

Print Edition

Saturday 26 September 2026

EDITION NO. 65 • 2 PIECES • 9 PAGES

IN THIS EDITION

1.	Four eras of San Francisco tech culture • Noahpinion	2
2.	The Fed Finally Gets It • The Overshoot	6

Four eras of San Francisco tech culture

BY NOAH SMITH · NOAHPINION · 25 SEPTEMBER 2026



Photo by Jack Dorsey via Wikimedia.org

The other day I went on the Monitoring the Situation livestream, and we talked about the history of San Francisco tech culture:

I've never actually worked in the tech industry, but I've lived on and off in the Bay Area for a quarter of a century now — including the last 10 years in San Francisco itself — and I've spent a lot of that time hanging out with people who work in or around the tech industry. Throughout much of that time, I was also reading some of the same source materials that inspired lots of tech people — science fiction, futurist websites and books, nerdy forums and blogs, and so on.

Over that time, I've watched more and more people start to care about all this. Back in the early 2000s, as far as I could tell, pretty much nobody in the world cared about what some dorky hoodie-wearing computer pro-

grammers were up to on a Saturday night in SF. Fast forward 25 years, and the President of the United States is gathering opposition research on SF techie subcultures:

President Trump's allies are targeting Anthropic CEO Dario Amodei as the face of AI "doomerism" and a founding father of the effective altruism movement that's come under increasing political fire... Trump surrogates see Amodei as an easy foil because of his politics and focus on AI safety, sources told Axios...

A memo began circulating within the White House this week that seeks to paint effective altruism as a fringe, cultish collective out of touch with mainstream America. The memo, obtained by Axios, places Amodei at the foundation of the movement...Effective altruism "built the AI-doom pipeline," states the memo, which was penned by a Trump political adviser...Critics of the movement, which has ties to the AI research community, have called out its obsession with AI safety, animal welfare (including musings on shrimp consciousness) and other values they deem far from the U.S. mainstream...

The document lists a veritable parade of horrors for the average conservative mind: abortion, veganism, devaluing human life by overvaluing animals or granting "digital minds" civil rights-like protections.

If you could go back in time and tell the 2001 version of me that the President's allies are talking on national news about shrimp consciousness, I would have laughed out loud. (Until you told me who the President was, of course.) Not only that, but you have the New York Post talking about Effective Altruists' sex lives, and op-eds debating EA philosophy in top blogs and the Washington Post.

Ladies and gentlemen, it really happened. The nerds took over the world. We have arrived.

I've never been an Effective Altruist,¹ of course, and I've only hung out a little bit in those circles. But in fact, EA is only one corner of the tech culture, and its influence on the AI safety discussion is probably a lot less than people think. In fact, the people talking about EA in the White House and in the news aren't even really identifying the right group of people — the AI safety obsessives that the White House is taking aim at are the Rationalists, who are descended from a group of 1990s futurists called the Extropians. EA is a largely separate philosophical movement that appeals to some of the Rationalists, has some overlapping social circles, and jumped into the AI safety discussion later on after the basic ideas were all in place.

But anyway, that whole intellectual history is a story for another day (or you can just go ask AI). Today what I wanted to do is to give a brief anthropological history of the tech culture in San Francisco since the turn of the century, from my own quasi-outsider's perspective. There have been four distinct eras over that time period:

1. The Rebel Era (2001-2012)
2. The Corporate Era (2012-2019)

3. The Interregnum (2020-2022)
4. The AI Era (2022-present)

But let's start with some background.

The 20th century: SF tech pre-history

SF tech culture is the modern descendant of a very long lineage. It's a branch off of the tree of computer science culture, which is closely intermingled with electrical engineering culture, and which are both branches off of the great broad trunk of science and technology culture more generally. But it's important to realize that what became SF tech culture didn't start in San Francisco — it started down on the peninsula to the south.

The modern tech industry began in the suburban towns around Stanford University — Menlo Park, Palo Alto, Cupertino, Sunnyvale, and so on. This had been a hub of the old electric equipment industry from World War 2 onward, and so William Shockley chose Mountain View to start the first semiconductor company in 1955. Fairchild broke off from Shockley, and Intel broke off from Fairchild. The whole area became a hub of semiconductor manufacturing in the 60s and 70s, then computer companies (Apple was founded in 1976 in Cupertino), then software companies like Oracle and Adobe. For a long time, Sand Hill Road in Palo Alto was the locus of the venture capital industry.

