Cities, Airbnb & Tackling Economic Inequality

CHRIS LEHANE
HEAD OF GLOBAL POLICY AND PUBLIC AFFAIRS
Cities: Labs for Democracy
Closed World vs. Open World
“For too many of us, it’s become safer to retreat into our own bubbles, whether in our neighborhoods or college campuses or places of worship or our social media feeds, surrounded by people who look like us and share the same political outlook and never challenge our assumptions.”

- Barack Obama
Environmentally Sustainable

Open World

Economically Inclusive

Trust
I. The Digital Age
II. Economic Inequality
III. The Airbnb Value Proposition
IV. Partnering with Cities for Economic Equality
I. The Digital Age
Technology Drives Social Change
Eras of American Tech & Economic Change

THE ECONOMY OF THE UNITED STATES EVOLVED OVER 200 YEARS

Agricultural
1800 - 1850

Early Industrial
1850 - 1900

Urban Industrial
1900 - 1950

Post-War Suburban
1950 - 2000
Our Digital Era

2000 - 2050
The Emergence of Platforms
2001: Top 5 Companies in the World

AT END OF 20TH CENTURY, THE TOP TIER OF THE GLOBAL ECONOMY HAD JUST ONE TECH COMPANY

Market cap. All companies are publicly traded.

Source: Visual Capitalist
2017: Top 5 Companies in the World

TODAY, ALL FIVE TOP COMPANIES ARE TECHNOLOGY COMPANIES - AND TECH PLATFORMS

Market cap as of October 2017. All companies are publicly traded.

Source: FT500 & NY Times
Global Reach of Tech Platforms

THE ACTIVE MONTHLY USER BASES OF BIGGEST PLATFORMS ARE BIGGER THAN THE US POPULATION

Source: Newsroom & Search Engineland
Many Tech Benefits
Many Tech Challenges
II. Economic Inequality
Rise of Labor Productivity

Source: House of Debt

U.S. Productivity and Median Family Income
(1980=100)

Productivity: Output per hour

Median Family Real Income

Source: House of Debt
Wage Stagnation for Working Families

Source: Economist
47% of current American jobs may be lost to automation within 20 years.

Every new robot takes away 6 jobs.
Vulnerable Jobs & People
Tech Has a Responsibility to Get Aligned

THE TECHNOLOGY SECTOR HAS AN OBLIGATION TO LEAD THROUGH THESE DISRUPTIVE TIMES
Sharing Economy Really Two Different Sectors
Sharing Economy Really Two Different Sectors
The Beginning of Modern Home Sharing
Dracula’s Castle
Annual Growth in Airbnb Guest Arrivals
260+ million guest arrivals
65,000+ cities
191 countries
Trust in Airbnb's Ratings System

136 Reviews

<table>
<thead>
<tr>
<th>Accuracy</th>
<th>Communication</th>
<th>Cleanliness</th>
<th>Location</th>
<th>Check In</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>★★★★★</td>
<td>★★★★★</td>
<td>★★★★★</td>
<td>★★★★★</td>
<td>★★★★★</td>
<td>★★★★★</td>
</tr>
</tbody>
</table>

Translate reviews to English

Evan
June 2017

If you want to visit Shanghai, and need a convenient location for walking - this is your spot. It's just a few blocks away from the famous Wei Tan lookout where the Apple commercial was filmed. The apartment is cozy, but for China it's par for the course in a great location.

