Bay Area Community Spotlight Report

From 2012 to 2021, foreign owned companies announced greenfield foreign direct investment (FDI) projects worth $21.28 billion in capital expenditures in the Bay Area region (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties). China ($5.798 billion) was the top source market for these projects. In 2022, the region's highest industry specialization is in the Information Technology (IT) and Analytical Instruments industry, with a location quotient of 5.99. In terms of innovation, the region ranked highly in its business profile, with the San Francisco–Oakland–Hayward Metropolitan Statistical Area (MSA) ranking first in Average Annual Venture Capital out of all 383 total MSAs.

Announced Greenfield FDI Projects, 2012 to 2021

From 2012 to 2021, foreign-owned companies announced 1,117 greenfield projects in the Bay Area. Of these projects, 673 were in San Francisco City and County and 303 were in Santa Clara County.

1,117	**$21.28 billion**	**70,557 jobs**
projects announced	*estimated capital invested*	*estimated jobs created*

Source: fDi Markets

Top Sources of Greenfield FDI Projects by Capex, 2012 to 2021

Source Market	Estimated Capex (in U.S. Millions)	Estimated Number of Projects	Estimated Jobs Created
China	$5,798	78	10,054
United Kingdom	$2,687	202	10,267
Germany	$1,416	83	5,800
France	$1,331	79	3,809
Japan	$1,197	71	4,310

Source: fDi Markets

Top Sub-Sectors for Greenfield FDI, 2012 to 2021

Software Publishers (Except Video Games)	**Commercial/Institutional Building Construction**	**Internet Publishing, Broadcasting, and Web Search**
309 projects, $3,471 M, 19,214 jobs	6 projects, $3,129 M, 3,535 jobs	107 projects, $1,471 M, 7,387 jobs
Residential Building Construction	**Biological Products (Except Diagnostic)**	**Data Processing, Hosting, and Related Services**
4 projects, $1,140 M, 1,282 jobs	20 projects, $1,136 M, 1,871 jobs	15 projects, $858 M, 1,172 jobs

Source: fDi Markets

Top Education Certificates and Awards, 2020-2021 Academic Year

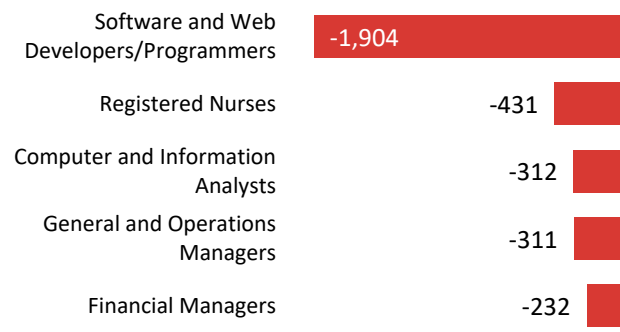| Field	Count
Liberal Arts and Sciences/Liberal Studies	10,504
Business Administration and Management, General	10,192
Psychology, General	4,290
Biological and Physical Sciences	2,948
Computer Science	2,940
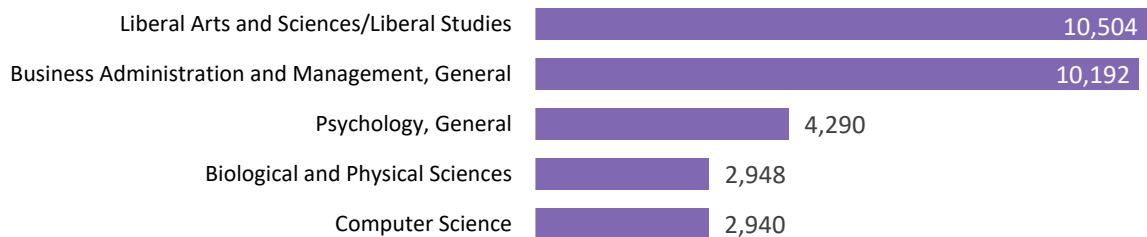
Source: JobsEQ by Chmura Economics, 2022 Q2

Top Industry Clusters, 2022 Q1

Industry Cluster	IT and Analytical Instruments	Marketing, Design, and Publishing	Biopharmaceuticals	Communications Equipment and Services	Medical Devices
Location Quotient	5.99	3.19	2.66	1.95	1.80

Industry Cluster	Business Services	IT and Analytical Instruments	Marketing, Design, and Publishing	Education and Knowledge Creation	Distribution and Electronic Commerce
Employment	468,969	227,821	155,235	129,076	117,502

Industry Cluster	Video Production and Distribution	Performing Arts	Agricultural Inputs and Services	Hospitality and Tourism	Automotive
10-Year Forecast Employment Growth Rate	55.6%	37.9%	30.6%	25.8%	23.7%

Source: JobsEQ by Chmura Economics, 2022 Q1

Top Occupation Gaps

2022 Q1

Software and Web Developers/Programmers	-1,904
Registered Nurses	-431
Computer and Information Analysts	-312
General and Operations Managers	-311
Financial Managers	-232

