

July 2014

Highlights

The County's Business Outlook Index™ stays optimistic at +27.1

Home and garden, and health, beauty and fitness related firms are topping the charts for a positive outlook through summer

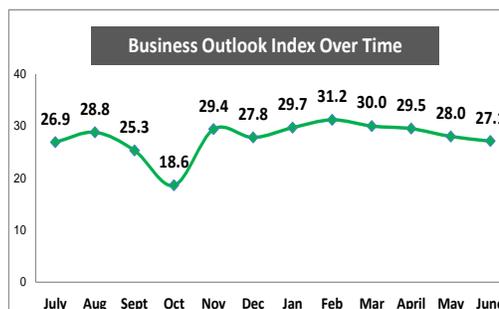
Large companies are eager to hire new employees

14% of firms are considering moving out of County; 5% seriously

*Note: Data for this report was collected June 17-30, 2014.

SURVEY INDICATES 14 PERCENT OF BUSINESSES CONSIDERING LEAVING SAN DIEGO

The County's Business Outlook Index™ (BOI) has taken a small dip to +27.1, off a point from last month. The current BOI is still squarely in the positive range however, indicating that businesses overall are looking favorably into the coming three months.



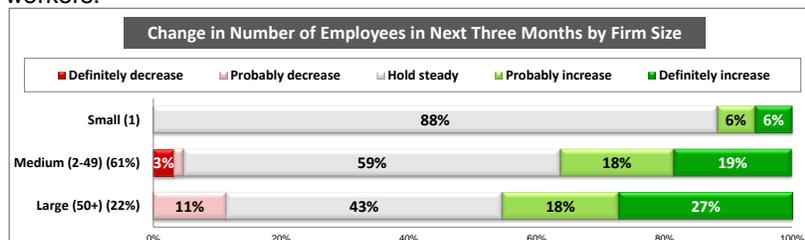
Source: Competitive Edge Research

When asked how friendly government is to business, a slight majority see their local government as at least somewhat friendly, 28% see it as the problem and another 19% are unsure how to categorize local government. Firms doing business in San Diego specifically, see their government as significantly less friendly. That is compared to the 60 percent of companies located outside the San Diego city limits that rate their local government as friendly.

Unfriendly local governments lead to businesses considering a move out of San Diego County. Participants were asked whether their firm is considering leaving – or moving some operations out of – San Diego County. While none of the business people who see City Hall or the County Board of Supervisors as being very friendly are thinking about leaving, 38% of those who see local government as very unfriendly are considering a move. Overall most business are not considering a move, as 86% indicate they will not exit the County, but that leaves almost 15% considering it. Nearly half the firms whose BOI is below -12.5 are looking to go elsewhere, with 46% considering a move.

Summer has brought with it very strong economic outlooks for sectors related to summertime activities including home and garden companies and firms in the health, beauty and fitness field. These firms are significantly more bullish. The BOI for home and garden companies stands at +59.4 and at +52.8 for health, beauty and fitness. The outlook for health, beauty and fitness firms has risen since last month indicating the outlook for these types of firms is now ebullient as they will add more hours for their existing staff. Manufacturing, which has been a high flyer all year, also remains optimistic.

When it comes to adding employees over the summer, one-person operations are very unlikely to add any employees, large companies (more than 50 employees) show a lot of eagerness to hire workers, and firms with more than one employee, but less than 50, are caught in between, as 35% of them expect to add workers.



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.