Today we use "Silicon Valley" to refer to the IT industry in general, but originally it meant the area around Menlo Park and Palo Alto. I wasn't there to see this era, but a few good resources to learn about both the economics and the culture are:

1. The book *Regional Advantage*, by Annalee Saxenian, which documents how and why Silicon Valley became America's top tech cluster
2. The documentary *General Magic*, which chronicles a failed but highly influential smartphone startup in the 90s
3. The movie *Office Space* and the book *Microserfs*, which both satirize the stultifying experience of working for a big tech company in the 90s
4. The book *From Counterculture to Cyberculture*, which chronicles the techno-hippie movement that grew up around the emerging computer industry

San Francisco began as a marginal bit player in the whole tech ecosystem. It was a place that some tech people would come up to party and network, especially during the dotcom era when a lot of money (at least, for those days) was splashing around.

But it did have a media industry, and in the 1990s, some people who worked in publishing, advertising, and other media started trying to get in on the internet gold rush. A few engineers and entrepreneurs who didn't want to live in the boring suburban environment of Silicon Valley moved to SF to make tech media and web startups. Tony Hsieh's autobiography, *Delivering Happiness*, tells the story of how he founded LinkExchange in San Francisco, while getting involved in the rave scene. At the same time, SF became a locus of tech media — *Wired* was founded there in 1993.

That, I think, was really the start of modern San Francisco tech culture as we know it. It bled directly into the first era of tech culture that I witnessed first-hand — the Rebel Era of the 2000s.

The Rebel Era (2001-2012)

In 2003, when people said “Silicon Valley”, they still meant the Peninsula. Google began there, Apple made its big comeback there, and when Facebook moved out west in 2004, this is where it went. Sand Hill Road was still the epicenter of tech — throughout the 2000s, people would still use “walk down Sand Hill Road” as a synonym for trying to get VC funding. If you wanted to make money in tech in the 2000s — and everyone knew there was still a lot of money to be made, despite the dotcom bust — you went to the Peninsula.

This was the land of office parks, cute but sterile shopping villages, overpriced single-family homes, big tracts of open space, Patagonia vests, and bland restaurants serving pancake brunch. It was where you went to tutor kids for \$50 an hour² if you were a Stanford student who needed cash. It was also the land of starched button-down shirts, cubicles, and pointy-haired bosses who didn’t quite know what their engineers were up to. It was not a place to meet girls, go to parties, do drugs, wear grungy clothes, or dream big dreams about freeing society from the clutches of authority and tradition.

If you went up to SF to start a company in the 2000s instead of going down to the Peninsula like everyone else, it usually meant you were something of a rebel. A whole alternative tech culture grew up in the city — more laid-back, more politically liberal, less obviously focused on money and “success” and more focused on building fun products. Twitter was the most famous product of this time period — Evan Williams’s life project was to give a voice to the voiceless, and Jack Dorsey was a scruffy hippie kid who went to raves.

This is the time period when Burning Man — which had pretty much just been a punk art festival in the 90s — became a techie thing. Fire tornadoes and slapping LEDs on everything still felt like art. Everyone went to the Oakland warehouses to party, and for a brief shining moment, techies and artists got along. Psychedelic drugs were almost a matter of course — after all, Steve Jobs had done them, and Jobs was the great tech hero of that decade. Tech became more communal — instead of hacking together the next big thing in your parents’ garage or in a cubicle, you might go hang out and do it at Noisebridge in the Mission, surrounded by other techno-hippie hacker types like yourself.³

There was an ideological side to all this, too. There was a real belief — carried over from the 90s, but still strong — that the internet was going to liberate humanity. The tech rebels of the 2000s believed that social hierarchies were based on information control, and that if they simply broke that control, the hierarchies would be overturned. The information wanted to be free!

