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Mr. Greco

English IV

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Big Tech's Gospel of Wealth

The iconic San Francisco skyline stands majestically on the Peninsula. When the sun is out, the glass windows on skyscrapers gleam and sparkle; in the fog, the tips of buildings pierce through the dense, gray blanket and rise above the clouds like the giant's lair in Jack and the Beanstalk. Skyscrapers like the Salesforce Tower, 181 Fremont, and Oceanwide Center have become new additions to the skyline in the past ten years alone. From afar, San Francisco is an alluring city of exponential economic growth and endless opportunity. However, inside the city, beneath the layer of fog, in the shadows of the grandiose skyscrapers, clusters of tents litter the sidewalks. Countless sleeping bags line construction fences and street corners.

Over the last few decades, the technology industry in Silicon Valley has boomed and brought billions of dollars of wealth to San Francisco. Major technology corporations have moved to or been founded in the city. Yet despite the exponential financial growth of software companies and their CEOs, the unhoused population in San Francisco has also continued to grow.

As a result, the housing crisis in San Francisco has gained national attention and become a popular talking point in political debates. Local San Franciscans and national politicians alike are eager to share their opinions on the topic. Capitalists in positions of power tend to argue that requiring companies to give up a higher percentage of their profit will disincentivize further economic growth in San Francisco, while others, from both sides of the political spectrum, assert

that it is the government's responsibility to lower housing costs. On the other hand, left-wing journalists and human rights activists believe that companies should regulate themselves and hold themselves accountable to the public in order to benefit society and their public images.

Ultimately, I believe that technology companies in San Francisco have a moral obligation to work with the government to address the housing shortage in order to repair the adverse effects of tech's arrival on housing accessibility, protect the long term health of the city, and fulfill a humanitarian responsibility.

To begin, technology companies must address the housing crisis due to their role in causing it. In the 1990s, the dot-com boom swept over San Francisco: high competition bred new technologies, household name brand companies, and exponential profit. San Francisco was a capitalist's dream. Until even 2019, venture capitalists flocked to the peninsula city to add their share to the pool of money funding tech startups, and from 1979 to 2019, the city's resident population climbed steadily upwards from about six hundred thousand to nearly nine hundred thousand residents ("Resident Population in San Francisco"). From 2010-2018 alone, the population of the San Francisco Bay Area increased by 8.4% (HomeMore). However, the dot-com bubble was not welcomed warmly by all. In fact, local San Franciscans protested and vandalized some tech offices in order to make a statement about preserving their culture. In August of 2000, police officers in the Mission District arrested 25 protesters after they "seized the offices of a dot-com company that had recently displaced a popular neighborhood dance studio" (Glionna). Like other neighborhoods, the local culture of the Mission District, once a "gritty mix of Latino families, free-spirited artists and cause-oriented nonprofits," fell to the influx of so-called "dot-commies." Furthermore, wealthy tech workers and investors caused real estate and rent prices to skyrocket: between 1995 and 2000, residential evictions more than

doubled in the Mission District as locals were no longer able to afford exorbitant housing costs. Another wave of technological novelties, like 4G data networks and social media, led housing prices to continue rising into the 2010s (Palandrani). Currently, San Francisco is the sixth most expensive U.S. city to live in, with average rent at \$3,395 per month (Wells) (RentCafe). Shaunn Cartwright, a 51-year-old advocate for the unhoused, laments, “there’s housing for the tech workers, but there’s no housing for the janitors” (Farivar). Evidently, history demonstrates that the unprecedented growth of successful technology corporations seriously diminished housing accessibility for working class San Franciscans; therefore, it is only right that they themselves work actively to remedy the issue.

On the other hand, from a purely capitalistic standpoint, some business owners and politicians assert that major tech corporations have no responsibility to give back to San Francisco. Such a perspective was present in the controversial dispute over Proposition C in 2018. Prop C allowed San Francisco to tax “0.175% to 0.69% on gross receipts for businesses with over \$50 million in gross annual receipts, or 1.5% of payroll expenses for certain businesses with over \$1 billion in gross annual receipts and administrative offices in San Francisco” (“San Francisco, California, Proposition C”). In other words, it greatly expanded the city’s power to tax highly profitable companies. The funds collected from the Great Receipts Tax would be used to fund San Francisco’s homelessness services. San Francisco’s newly elected mayor at the time, London Breed, released a statement in a *New Yorker* article against Prop C, for the reason that it would inevitably convince companies to leave the city (qtd. in Giridharadas). In the same article, the CEO of Square, Jack Dorsey, added that he opposed Prop C because of “corporate hesitation and considerations”, aka a predicted \$20 million increase in taxes. Breed’s position is proven by the flight of companies in the information, financial, and professional, scientific, and technical

