



Highlights

The County's Business Outlook Index still remains high at +27.8

Firms in the financial sector or that have 25+ employees are affected more by government-related challenges

43% of businesses conduct a "little" to a "great deal" of business with Mexico

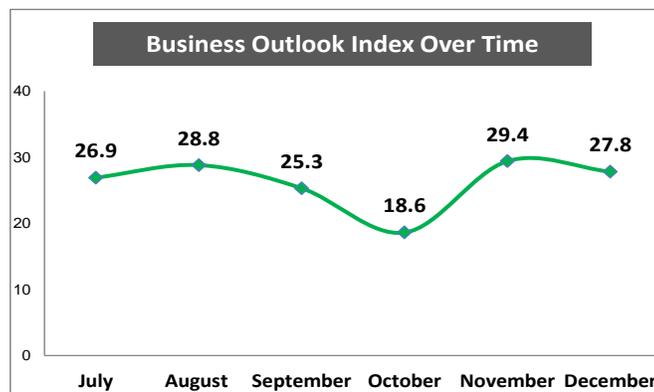
27% of businesses identified "reducing border wait times" as top priority for Chamber's Mexico Business Center

**Note: Data for this report was collected December 9-20, 2013.*

BUSINESS OUTLOOK REMAINS HEALTHY AT END OF 2013, INTO NEW YEAR

The business outlook for January's San Diego County Business Forecast remains strong as 2013 comes to a close and 2014 begins. In addition to strong revenue projections, business owners also felt conditions in their industry would improve over the next three months. Businesses also indicated that they would not pull back on workforce growth or employee hours.

Across all industries, financial firms are significantly more optimistic than the average firm indicating upward momentum for the financial sector. Consistent with the last several months, the outlook for the manufacturing sector continues to lag, recording a dismal -2 on the Business Outlook Index (BOI). Advertising and promotional firms also predict worsening business conditions for their industry over the next quarter.



Source: Competitive Edge Research

Concerns related to the Affordable Care Act (ACA) have slowed slightly, though it still remains a top concern, along with general government-related challenges. The report also found that, in general, businesses in the financial sector or with more than 25 employees tend to be more affected by government-related challenges.

The January report also asked respondents about how much business they conduct with Mexico or Mexican citizens, as well as how the San Diego Chamber and its Mexico Business Center can help make doing business with Mexico easier. Nearly 43% of business conduct a "little" to a "great deal" of business with Mexico, marking a clear segment of the economy that could benefit from stronger ties with Mexico.

In addition, reducing border wait times is seen as the top priority for the Chamber's Mexico Business Center, regardless of how much a business works with Mexican businesses or citizens.

The *San Diego Business Forecast* is sponsored by Silvergate Bank and conducted by Competitive Edge Research. The monthly report provides valuable insight into future trends of the regional business community. Learn more at www.sdchamber.org.