

wework

Economic Impact Report

2018



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Founded in New York City in 2010 by Adam Neumann and Miguel McKelvey

WeWork transforms buildings into dynamic environments for creativity, focus, and collaboration. More than just a new way of working, though, this is a movement toward a new way of living.

What Is WeWork?

**We humanize
the way people
work and live.**

WeWork is a community for creators, providing over 250,000+ members around the world with space, community, and services through both physical and virtual offerings.





Global Snapshot

250,000+
members

253
buildings

22
countries

74
cities

3,000
veterans and refugees
pledged to be hired in
the next 5 years

1,000+
enterprise members

1M+
sq ft of space added
per month

15M+
sq ft of space leased
globally

50,000+
member companies

30,000+
community events
annually

The Big Picture

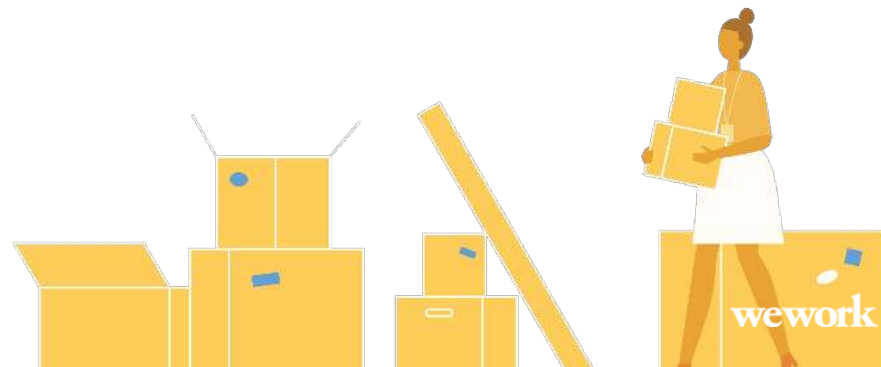
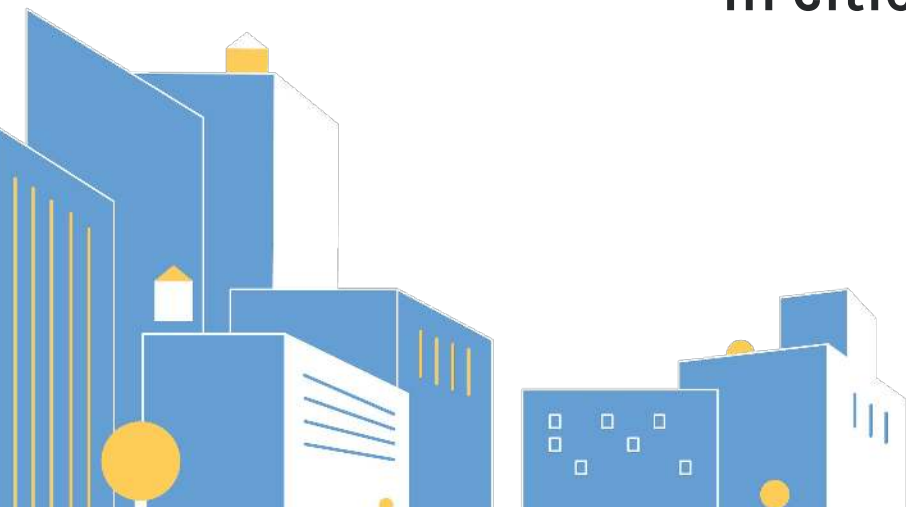


**For the first time in
history, the majority
of humanity is living
in cities.**

People are moving to cities, seeking community, purpose, and the opportunity to be a part of something greater than themselves – to create their life's work.

By 2050, roughly 70 percent of the world's population will live in urban areas, and a majority will be millennials.

Source: UN World Urbanization Project, SAP



Change in Numbers

51%

of the global workforce will be millennials by 2020.

Source: SAP

70%

of the Earth's population will live in cities by 2050.

Source: UN World Urbanization Project

\$64T

of GDP in 2025, more than 60% of global GDP, will be generated by 600 cities.

Source: McKinsey Global Institute

57.3M

independent workers and entrepreneurs currently work in America—that's 36% of the workforce.

