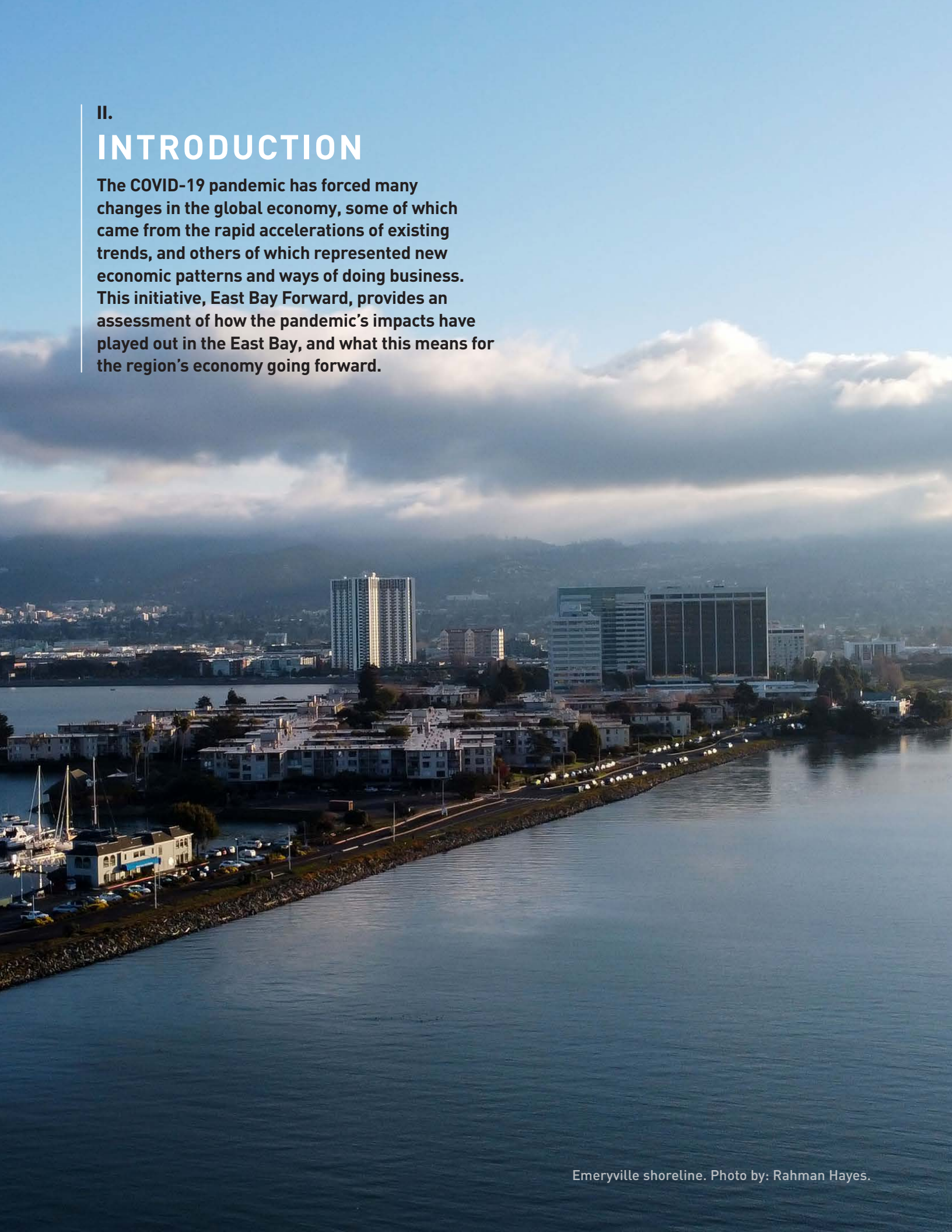


II.

INTRODUCTION

The COVID-19 pandemic has forced many changes in the global economy, some of which came from the rapid accelerations of existing trends, and others of which represented new economic patterns and ways of doing business. This initiative, East Bay Forward, provides an assessment of how the pandemic's impacts have played out in the East Bay, and what this means for the region's economy going forward.



