



## Highlights

The County's Business Outlook Index is at an all-time low of **+18.6**

Percentage of businesses who believe conditions will worsen over the next three months **rose from 9% to 15%**

Businesses with 2 to 50 employees are much less optimistic than over the summer

30% of businesses identified Kevin Faulconer as the best candidate to deal with business issues

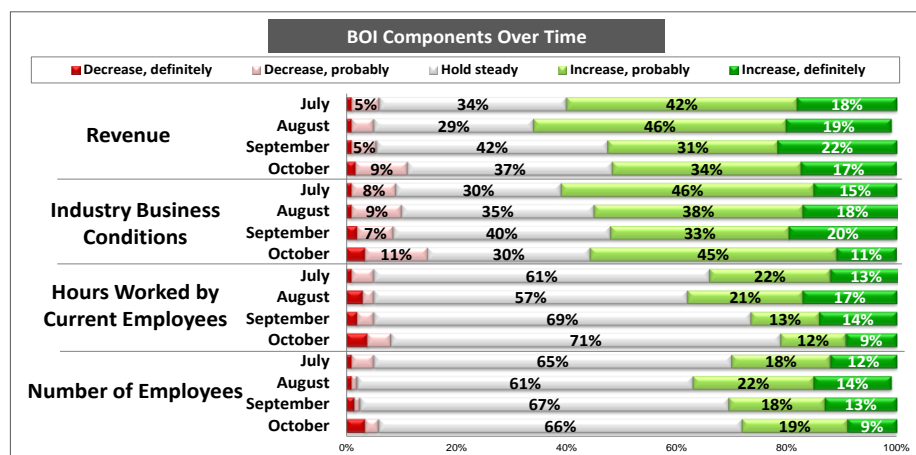
*\*Note: Data for this report was collected October 14-31, 2013.*

## BUSINESSES' Q4 OUTLOOK CONTINUES TO DECLINE

November's San Diego Business Forecast, sponsored by Silvergate Bank, shows the County's Business Outlook Index at an all-time low of +18.6, down from +25.3 in October. Specifically, firms reported less robust outlook for general business conditions, company revenues and employment hours.

While the overall sentiment has not turned negative, businesses endured a federal government shut down and the initial implementation of the Affordable Care Act, leading to a less optimistic outlook compared to the summer. About 11% of businesses anticipate a revenue decrease during the next three months - double the percentage in September. The percentage of businesses who believe conditions will worsen over the next three months rose from 9% to 15% in one month.

Industry-specific results show that the economic outlook did not improve for any particular business category either. In addition, firms with 2 to 50 employees have taken a sharp tumble, compared to their more optimistic outlook for the previous three months. Sentiment is also down significantly on the south side of the County.



In terms of new issues affecting businesses, the Affordable Care Act, government gridlock and other industry specific issues all remained at the top.

Businesses located within the City of San Diego also reported that they were closely watching the mayor's race, more so than firms located outside the city. City Councilmember Kevin Faulconer led the pack of candidates, with 30% of business owners responding that he would be the best candidate to deal with business issues. Among those who see new challenges from the government affecting their business, 42% believe that Faulconer is best candidate. Only 3% of businesses identified City Councilmember David Alvarez as the best candidate for addressing business issues.

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).