The most important touchstone of SF tech culture during this time wasn’t rationalism or the LessWrong forums — it was the Electronic Fron-

tier Foundation, an organization dedicated to freedom of information on the internet. All the cool kids — the badass self-taught engineers and the brilliant cryptographers and the bohemian founders — were part of the EFF, or at least friendly with its goals.⁴ The anarchist tech prophet Cory Doctorow was an icon of the age, writing sci-fi about Burning Man colonizing the moon, tech founders taking down Disney, and so on. Everyone read BoingBoing and Gizmodo.

The Rebel Era gave tech a more liberal slant. Traditionally, engineers had been a little staid and conservative, and the big tech companies on the Peninsula were studiously apolitical. But Marc Benioff and other 2000s SF tech types waded (cautiously) into the political waters on the liberal side. This is also when education polarization in America really started to bite, meaning that most engineers were now libs in general. But there was a particular techno-liberalism, based around the idea of the internet flattening social and political hierarchies, that suffused the grungy SF tech scene in the 2000s.

In retrospect, the Rebel Era couldn't last. Its bohemian, socially flattened culture was always predicated on a lack of money, and when money came in, SF tech was transformed.

The Corporate Era (2012-2019)

CONTINUES ONLINE · <https://www.noahpinion.blog/p/four-eras-of-san-francisco-tech-culture>

The Fed Finally Gets It

BY MATTHEW C. KLEIN · THE OVERSHOOT · 24 SEPTEMBER 2026

The test of whether you are genuinely sorry for a mistake, according to Maimonides, is if, when faced with the same circumstances as the last time you did wrong, you behave differently. “Not because of fear or a lack of strength,” but because you felt so much regret for what you did that you improved your character in response.

Federal Reserve officials may have started this process of atonement. For the past several years, they have repeatedly underestimated both the strength of the U.S. economy and the underlying inflationary trend. Those analytical errors led the central bank to wrongly lower interest rates in September-December 2024, and again in September-December 2025.

On September 16 2026, however, they raised their short-term interest rate target band from 3.5-3.75% to 3.75-4%. Tellingly, Fed boss Kevin Warsh characterized the move as “remov[ing] a dose of accommodation”, rather than a tightening or an increase in “restriction”. While many of his colleagues—most notably Governor Christopher Waller and New York Fed President John Williams—had been claiming that monetary policy was at least somewhat “restrictive” as recently as January, Warsh said that they “were hard-pressed to describe it that way” now.

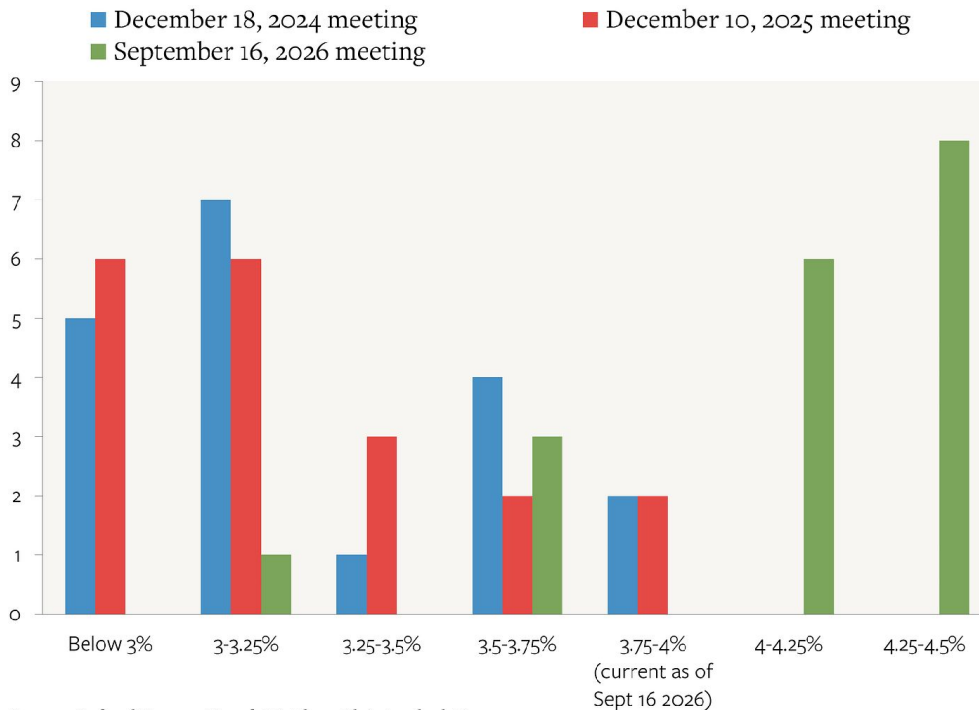
This shift has flowed through to the distribution of what officials believe will constitute “appropriate monetary policy” in the years ahead.