Source: Freelancers Union
Freelancing in America Study

5M+

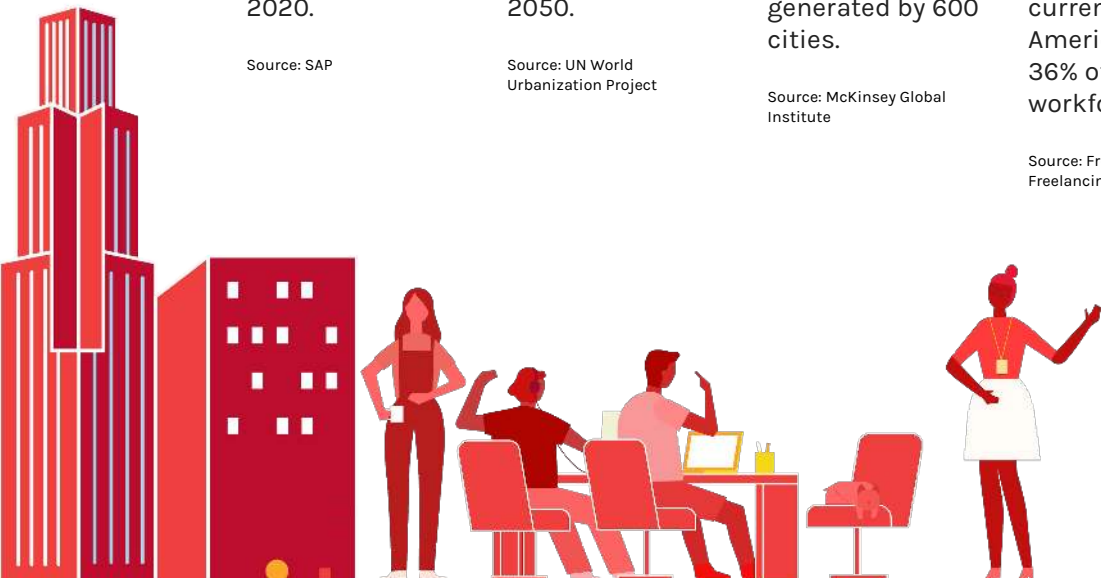
American companies were launched in 2014 alone.

Source: SBA

1/3

of the American workforce and up to 800 million people globally may need to find work in new occupations by 2030 as a result of disruption from automation.

Source: McKinsey Global Institute



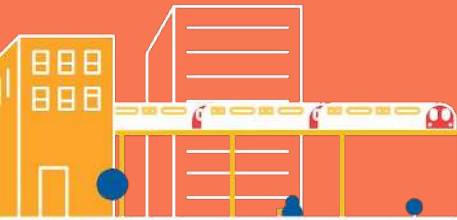
Our Cities Are Our Future

From New York, Los Angeles, Chicago, London, and Shanghai to the great rising and revitalized cities like Detroit, Denver, and Delhi, big and small cities are leading an urban renaissance around the world.

Artists, entrepreneurs, global enterprises companies, and nonprofits are making cities their home, revitalizing downtowns, sparking local economies, and strengthening communities.

The community, density, and economic clustering that is unique to cities – but that isn't unique to any one city – provide the foundation and human capital that has the potential to drive economic opportunity and shared progress in this century.

How we will navigate the future of
work and cities to progress
towards a new economy that uplifts
all people and communities is
**perhaps the most important
question of our time.**





expects to have at least 25 spaces open in 14 cities around the globe by 2018.



is a coding bootcamp whose mission is to enable a better life through education. In 2018, WeWork and Flatiron will open a second campus in Washington D.C. (the first campus is in NYC) and launch their Access Labs Initiative in New York's Dumbo.



has a goal to create conscious global citizens that understand their gifts, and approach life with wonder, joy, humility, and a profound desire to share.



brings people together in real life to create community for everyone so they can do more of what they love. WeWork acquired Meetup in 2018.



is community-based apartment living that launched in 2016 with 2 locations (NYC and Virginia) and 400 apartment units.



By We

is a wellness facility that offers group fitness, multiple boutique studios, wellness programs, personal training and a complete spa experience all under one roof.



was launched in 2017 in seven major cities around the world, awarding \$10.5 million to 152 winners.



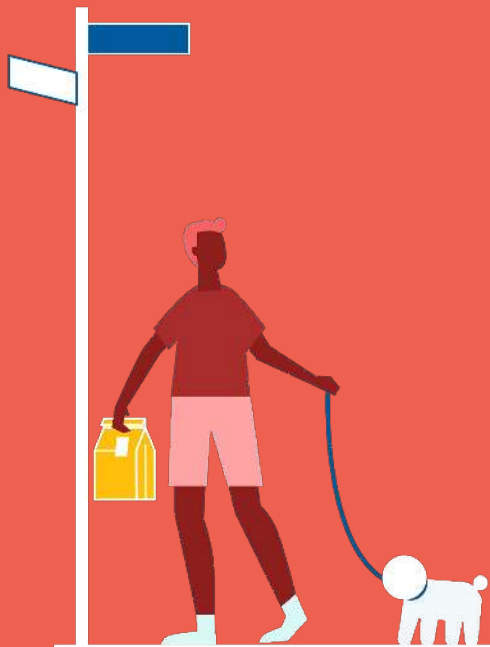
3,000 veterans and refugees are committed to be hired in 5 years.



provides WeWork with the marketing tools to help large companies and, more specifically, our enterprise members, expands their digital presence and deliver customer value through digital content. Conductor was acquired in March 2018.



About the Study



About HR&A

HR&A Advisors, Inc. is an industry-leading economic development and public policy consulting firm with offices in New York, Dallas, Los Angeles, Raleigh, and Washington, D.C.

For over 40 years, HR&A has helped hundreds of cities, tech companies and developers grow innovative places and ecosystems both in the U.S. and around the world.

Clients



Experience

- Served as economic development advisor to over 200 cities, including London, New York, and Los Angeles.
- Analyzed economic impact of \$50+ billion in major policies and projects in past 5 years alone.
- Economic impact reports include Airbnb, NBC Universal, the NYC Tech Ecosystem, Research Triangle Park, Times Square, and the High Line.

