



## Highlights

Only **53%** of businesses anticipate a revenue increase in Q4 2013

Nearly **70%** of companies predict no change in employee hours

More than **31%** of businesses list **integrity** and **honesty** as their top two characteristics for the next Mayor of San Diego

Nearly half of all responses focus on personal character traits, though **“business-friendly”** and **“leadership”** also topped the list as desired qualities

*\*Note: Data for this report was collected September 12-30, 2013.*

## EARLY SIGNS OF WANING BUSINESS CONFIDENCE, FOCUS TURNS TO MOST IMPORTANT QUALITY IN NEXT MAYOR

The latest San Diego County Business Forecast shows a waning confidence level among San Diego regional businesses. The County’s Business Outlook Index reached its lowest point in the last three months, dropping from +28.8 in July to +25.2 as of September.

The October report also focused on businesses’ preferences for the next Mayor of San Diego. Nearly half of respondents named personal character traits such as “integrity” and “honesty” as top qualities. “Business-friendly” and “leadership” were two other prominent qualities desired in the next mayor.

As the fourth quarter begins, 20% or fewer of businesses remain confident they will see definite increases in revenue, industry conditions, and employees with others scaling back their initial expectations. Now only 31% of local businesses anticipate a probable increase in revenue in 2013’s final quarter, with 42% anticipating revenue to hold steady. Nearly 70% of businesses predict there will be no change in employee hours, up from 57% in August.



In an open-ended question, businesses frequently mentioned the Affordable Care Act (ACA) as a major issue impacting their business. Other issues identified were “help for small businesses”, “infrastructure”, and “lower taxes”.

Looking specifically at industry categories, this month’s Forecast shows a rosy outlook for beauty and fitness companies. This sector’s Business Outlook Index rose to +75 in September, up from +27.5 in July, likely in anticipation of the holiday season. On the other end of the scale, the health and medical sector continues to decline, dropping from +47 in July to +15 in September.

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](http://www.sdchamber.org).