EAST BAY FORWARD'S GUIDING PRINCIPLES

East Bay Forward is centered around six principles that are foundational to helping our region realize a future that creates more widely shared economic prosperity and security. These principles underpin each of the priorities outlined in this report and were informed and developed with extensive input from diverse East Bay stakeholders. These six principles compel us to be:

1. **Connected.** Many of our region's greatest challenges are inextricably linked, requiring coordinated regional advocacy, policy actions, and investments that address multiple challenges and deliver shared benefits.
2. **Equitable.** An equity-first approach ensures that current and future generations will achieve meaningful economic inclusion, access to opportunity, and upward mobility.
3. **Measurable.** For our region to move forward, we must be able to measure meaningful indicators and outcomes showing whether we are accomplishing our goals. Enhanced data collection by socioeconomic and geographic lenses can improve outreach, program planning, and monitoring of outcomes.
4. **Regenerative.** Supporting clean and renewable investments and supporting the just transition to a dynamic, healthy, and circular economy has immense potential to drive innovation and growth, as well as yield economic, environmental, and community benefits.
5. **Resilient.** From destructive wildfires to public health crises, there is an urgent need to mobilize and prepare for com-

plex, intersecting disasters, and future-proof our physical and human assets to provide maximum resilience against ongoing and future challenges.

6. **Transformational.** Public and private investment must focus on dismantling structural barriers and creating opportunities for long-term and systemic solutions; it is imperative that we do more than promote incremental change. Transformational leadership and purpose-driven strategic planning must come together to not only confront failures of business as usual, but also to build long-term organizational capacities and cultures to sustain and implement initiatives and actions.

THE PROCESS FOR SHAPING THIS INITIATIVE

This East Bay Forward document reflects input from multiple sources. The process started with reviewing the many recent studies and reports presenting analyses of the East Bay's economy and workforce. Information gathered from these reports was augmented with new data analyses to provide a more nuanced view of the East Bay's changing conditions spanning the 2014 to 2019 period. These new analyses also assessed the transformative impacts of the COVID-19 pandemic, which started in 2020. The analysis situated the East Bay within the context of the entire Bay Area economy, highlighting the ways in which the East Bay is both distinct from, and integrated into, this regional powerhouse.

Finally, several of the East Bay's expert stakeholders weighed in through multiple channels, including through a Strategic Advisory Committee established by East Bay EDA. This group provided feedback and direction on the analytical work and helped set priorities for the East Bay Forward initiative. East Bay EDA also conducted four focus group meetings. Three drilled more deeply into East Bay EDA's three standing focus areas: land use and infrastructure, business climate, and education and workforce; and a fourth tapped into the expertise of other community



Many of our region's greatest challenges are inextricably linked, requiring coordinated regional advocacy, policy actions, and investments that address multiple challenges and deliver shared benefits.



Panorama of Berkeley skyline. Photo by: Patrick Civello.

leaders. As the process evolved and specific topics or issues arose, these were further explored with subject matter experts.

The combined findings from these sources are presented in this report to fully tell the East Bay's economic and workforce story, and to establish new priorities that will serve as the "roadmap" to move the East Bay forward in this decade and beyond.

INTRODUCING THE EAST BAY

Two counties, Alameda and Contra Costa, comprise the East Bay. With an extensive shoreline and a direct overland connection east to the Sierra Nevada mountains and beyond, the East Bay has a rich history of indigenous occupation and as a strategic economic location. Much of the East Bay's early industrial development was fostered by the availability of land along the critical transportation connections of the San Francisco Bay and the Delta Estuary, combined with the terminus of the transcontinental railroads. Some of the East Bay's oldest legacy industries still operate in their historic locations, including the petroleum refineries along Contra Costa County's northern waterfront. And yet, these 19th century industries are also poised to make

the transition to producing green fuels, showing the East Bay's economic resiliency.

The East Bay experienced a housing boom after World War II, when cities sprawled out to the east in conjunction with highway construction and an expanding BART system. Today, the East Bay is home to almost 3 million people and 1.3 million jobs. In 2019, the two East Bay counties comprised 36 percent of the nine-county Bay Area's total population and 33 percent of Bay Area jobs (see Figure 1).