Almost all Fed officials now believe that short-term interest rates at the end of 2027 will be higher than they are now. None believed that as recently as the end of 2025. In fact, most officials back then expected rates to fall substantially from where they were at the time, with the vast majority expecting rates to be 3.25% or lower. (In January of this year I published a note titled “Is the Market Underpricing the Risk of Fed Hikes?” which I feel pretty good about now.) The latest picture of “appropriate” short rates at the end of 2028 also looks notably different from what it was even as recently as March, although it still seems inconsistent with nominal income growth of ~6% a year. But at least things are moving in the right direction.

Vibe Shift

Fed officials have dramatically revised their outlook for where short term interest rates should be at the end of next year, with most expecting rates to be higher than now.

Short rate at end-2027 “under appropriate monetary policy”, FOMC members



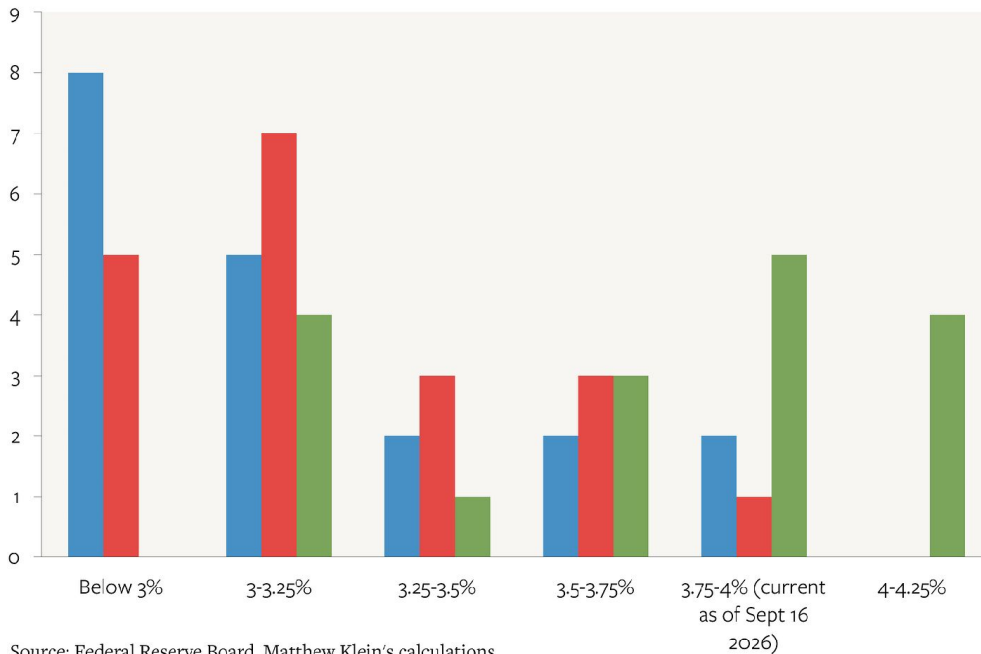
Source: Federal Reserve Board, Matthew Klein's calculations

New Old Normal

About half of Fed officials believe that short rates at end-2028 will be at least as high as they are right now. That is a notable change from 6-12 months ago, although maybe not enough.

