

BUSINESS FORECAST

February 2015

Highlights

BOI stands at 26.5

County has enjoyed 6 months of stability

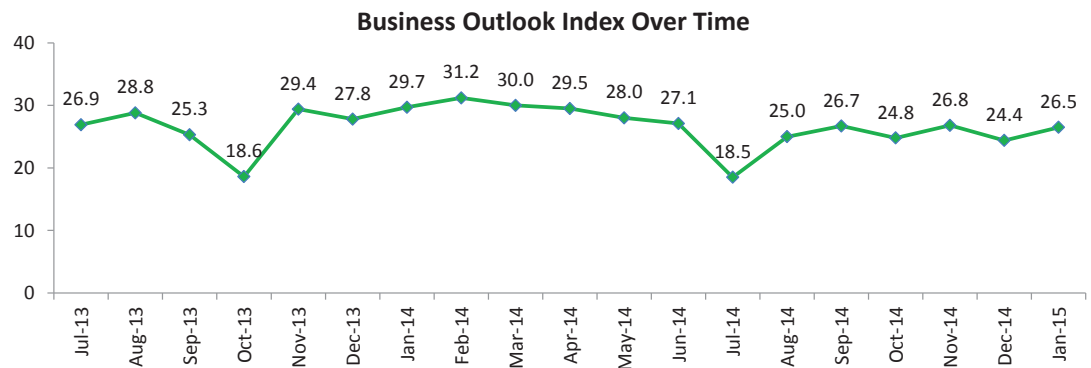
Infrastructure in city of San Diego regarded as inferior to elsewhere in County

Support in city for increasing sales tax to fund infrastructure reaches 57%

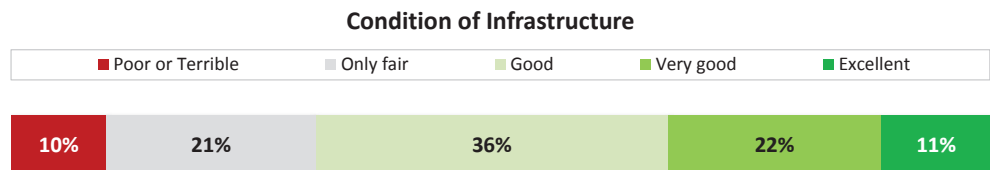
Note: Data for this report was collected January 11-28, 2015.

County's Business Outlook Optimistic; Infrastructure a Concern in City

Having bounced around the mid-20s during the past half year, the February Business Forecast, sponsored by Silvergate Bank, shows the Business Outlook Index™ (BOI) following suit at 26.5. This month's Forecast also sheds light on the quality of infrastructure throughout the county.



This month we asked business people to rate the condition of the infrastructure (streets, sidewalks, sewers, and bridges, etc.) near their place of work. Overall, infrastructure across San Diego County received mixed reviews. The chart below details business people's reviews on infrastructure, but analyzing the data shows that those involved in finance, arts and culture, and healthcare view the infrastructure near them as in very good or excellent shape. Conversely, companies involved in maintenance, for example, typically judge the infrastructure they contend with as less than good. None of those maintenance operations are located in areas where infrastructure is considered to be excellent.



To look at it by BOI, those struggling businesses with a BOI at less than -12.5 would oppose an infrastructure sales tax by 76%. This reinforces the idea that raising the sales tax is more viable when economic times are good and optimism is high. Among County businesses that are not strongly pessimistic, support stands at 54%.

A stacked bar chart comparing support for the U.S. withdrawal from the Paris Agreement across two BOI score groups. The y-axis represents the percentage of respondents, ranging from 0 to 100. The x-axis shows two categories: 'BOI < -12.5 (12%)' and 'BOI > 12.5 (88%)'. The legend indicates five levels of support/opposition: 'Support, strongly' (dark green), 'Support, somewhat' (light green), 'Unsure' (light gray), 'Oppose, somewhat' (pink), and 'Oppose, strongly' (dark red). For the 'BOI < -12.5' group, the distribution is 60% Oppose, strongly; 16% Oppose, somewhat; 12% Support, somewhat; and 8% Support, strongly. For the 'BOI > 12.5' group, the distribution is 26% Oppose, strongly; 15% Oppose, somewhat; 6% Unsure; 25% Support, somewhat; and 30% Support, strongly.

BOI Score Group	Oppose, strongly	Oppose, somewhat	Unsure	Support, somewhat	Support, strongly
BOI < -12.5 (12%)	60%	16%	0%	12%	8%
BOI > 12.5 (88%)	26%	15%	6%	25%	30%

Issues at play for healthcare business are the Affordable Care Act and government regulations. Issues related to government are shared by 23% of San Diego County businesses as well. The following word cloud illustrates those issues businesses identify most frequently as new challenges this month.

