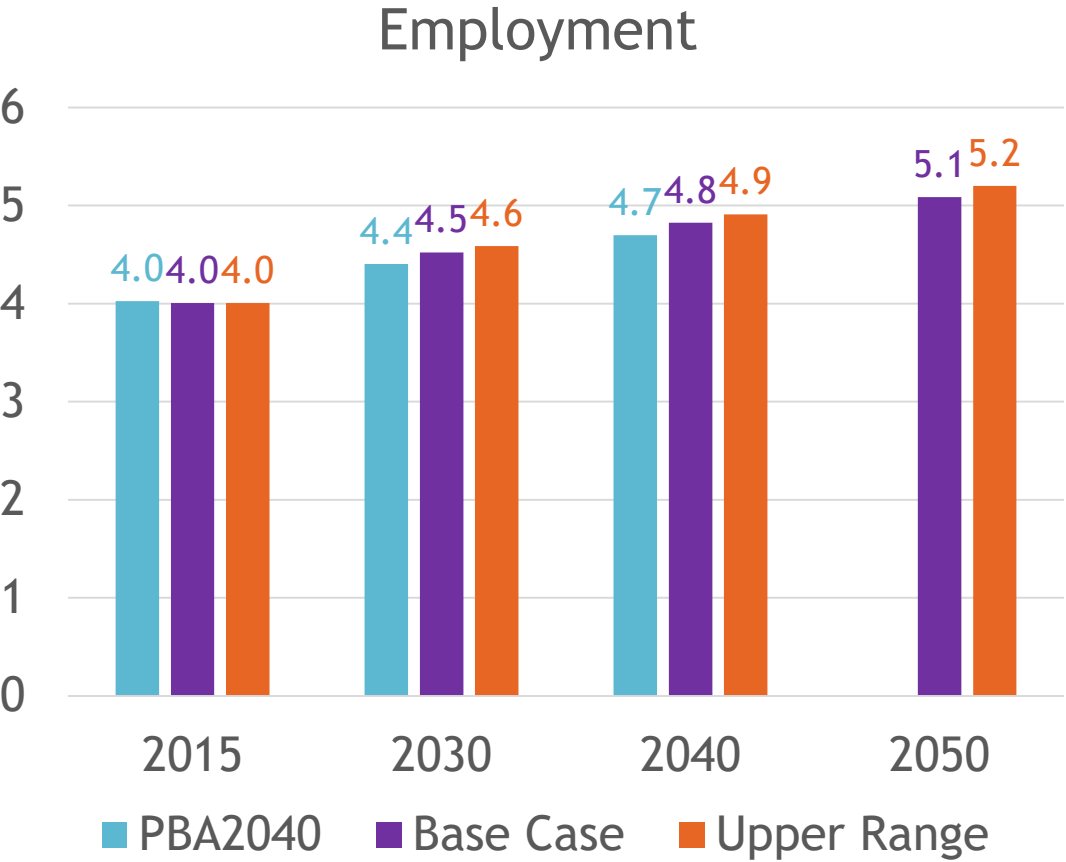
The Backward Arrow





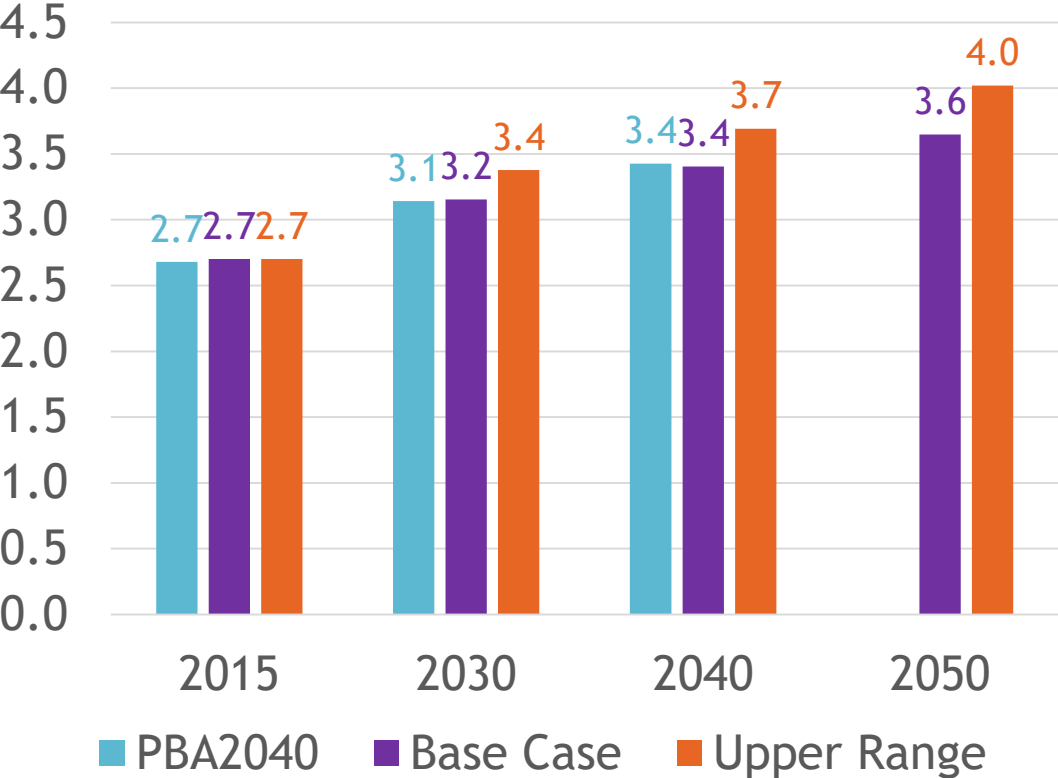
Draft Regional Growth Forecast

Draft Regional Growth Forecast Range: Employment and Population

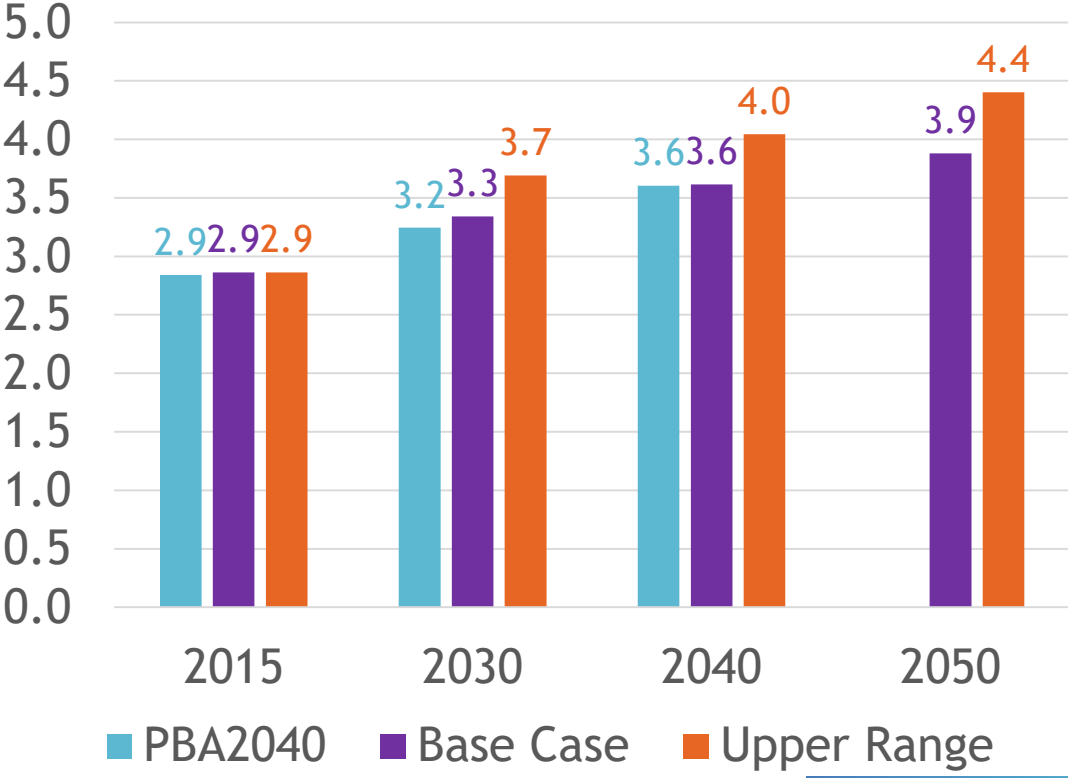