Methodology

Analysis

Methodology

Sources

Innovation Economy Definition

HR&A compared nationally accepted definitions from Brookings, the Association for a Better New York, OneNYC, LA's Economic Development Department, the Bay Area Economic Council, and Illinois Innovation Network, amongst others. Our definition of high-value and high-growth industries (ex. Software Publishers, Internet Service Providers, Motion Picture and Video industry, Advertising and Public Relations, and Management Consulting) accessible to a diverse range of a city's employment base used in this report has been adopted by other major studies and jurisdictions.

EMSI
2014 – 2017 WeWork Sales Data
2017 WeWork Member Census

Economic Impact

HR&A used IMPLAN to estimate the economic impacts of WeWork members on the local economy in three study areas: NYC, LA County, and Chicago. IMPLAN is an industry standard input-output model used to conduct economic impact analyses by leading organizations across the country. As an input to IMPLAN and the study, HR&A relied on estimates of WeWork members as of Q3 2017. Since Q3 2017, WeWork membership has grown and will grow. HR&A anticipates that projected impacts will grow at a similar pace assuming no significant change in industry makeup.

IMPLAN
2014 – 2017 WeWork Sales Data

Members + Neighborhoods

HR&A analyzed a range of demographic indicators and developed target survey questions based on statistically representative samples and in partnership with WeWork R&D, Sales & Real Estate teams to understand member spending patterns and business characteristics (ex. member age, gender, educational attainment). This quantitative analysis was further supplemented by 15 interviews with members across NYC, LA County, and Chicago.

2017 WeWork Member Census
2018 WeWork Spot Survey
WeWork Exit Survey
WeWork Turnover Data
2018, U.S. Census, BLS, ESRI,
EMSI, Kauffman Inst.

Real Estate

HR&A used CompStak and CoStar – supplemented by WeWork's real estate data and outreach to brokers – to measure the impact of WeWork's tenancy on building rents. HR&A assessed starting rents at buildings pre- and post-WeWork opening to establish premiums.

CompStak
CoStar
WeWork Real Estate Data
WeWork Broker Outreach

WeWork creates a positive economic

ripple effect

for individuals and businesses,
neighborhoods, and our cities.



Individual & Business Impact

WeWork helps individuals and businesses thrive



WeWork Saves Businesses Money

\$18,000

In major cities, WeWork provides flexible, high-quality spaces at a significant cost savings. A company of 4 can save \$18,000 a year.

SOURCE: KNIGHT FRANK, WEWORK, HR&A ANALYSIS
BASED ON A 600 SF OFFICE, FIT-OUT COSTS, AND AGENTS FEES.



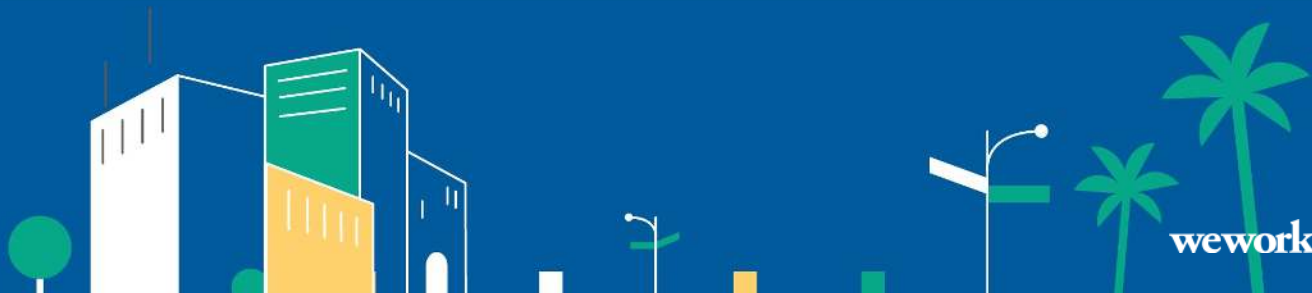
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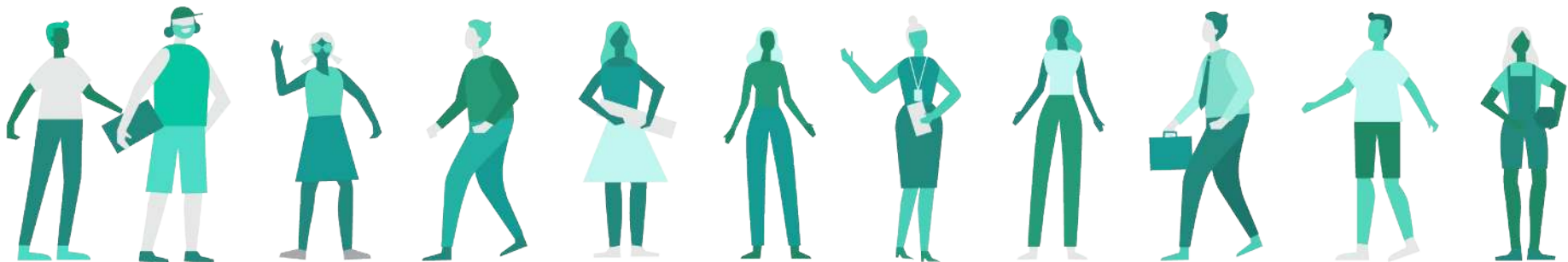
New Businesses Are More Likely to Survive at WeWork

12%

First-time entrepreneurs and new businesses are more likely to survive if they are WeWork members. Nationally, new businesses at WeWork have a 12% higher survivability rate after 3 years.