While this report analyzes the East Bay as a single area, the two East Bay counties are distinct from each other, with different opportunities and challenges. In 2019, Alameda County accounted for approximately 67 percent of the East Bay's jobs. A large share of those jobs were in traded¹ sectors ranging from biotechnology, creative professional services, and information, to advanced manufacturing and logistics. In contrast, Contra Costa County's economy, with only few significant office concentrations that emerged during the 1980s and 1990s, is dominated by household-serving sectors, such as food services, healthcare, hospitality, and personal services. In addition, eastern Contra Costa County, which has some of the Bay Area's lowest-cost housing, is also relatively distant from the Bay Area's major employment centers.

As **Figure 1** shows, the East Bay has been divided into seven different economic subareas, for purposes of this report's analyses. Three subareas are entirely in Alameda County, three are entirely in Contra Costa County, and one—Tri-Valley—falls in both.

In terms of economic output, the only two subareas in Contra Costa County that perform on par with the Alameda County subareas are Central Contra Costa and Tri-Valley (which includes Danville and San Ramon, in Contra Costa County). This further highlights the differences between the two counties. **Figure 2** shows where the seven subareas are located. Each subarea is further described in [Section VII](#) of the report

¹ "Traded" or "basic" industry sectors are those with a high concentration of business activity that exports goods and services outside a given area, thus attracting outside spending and fueling economic activity.



Windmills at the Altamont Pass. Photo by: Dawn Humphrey.

GEOGRAPHIC REFERENCES

This report makes frequent references to the following geographies:

- **East Bay or “the region”:** Refers to Alameda County and Contra Costa County.
- **Bay Area:** Refers to the seven-county Bay Area when used to refer to employment analyses, including Alameda, Contra Costa, San Francisco, San Mateo, Marin, San Benito, and Santa Clara Counties. General references to the Bay Area also include Sonoma and Napa Counties.
- **Megaregion:** Includes the San Francisco Bay Area, Sacramento, the Northern San Joaquin Valley, and the Monterey Bay Area.
- **Subareas:** Refers to the seven East Bay subareas. See Figure 2.

REPORT CONTENTS

The remainder of this report is divided into five sections:

- I. The Evolving East Bay** presents findings that capture the trajectory of the East Bay economy and workforce before the COVID-19 pandemic, and then identifies specific impacts of the pandemic on the East Bay economy.
- II. Looking Ahead to a Post-Pandemic Future** describes the East Bay’s primary competitive assets, industries poised for growth and innovation, and recent venture capital investments to identify critical drivers of the region’s economy as we emerge from the pandemic.
- III. Fulfilling Our Principles:** Priorities for Economic Recovery and Prosperity in the East Bay describes the priority recommendations of East Bay Forward, including summaries of key opportunities and challenges identified through this effort that are addressed by each priority.

FIGURE 1**East Bay at a Glance**

	Northern Alameda	Central Alameda	Southern Alameda	Tri Valley	Central Contra Costa	Eastern Contra Costa	Western Contra Costa	East Bay
Population (2019)	442,504	619,541	371,878	393,015	390,924	342,156	264,838	2,824,855
Population Change (2014 - 2019)	2%	2%	4%	8%	2%	8%	2%	6%
Population (2021)	447,792	622,246	381,534	395,039	393,228	348,303	271,428	2,859,570
Population Change (2019-2021)	1%	0%	3%	1%	1%	2%	2%	1%
Employment (2019)	294,326	240,653	194,569	239,837	210,485	78,350	73,214	1,331,434
Employment Change (2014-2019)	11%	11%	15%	12%	8%	9%	10%	11%
Employment (2021)	278,981	230,313	188,907	229,189	201,782	74,739	70,595	1,274,506
Employment Change (2019-2021)	-5%	-4%	-3%	-4%	-4%	-5%	-4%	-4%
Unemployment Rate % (May 2021)	6.0%	6.1%	6.0%	6.1%	6.3%	6.3%	6.3%	6.10%

Source: EMSI, 2021; ACS 5-year Estimates, 2010-2014 and 2015-2019; Strategic Economics, 2021.

IV. Appendices. Three of the four appendices at the end of this report describe additional detailed data analyses that may be useful for the technical needs of specific readers. The fourth appendix provides an overview of the EMSI data source used for much of this report's analyses. The appendices include:

V. Economic Profiles of East Bay Subareas describes population, employment trends, and defining attributes in each of the seven East Bay subareas.

FIGURE 2

The Seven East Bay Subareas