Draft Regional Growth Forecast Range: Households and Housing Units

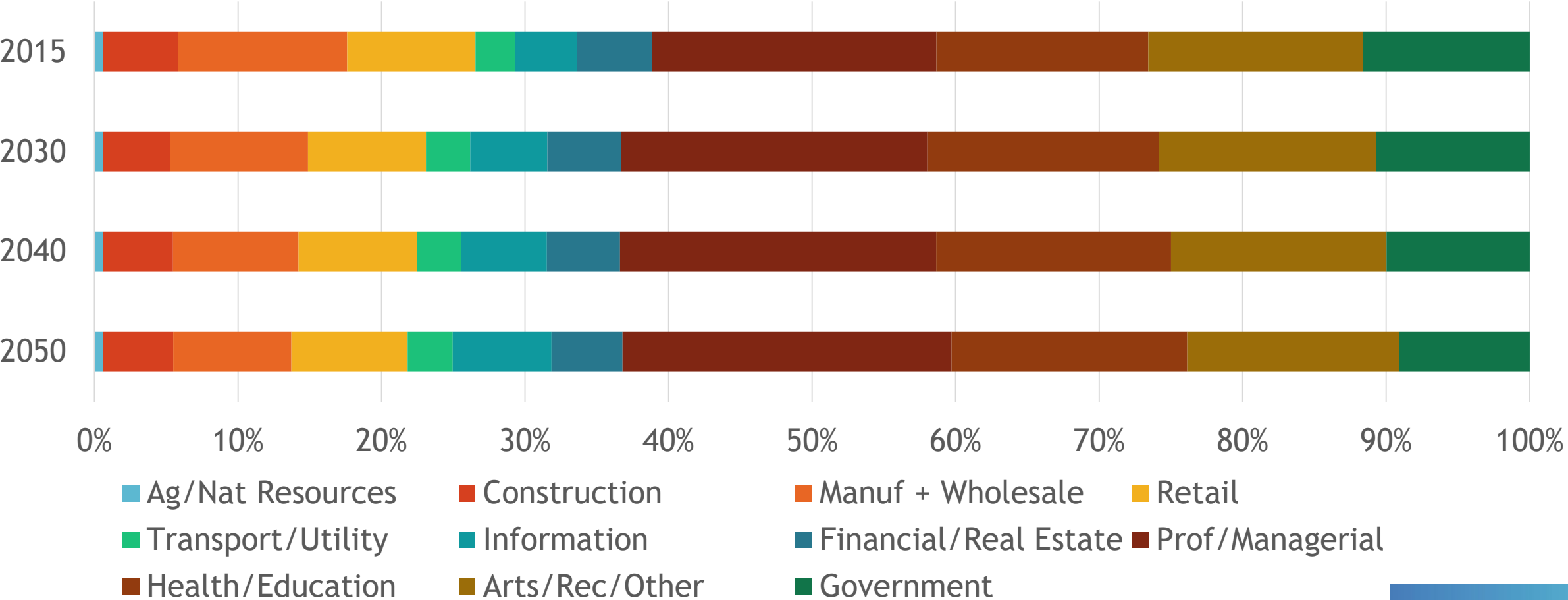
Households



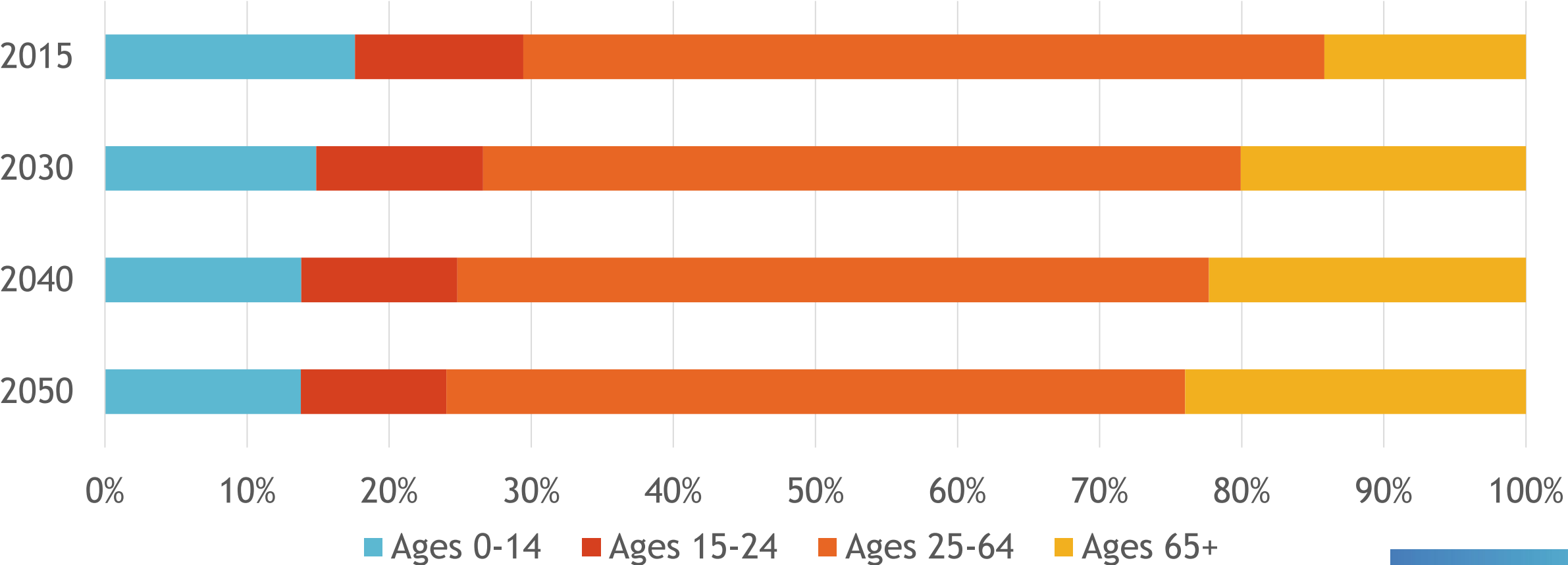
Housing Units



Draft Regional Growth Forecast: Base Case Employment by Industry



Draft Regional Growth Forecast: Base Case Population Age Distribution



What's Next For the Regional Growth Forecast?

- Ongoing Regional Growth Forecast Refinement - Winter 2020
- Final Regional Growth Forecast - Spring 2020