industries, which, according to the San Francisco Controller's Office, brought in 69% of the revenue from the Gross Receipts Tax (Truong). The 2021 report shows that these three industries adopted remote working plans during the COVID-19 pandemic at extremely high rates, causing office vacancies in San Francisco to increase to around 30%. This statistic could suggest that businesses in the industries paying the highest taxes were the most eager to leave San Francisco during the pandemic. However, Breed, Dorsey, and others who share a purely profit-driven perspective, fail to consider that additional factors, such as public image, can affect a company's success. For this reason, some businesses believe in practicing corporate social responsibility, which requires them to hold themselves accountable to its stakeholders and the public for their potential negative impact on the environment, economy, and local community. This can be achieved through philanthropic contributions, waste or pollution regulations, transparency with the public and investors, and hiring a diverse workforce (Fernando). The actions of Marc Benioff, the CEO of Salesforce, who advocated adamantly for Prop C in 2018, are a prime example of corporate social responsibility. He has donated \$100 million to UCSF Children's Hospital, \$66 million to prevent and end homelessness in San Francisco, and \$6.1 million to renovate a hotel for city housing (Vidinsky) (Wells). In response to his efforts, Benioff has largely gained public support. @JspiderSF exclaimed on Twitter, "Wow! @Benioff's continued philanthropy is great, but the fact that he supports Salesforce paying \$10 million/year more in taxes to fix homelessness seems groundbreaking [...] Hell yeah."

Big Tech has a moral obligation to address the housing crisis in San Francisco not only to benefit their public image, but also to protect the local economy. Even Benioff himself acknowledges, "if homelessness continues to be a problem in San Francisco and escalates, it's gonna start to impact our business" (qtd. in Giridharadas). Although people like Breed and

Dorsey emphasized the flight of companies during the Prop C discourse, the long term effects that could arise from not dealing with the housing crisis are more severe. In fact, small businesses run by local San Franciscans are already beginning to feel those effects. According to a 2022 survey conducted by the San Francisco Office of Small Business, one third of the small businesses they surveyed were victims of vandalism and shoplifting at least twice within the year, and over half disagreed or strongly disagreed with the statement that San Francisco was a “generally good place” to run a small business” (Huie, et al.). Through the same study, one owner lamented, “as a small business owner, I'm broken hearted by San Francisco. Rents are high, we are paying precovid rent and I have lost over 50% of my clients, clients that lived in surrounding areas were scared to come into the city due to crime, homeless(ness), dirty (streets). I think about closing up and moving everyday.” It’s evident that the homeless epidemic is impacting local communities and businesses; thus, wealthy tech companies should use their influence and money to support them.

Another important perspective in this debate is the assertion that local government should be responsible for ensuring housing attainability, or even that the government is at fault for the housing crisis. When CEOs Benioff and Dorsey got into an online argument about Prop C in 2018, Dorsey defended his position by insisting that mayor Breed and other local government officials were “best equipped” to address the homeless issue (qtd. in Conger). Conveniently, Breed also opposed the measure. Furthermore, homelessness is not endemic to San Francisco; it is a pressing issue in many large cities across the country where Big Tech might not have such a presence. A wide variety of factors controlled by the government, such as mass incarceration and a weak social safety net, can lead to homelessness (SPUR). In fact, the County of San Luis Obispo’s Assessor’s Office describes California’s Proposition 13 as a root cause of contemporary

housing insecurity. Proposition 13, passed in 1978, drastically cut property taxes and only allowed property values to be reassessed to current market value when ownership changed or a remodel was completed. This effectively created a disparity in housing prices depending on when a property was purchased and its value most recently reassessed. Longtime property owners, whose homes may have not been revalued since they bought it, are paying lower taxes than recent homebuyers (“History and Impact of Proposition 13”). As a result of Prop 13, some journalists and human right activists believe that the solution to the homelessness lies in the hands of the government. However, local governments may still rely on Big Tech to remedy the housing crisis— through voting. This is because, according to a 2019 New York Times article, tech workers in San Francisco and the Bay Area are “disproportionately young and highly educated, and [...] they care about making cities more livable and affordable for everyone” (O’Mara). With such a voter base, employees of major tech corporations have the power to influence the city’s homeless and housing policies.

Finally, tech companies must address the homeless epidemic in San Francisco in order to fulfill a humanitarian purpose, regardless of who is at fault for the housing crisis. Benioff urges, “so it’s in our interest and it’s in everybody’s interest to resolve this— and it’s a humanitarian crisis, as well” (qtd. in Giridharadas). Those who have the power to reduce the suffering experienced by the unhoused population unarguably have a moral obligation to do so. Shannon Farley, a Forbes writer and co-founder of Fast Forward— a non-profit focused on creating positive social change through the tech industry— explains, “if we want to eradicate homelessness, it will take all of us. This is a call to action, particularly for those of us in the tech community, to support the entrepreneurs building solutions to the root issues of homelessness” (Farley).

It is imperative that San Francisco's ultra-wealthy technology companies tackle the current homeless crisis through philanthropy and voting in order to remedy their role in the housing crisis, protect the local economy, and fulfill a humanitarian obligation. It is clear that the California government has played a role in inflating the cost of living, but Big Tech's arrival undoubtedly hurt local San Franciscan culture and displaced many local residents and businesses. Although the average citizen may feel powerless compared to San Francisco tech giants, we must remember that we can use the media to our advantage (which platforms were ironically created by said companies). Through social media networks like X, we have the power to influence or sway companies' public images and to pressure CEOs to take action against homelessness in our community.

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