

## Highlights

The County's Business Outlook Index™ remains in optimistic territory at +28.0

Nearly 60% of businesses predict industry conditions will improve

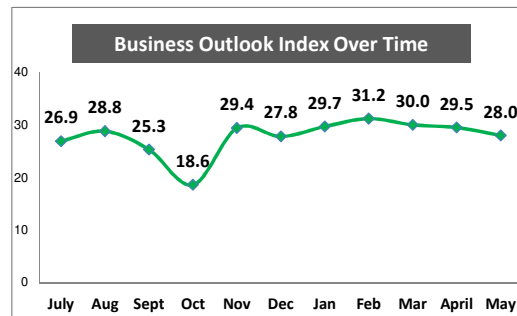
Minimum wage grows as a challenge to local businesses

Vet-owned firms seen as important to San Diego; Clear preference shown for hiring workers with military experience

*\*Note: Data for this report was collected May 23-31, 2014.*

## SAN DIEGO COUNTY'S BUSINESS OUTLOOK REMAINS SUNNY

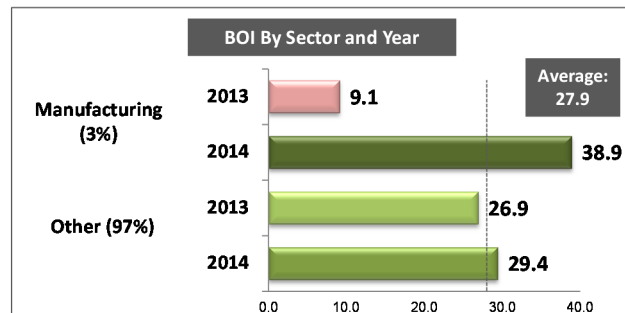
Now six months into the year, the County's Business Outlook Index™ (BOI) sits at an even 28.0. The BOI metric has a range of -100 to +100 and the current score indicates a generally positive mood among County businesses. While the outlook is still trending optimistic, the Affordable Care Act has declined significantly as a concern and minimum wage has increased steadily since January.



Source: Competitive Edge Research

When asked about veteran-owned businesses, three-quarters see those firms as being important to San Diego's economy, so there is broad recognition that veteran-owned companies are valuable. The survey also shows there is a clear preference for hiring former members of the military over an applicant who does not have that experience. The results show 69% of local firm owners are more inclined to give the job to the worker with military experience. The rest are almost always unsure what they would do, there is virtually no bias against members of the military.

The manufacturing sector has enjoyed a substantial boost to its BOI this year. That sector's BOI averaged only 9.1 in 2013, as all four components of the Index -- labor hours, employment, business conditions and revenue -- hovered just above zero. The 2014 story for manufacturing has been entirely different as all four BOI components have improved markedly. The sector's overall BOI since January 2014 stands at 38.9, 10 points better than the average for other industries.



The *San Diego Business Forecast* is sponsored by Silvergate Bank in partnership with the County of San Diego and conducted by Competitive Edge Research. The monthly report provides valuable insight into future trends of the regional business community. Responses are collected from San Diego Regional Chamber of Commerce and East County Chamber of Commerce businesses. Learn more at [www.sdchamber.org](http://www.sdchamber.org).