SOURCE: WEWORK SALES DATA, U.S. COUNTY BUSINESS PATTERNS, HR&A ANALYSIS





45%

WeWork Helps Businesses Grow
45% of members credit WeWork with
accelerating their company's growth.

SOURCE: WEWORK MEMBER CENSUS



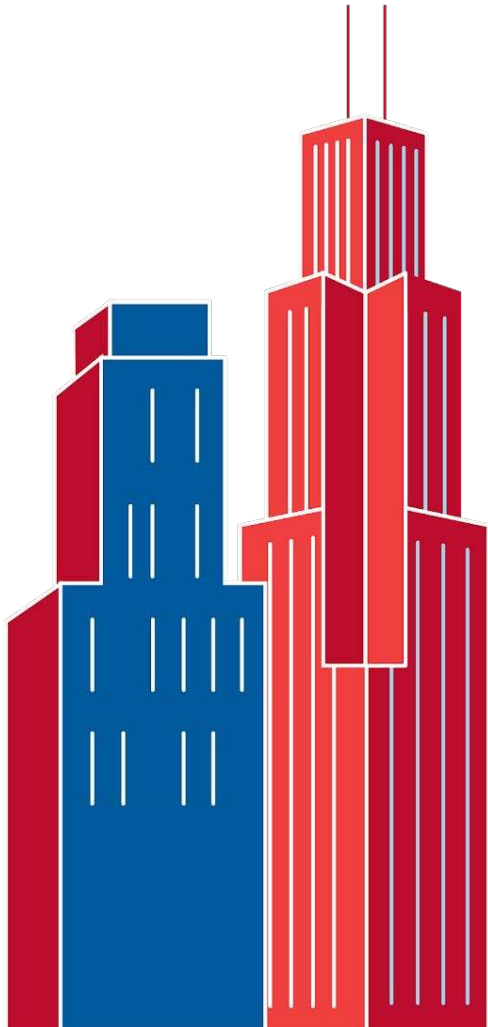
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Member Spotlight

“The community team at our WeWork asked if there was anything we could do to help members and visitors charge up their devices. We seeded our office with product and, through word of mouth, **have since placed product in 20+ NYC WeWorks.**”

Cliff Weinstein, President & CEO of Fli Charge | Consumer Electronics
WeWork Grand Central
Member since: 2016
3 employees





The Fortune 500 Gets It, Too

22%

of the Fortune 500
are WeWork members

SOURCE: WEWORK SALES DATA



Deutsche Bank



Why are the world's largest and most influential brands joining WeWork?

Every startup wants to be an enterprise and every enterprise wants to be a startup.



40% of enterprise members choose WeWork because they want a more creative entrepreneurial environment.

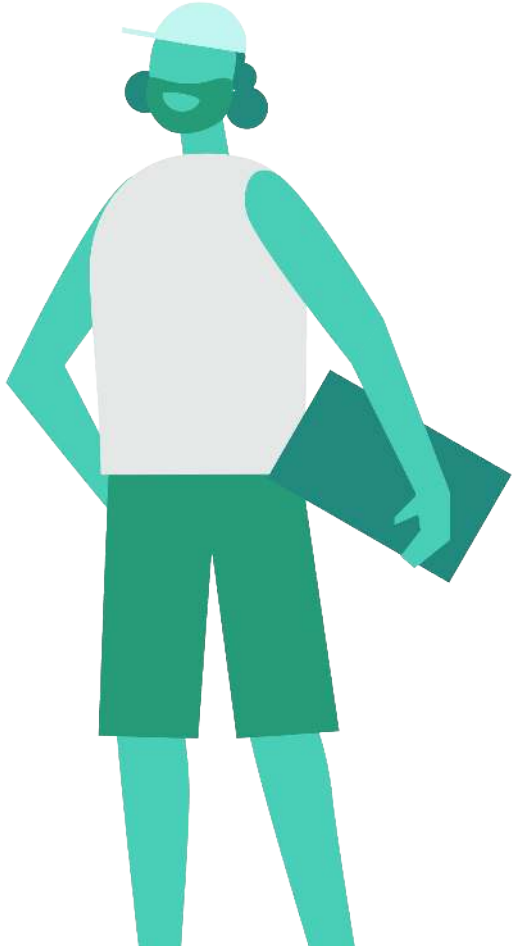


30% of enterprise members have WeWork offices in multiple cities.



Access to top talent: Nearly half of US members are between the ages of 25-34 and **nearly all have at least a bachelor's degree**, compared to 37% nationwide.