Top Occupation Surpluses

2022 Q1

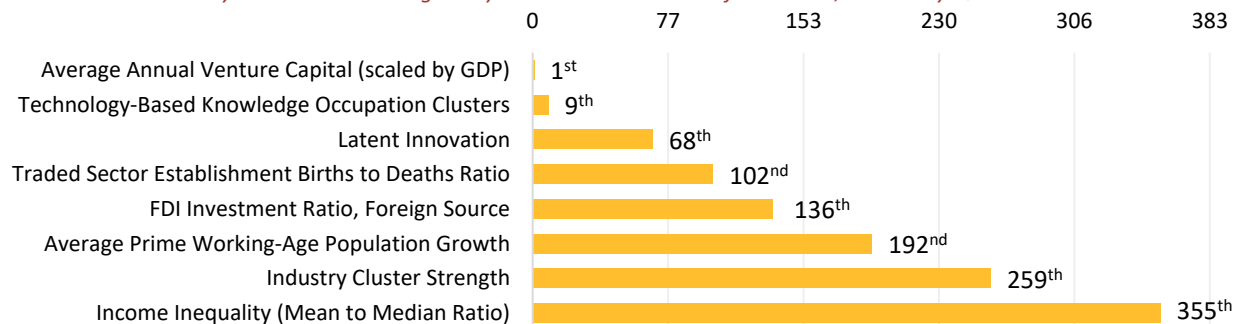|	
Cashiers	2,177
Fast Food and Counter Workers	1,282
Retail Salespersons	1,116
Laborers and Material Movers	1,076
Waiters and Waitresses	996
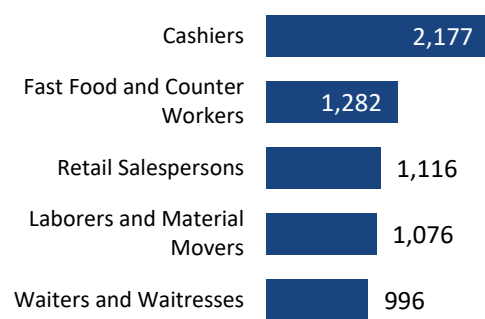
Source: JobsEQ by Chmura Economics, 2022 Q1

San Francisco–Oakland–Hayward MSA Ranking in Key Innovation Indicators

Since StatsAmerica data is only available at the county or MSA level, this section highlights the San Francisco–Oakland–Hayward MSA, which contains five of the eight counties comprising the Bay Area region: Alameda, Contra Costa, Marin, San Francisco, and San Mateo Counties. The San Francisco-Oakland-Hayward MSA ranks 12th of all 383 U.S. MSAs in the headline Innovation Intelligence index.

San Francisco–Oakland–Hayward MSA's Ranking in Key Innovation Indicators of 383 MSAs, Divided by Quintile

Average Annual Venture Capital (scaled by GDP)	1st
Technology-Based Knowledge Occupation Clusters	9th
Latent Innovation	68th
Traded Sector Establishment Births to Deaths Ratio	102nd
FDI Investment Ratio, Foreign Source	136th
Average Prime Working-Age Population Growth	192nd
Industry Cluster Strength	259th
Income Inequality (Mean to Median Ratio)	355th

Source: StatsAmerica, Innovation Intelligence

Definitions

Average Annual Venture Capital (scaled by GDP) – A measure of venture capital, averaged over 10 years and scaled by the region's average GDP for the time period.

Average Prime Working-Age Population Growth – The annual average growth rate for the population ages 25 to 44 from 2013 to the latest year available.

Cluster – A cluster is a regional concentration of related industries that arise out of the various types of linkages or externalities that span across industries in a particular location.

FDI Investment Ratio, Foreign Source – The ratio of the most recent three-year average of dollars of greenfield investment by new, foreign-sourced FDI to the working-age population (ages 18-66).

Income Inequality (Mean to Median Ratio) – A measure of income inequality calculated by comparing the region's mean household income with the region's median household income to show how income is skewed. Higher values denote more equality between the poorest and richest residents.

Industry Cluster Strength – Measures the degree to which clusters may dominate the employment in the region. May serve as a countermeasure to Industry Diversity.

Latent Innovation – A measure of innovation considering both spatial proximity of firms and flows of information that accompany exchanges of goods, services, and funds among industries. This measure accounts for networking and spillovers facilitated by spatial proximity.

Location Quotient – A location quotient greater than 1 indicates a higher than average cluster concentration in a location.

Metropolitan Statistical Area (MSA) – A metropolitan statistical area is a core geographic area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core.

Occupation Gaps – The potential occupation gaps metric is based on a five-year forecast comparing occupation demand growth to the local population growth and the projected educational attainment of those residents.

Technology-Based Knowledge Occupation Clusters – The employment share of occupations that apply higher technology (e.g., scientists and engineers) relative to all jobs.

Traded Cluster – Traded clusters are groups of related industries that serve markets beyond the region in which they are located.

Traded Sector Establishment Births to Deaths Ratio – The ratio of new businesses that serve "export" markets (i.e., selling outside the region rather than serving the local population) relative to establishment deaths.