Luyi
January 2017

Great apartment, nice host! Thank you a lot!
Many Find Airbnb From Those They Trust

PERCENT OF GUESTS FROM GLOBAL SURVEYS WHO SAY THEY HEARD ABOUT AIRBNB FROM FRIENDS OR FAMILY

62%

Source: Airbnb
Ripple Effects of Trust
III. The Airbnb Value Proposition
Explosive Growth of Hosts

- Now 4 million Airbnb listings and counting around the world.
Many Use that Extra Income to Stay in that Home

IN AN AIRBNB SURVEY OF HOSTS FROM 10 OF THE LARGEST CITIES IN THE UNITED STATES:

- **54%** of hosts report that they use the added income as **extra money to make ends meet**.
- **13%** of hosts say income from hosting has helped them **avoid eviction or foreclosure**.
Women Benefit in Particular

- 56% of all Airbnb hosts are women
- Women have earned more than $10 billion on Airbnb
Senior Hosts Booming

- Fastest-growing demographic
- 40% growth in the past year
Corporate Model vs. Platform Model
Platform Model:
Hosts Keep Up to 97%
Typical US Host Can Leverage Home for Significant Extra Income

Typical single property hosts rent an average of 42 days a year.

They keep up to 97% of the posted price.

And supplement their income by $7,200 a year.

Source: Airbnb Action
IV. Partnering with Cities for Economic Equality
Airbnb Policy Compact

THE THREE CORE PRINCIPLES OF THE AIRBNB POLICY COMPACT

Help Evolve Policy

Pay Our Share of Taxes

Share Data
More than 400 Regulatory/NGO Partnerships Worldwide
1. Democratizing Tourism
More Than 10% of Global Economy is Travel & Tourism

- $7.7 trillion of global GDP in 2016, representing 10.2%
- More than global oil revenues of $5 trillion
- 1 in 10 jobs in the world related to tourism
- 4% growth projected per year versus 2.7% for entire global economy

Sources: World Travel & Tourism Council & Investopedia
Healthy Food vs Junk Food
Healthy Travel vs. Mass Travel
Key Ingredients for Healthy Travel

- Local
- Authentic
- Diverse
- Inclusive
- Sustainable
89% of guests worldwide say their Airbnb location was more convenient than traditional hotel districts.
Washington DC Hotels Compared to Airbnb Listings
Washington DC Hotels Compared to Airbnb Listings
Sacramento: NBA All-Star Game Bid
Los Angeles: 2028 Olympics Bid
2. Democratizing Revenue
57% of US Hosts Covered

- Of all Airbnb hosts who had guests in the past year, **57%** are **covered by tax agreements**
- **$459 million** collected and remitted in **306 jurisdictions** in the US
San Francisco: $19.5 Million in Taxes
Los Angeles: $42.6 Million in Taxes
3. Democratizing Capitalism
Half of Airbnb Money Stays Local

Up to 50% of Airbnb guest spending occurs in the neighborhoods where they stay.

Source: Airbnb
Impact on Local Restaurants Too

Airbnb guests spent **$6.5B** on restaurants in **44 cities** around the world from Sept 2016 to Sept 2017

- Berkeley, CA: $12 million
- Oakland: $22 million
- San Diego: $99 million
- San Francisco: $122 million
- Los Angeles: $323 million

Source: Airbnb Action
Airbnb Supporting US Jobs

- New York: 26,000
- San Francisco: 5,300
- Los Angeles: 14,800
- Portland: 3,800
- Seattle: 4,000
- San Diego: 4,300
- Austin: 4,200
- Chicago: 4,700
- New Orleans: 4,900
- Miami: 4,700

Supported 130,000 jobs in 2016
Will support 480,000 jobs by 2020

Source: Airbnb
Tech Has a Responsibility to Get Aligned

AIRBNB WORKS TO DO OUR PART TO MAKE SURE ALL THE INTERESTS ARE ALIGNED AND WORKING TOGETHER

- Technology
- Government
- Economy
- Society
Tech Has a Responsibility to Get Aligned

AIRBNB WORKS TO DO OUR PART TO MAKE SURE ALL THE INTERESTS ARE ALIGNED AND WORKING TOGETHER
Open World vs. Closed World
3 Million Guests on New Year’s Eve - A New Record!
Airbnb is All About People
People-to-People Travel Platform
To Bring the World Closer Together
So Anyone Can Belong Anywhere