SOURCE: WEWORK MEMBER CENSUS, HR&A ANALYSIS



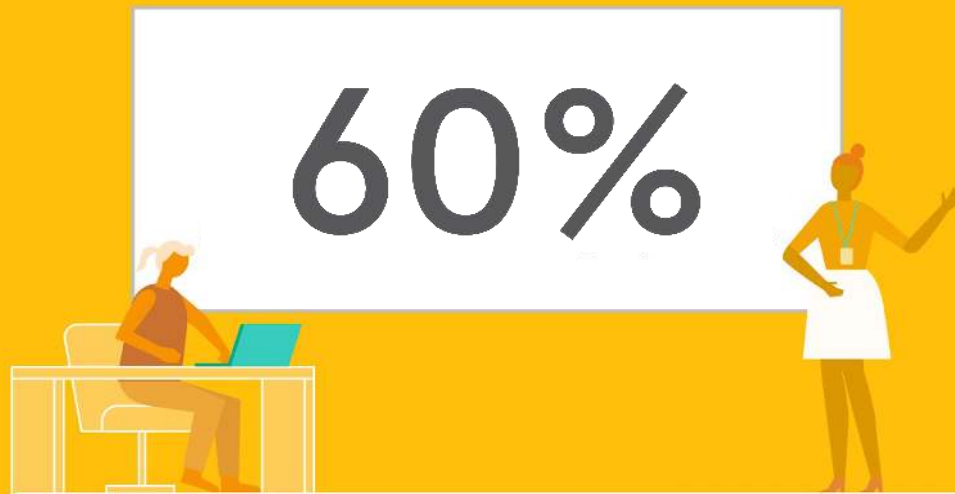
Member Spotlight

“Nasdaq Private Market serves private companies across the globe, including many of the world's most recognizable consumer and technology brands. By locating at WeWork, our team can provide better customer engagement by sharing the same values.

A big part of our decision to move to WeWork was to attract top talent with entrepreneurial spirit.”

Ryan Logue, Head of Sales | NASDAQ Private Market Group
WeWork W. 43rd St.
Member since: 2017
20 employees

Women Are Leading This Movement

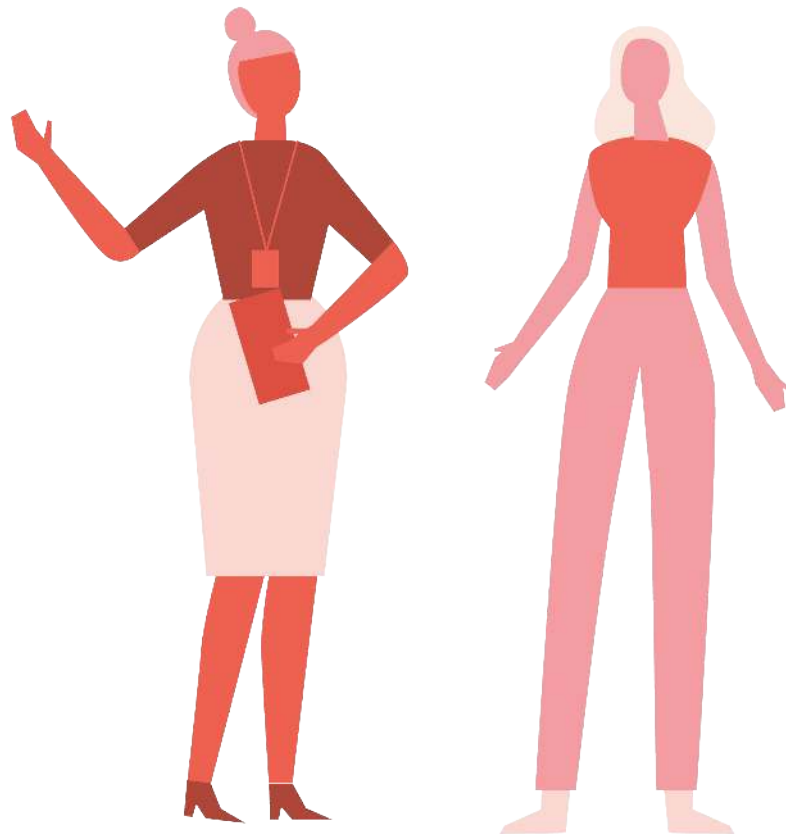


of WeWork LA's female
members at small
businesses are
executives or sole
proprietors.

Member Spotlight

“I would estimate **50% of my clients come from WeWork or secondary and tertiary relationships that began at WeWork.”**

Rachel D. Wilson, Principal Consultant | LADYrebranded
WeWork Gas Tower
Member since: 2017
1 employee



Neighborhood Impact

WeWork brings new
people, businesses,
and economic activity
to neighborhoods

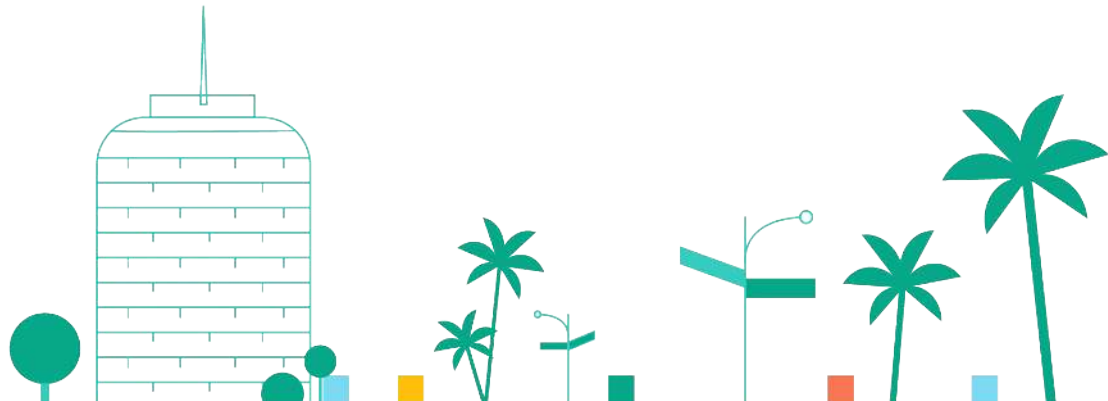


WeWork Brings New People and Businesses to Neighborhoods

70–80%

of WeWork members across New York City, Los Angeles, and Chicago did not work in the neighborhood prior to joining WeWork, bringing more activity and spending at local restaurants and shops.