Short rate at end-2028 “under appropriate monetary policy”, FOMC members

■ September 17, 2025 meeting ■ March 18, 2026 meeting ■ September 16, 2026 meeting



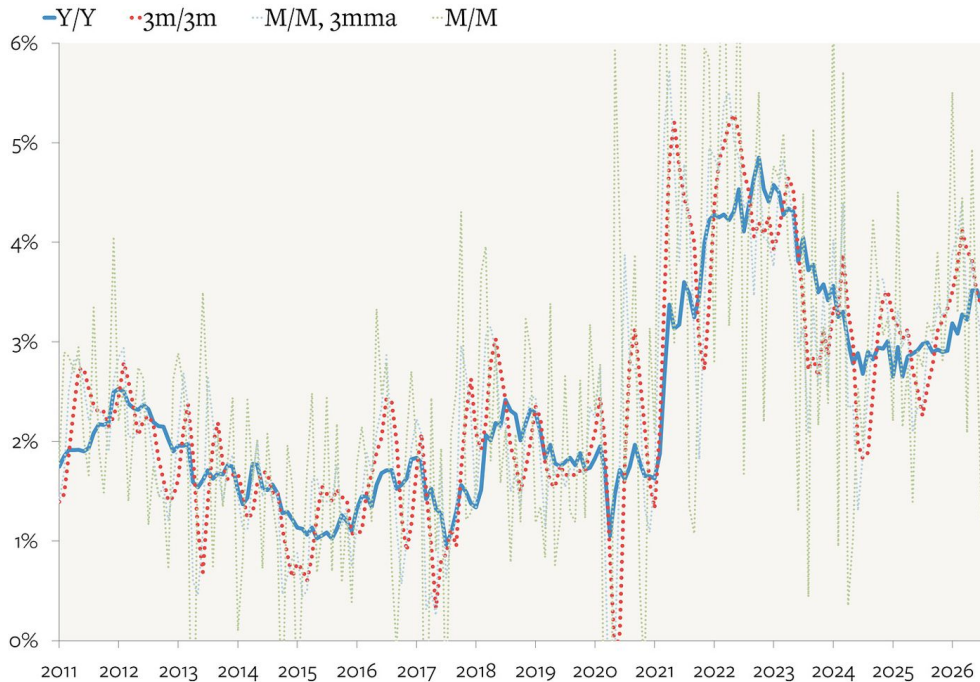
The change in sentiment cannot be explained by the tariffs, which are old news. Economists at the Federal Reserve Board estimated that the impact of tariffs on the price level has been essentially zero since last October, while their colleagues at the St. Louis Fed estimate that tariffs never added more than 0.6 percentage points to y/y core inflation, and only explained 0.4pp of the excess in core inflation as of June. Besides which, tariffs are also somewhat bad for growth and employment insofar as they are taxes that sap disposable income. Nor can Fed officials' change of heart be explained by the ongoing disruptions to the flow of commodities out of Arabia via Hormuz or Bab el-Mandeb, because the impact on growth should be at least as significant as the (temporary?) impact on inflation.

Rather, it seems that at least some Fed officials have belatedly realized that underlying nominal growth continues to run too fast to be consistent with the central bank's alleged 2% yearly inflation target, and for largely benign reasons. I have been making this point for years, but it is worth reiterating that the prices most sensitive to domestic demand and least exposed to mismeasurement issues or other idiosyncracies have consistently been rising 1-2pp faster than in the years immediately before the pandemic—and were even accelerating in the months before the war with Iran.

4% is the New 2%?

Underlying services inflation stopped decelerating at the end of 2023 when it was ~1pp faster than the pre-pandemic average. It has recently re-accelerated by almost another 1pp.

Annualized changes in market-based services PCE price index ex. housing & utilities



Source: Bureau of Economic Analysis, Matthew Klein's calculations

Yet from mid-2022 until now, Fed officials seem to have judged that all of the forces responsible for unwelcome inflation—Russia's war on Ukraine, tariffs, deportations, the war with Iran—also threatened the outlook for jobs. That would explain why their assessment of the risks to the employment mandate and to the price stability mandate tended to move together. If "normal" factors such as consumers' access to credit or businesses' appetite to invest were driving things, the perceived risks to the inflation and employment mandates would be uncorrelated, or even move inversely to each other.

That shift has finally happened. In fact, Fed officials are now more bullish on growth and employment—and less concerned about downside risks—than they have been since before the pandemic. The latest data on private sector balance sheets, borrowing, and asset purchases can help explain why.

CONTINUES ONLINE · <https://theovershoot.co/p/the-fed-finally-gets-it>