SOURCE: WEWORK SURVEY

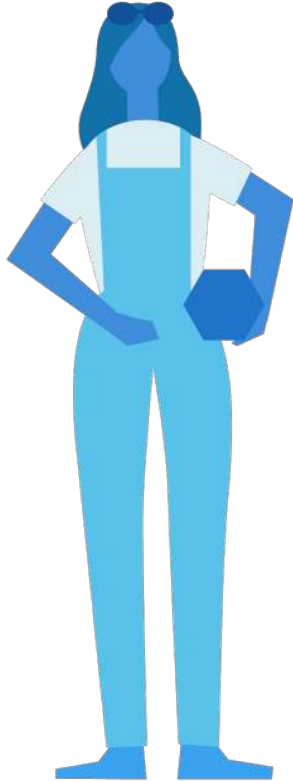




Neighborhood Spotlight

“Being near WeWork was definitely a boost when we first opened and provided a steady stream in the early days. WeWork continues to be extremely important for us. It’s fair to say around **15 % of our weekday lunch business is from WeWork.**”

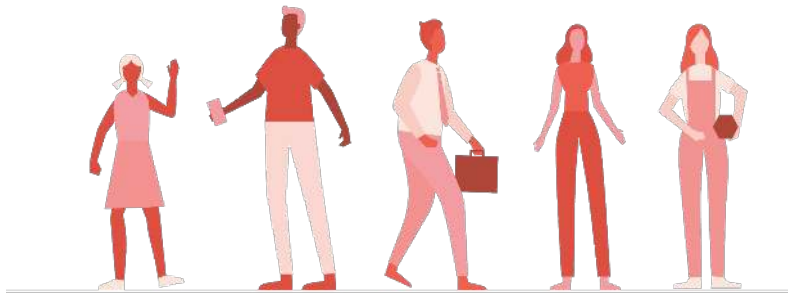
Paul Krug, Owner | Glaze
WeWork Williamsburg neighbor



Member Spotlight

"I used to work for another company in the same building as the WeWork location I work in today. **Before WeWork, there was one good restaurant nearby and now there are 10.** I didn't eat out much before but now I spend a lot more time in the neighborhood."

Brenan Smith-Evans, Interim Executive Director | iMentor
WeWork Grant Park
Member since: 2015



84%

WeWork members in NYC
come from all 5 boroughs
and at least **84%** of the
city's ZIP codes.

SOURCE: WEWORK MEMBER CENSUS, U.S. CENSUS, HR&A ANALYSIS

Connecting Neighborhoods

Neighborhood Spotlight

“Since WeWork Burbank opened up our sales have skyrocketed – both in foot traffic and catering orders. Our teams are now close and there's just a good energy in the neighborhood. We couldn't be happier to have WeWork as neighbors.”

James Lewis, General Manager | simplethings restaurant
WeWork Burbank neighbor



City Impact

WeWork fuels innovation,
access, & economic growth



wework

WeWork Drives the Innovation Economy & Small Business Growth



74%

of WeWork businesses in LA are in the innovation economy compared to 15% of all businesses in LA – nearly 5 times as many.



70%

of WeWork's Chicago members are employed in the innovation economy, 5x more than the overall share of Chicago's workers.



1 in 5

first-time entrepreneurs in New York City metro area are WeWork members.

SOURCE: WEWORK SALES DATA, WEWORK SURVEY, U.S. CENSUS, EMSI, KAUFFMAN INSTITUTE, HR&A ANALYSIS

“Los Angeles is where we turn today’s ideas into tomorrow’s technology, and WeWork is helping to accelerate this incredible era of innovation — whether that's by bringing communities together or donating space to house the Clean Energy Smart Manufacturing Innovation Institute.”

- Los Angeles Mayor Eric Garcetti



Injects Billions into the Local Economy



GDP

WeWork generates
\$16.7B (or 2.1%) of
NYC's GDP.



WeWork generates
\$1.9B (or 1%) of the
Chicago's GDP.



WeWork generates
\$4.4B (or 0.7%) of
LA County's GDP.

Taxes



NY STATE TAXES
\$298m



IL STATE TAXES
\$23m



CA STATE TAXES
\$93m

Personal Income Tax

Business Income Tax

Personal Property
Replacement Tax

SOURCE: WEWORK SALES DATA, IMPLAN, HR&A ANALYSIS

A Powerful Economic Multiplier

2.1x | Major

Major cities with a population of 1,000,000+ have an average multiplier of 2.1x

Cities like
NYC
Dallas
Philadelphia

1.9x | Mid-Sized

Mid-sized cities with a population of 500,000 - 1,000,000 have an average multiplier of 1.9x

Cities like
Seattle
Denver
Atlanta

1.6x | Smaller

Smaller cities with a population of 100,000 - 500,000 have an average multiplier of 1.6x

Cities like
Kansas City
Miami
Minneapolis

SOURCE: EMSI, IMPLAN, HR&A ANALYSIS



“In Chicago, startups, small businesses and entrepreneurs can access a strong support network and connect with an established business community across every sector of our well-diversified economy. WeWork has been an important partner in helping Chicago accelerate economic growth, create jobs for residents, and turn innovative ideas into successful companies.”

– Chicago Mayor Rahm Emanuel



Every WeWork in a city with 10,000 members can create up to 10,000 additional jobs and inject millions of dollars into the local economy.

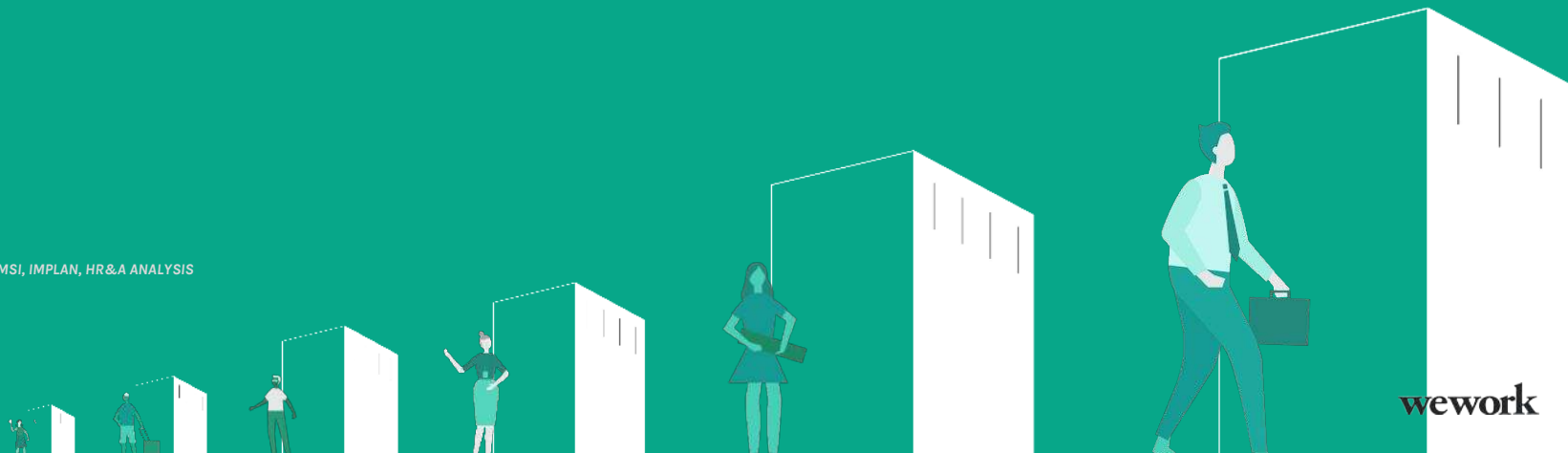
10 = 10,000 = 10,000

WeWork
Buildings

WeWork
Members

Net New
Jobs Created

SOURCE: EMSI, IMPLAN, HR&A ANALYSIS



Supports Sustainable Mobility



66%

of LA members live within 30 minutes of their office, compared to 51% countywide.



2x

more likely that Chicago members working at small businesses rely on public transit, walking, or biking compared to the rest of the city.



3x

more likely that LA members working at small businesses rely on public transit, walking, or biking compared to the rest of the city.




Giving Cities Room to Grow

2.5x

WeWork is 2.5x more efficient with space than a typical office, freeing up room for new people, businesses, and jobs.

SOURCE: NAIOP STUDY. ASSUMES 180 SQUARE FEET PER OFFICE WORKER.





Increased density and efficient use of real estate can reduce a city's carbon footprint, unlocking space in neighborhoods without requiring additional construction.

...and Reducing a City's Carbon Footprint

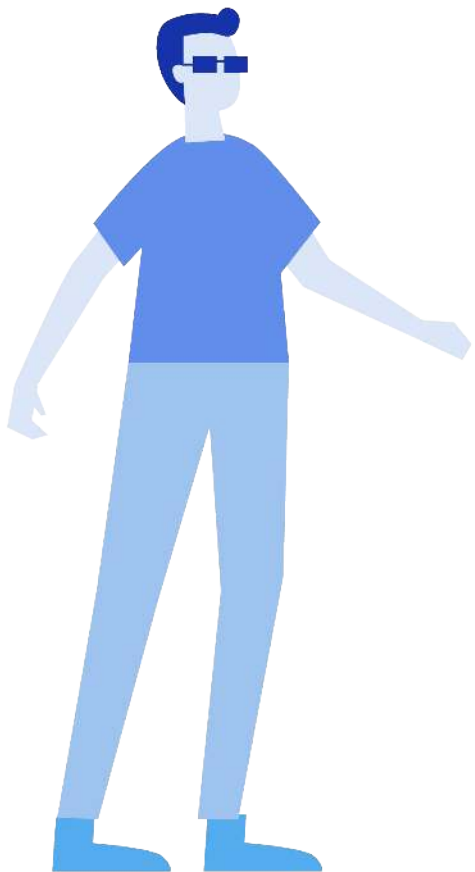


Member Spotlight

“When we grew to 6 employees we moved from the downtown location to the La Brea WeWork...because the majority of our employees lived in West LA and the new location would minimize commutes for the team. **We’ve now grown to 14 and are discussing our next move to a larger space in La Brea.**”

Sarah Chavey, Account Strategy Director | Praytell
WeWork La Brea
Member since: 2016
14 employees





Member Spotlight

“Getaround has regional offices at WeWork in cities all over the country, and it’s been an important part of how we’ve been able to rapidly scale our team and operations in new markets. It’s not just about the space —having a community of over 250,000 potential users is invaluable to our growth and to achieving our mission of bringing sustainable carsharing to people everywhere.”

Sam Zaid, CEO | Getaround

WeWork Offices in State Street, Capitol Riverfront, One Beacon Street, Culver City, 925 4th Ave.

Member since: 2015

125 employees

A Global Network of Cities

"WeWork has created the **physical-world equivalent of a digital platform**, generating value by imprinting design onto physical space, which leads to **network effects at both the individual and institutional levels**. Its global constellation of companies and entrepreneurs allows members to tap into and realize value from these economic spillovers, within their local communities, and across cities."

– Dr. Arun Sundararajan, professor of Business at NYU
and author of *The Sharing Economy*

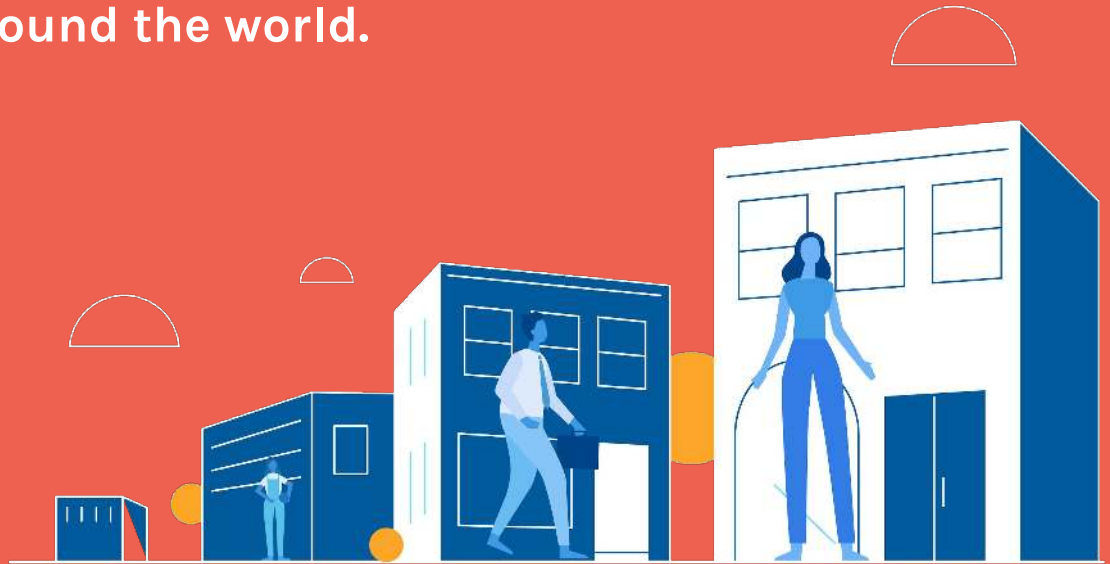


The Future



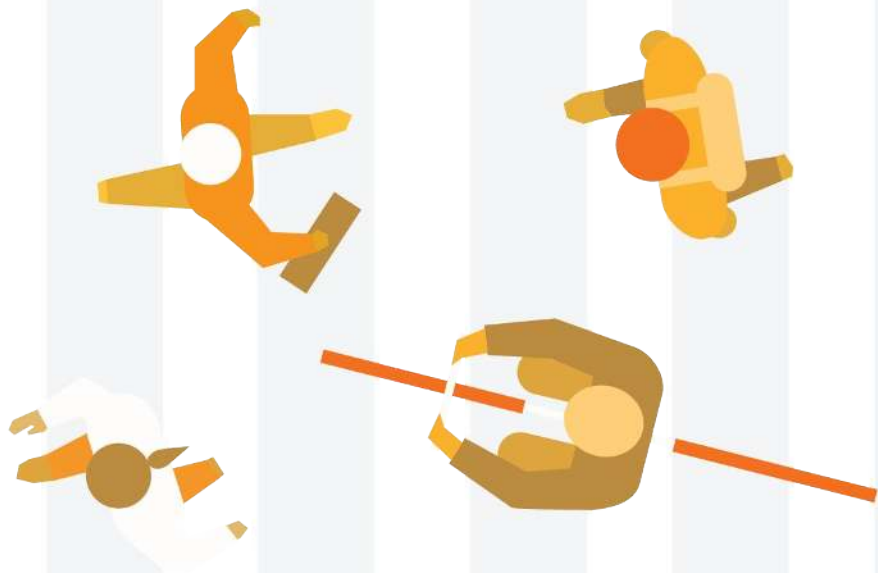
wework

We are committed to our shared future,
and we are going to keep building,
innovating, and fighting to create
economic opportunity around the world.



We're just
getting started.





wework