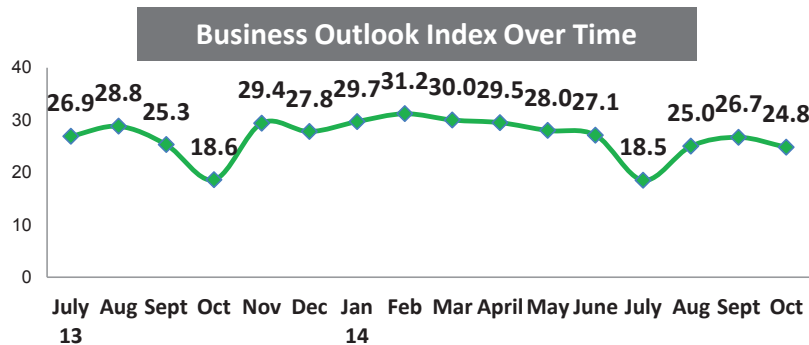


BUSINESS FORECAST

Business Outlook Continues Positive Projection for End of Year

Concerns over government related issues, minimum wage at all-time low.

SAN DIEGO (November 18, 2014) – This month’s Business Forecast, sponsored by Silvergate Bank, shows that San Diego County businesses continue to project a positive outlook for 2014’s fourth quarter. The Forecast’s Business Outlook Index™ (BOI) sits at 24.8, an insignificant dip from last month which shows businesses maintained roughly the same degree of optimism from last month. This month we also see a variance in BOI based on where businesses are located in the County and a significant drop in concern regarding government-related issues.



While the overall BOI is healthy, the employee hours component did shift to a more negative projection. Last month, 39 percent anticipated an increase in the hours they would be offering their employees and only 8 percent expected a decrease. This month only 29 percent figure they will increase their employees’ workload during the next three months and 10 percent say they will decrease hours. It must be noted that this is not an indicator for alarm. As business owners now start to look past the holidays, a slight downward shift in the hours available to employees can be expected.

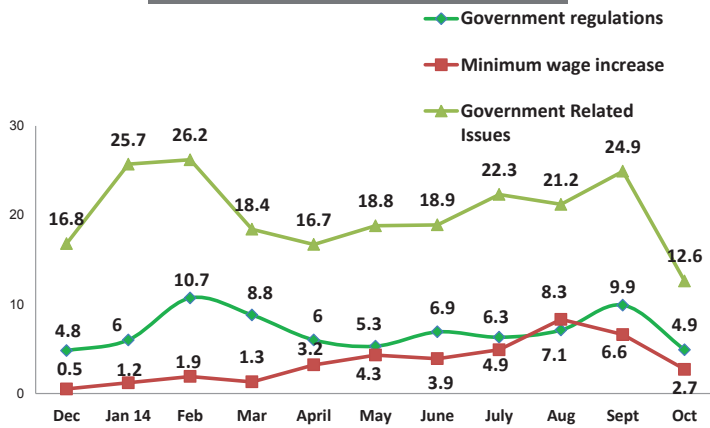
“As we look toward the end of the year, we hope that the positive outlook continues well into 2015 and making realistic end-of-year projections – such as decreases in staff hours - is key to setting a sound financial projection for the coming year,” said Dino D’Auria Executive Vice President and Chief Banking Officer at Silvergate Bank.

	BOI
South City	23.3
North City	27.2
South Burbs	28.1
East Burbs	12.9
North Inland	41.1
North Coastal	40.0
East County	15.0

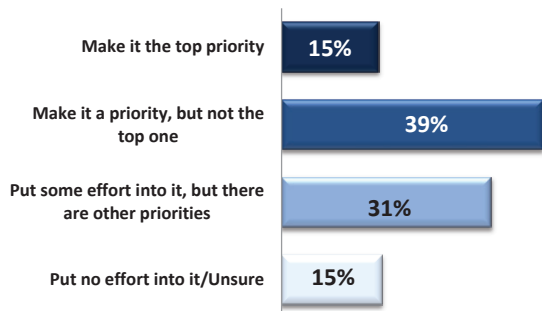
Looking at the BOI by geographic area, we see that companies based east of the city of San Diego post significantly lower figures than those in the rest of the County. Businesses in the eastern suburbs of La Mesa, El Cajon, Santee, Lakeside, and the backcountry report relatively poor BOIs. Firms in the County’s north coastal and north inland areas are bullish, mostly because they anticipate increasing their workforce in the coming three months.

Increasing the minimum wage began 2014 as a non-issue, but became hot after the state raised its minimum wage and the city was poised to go even further. With a campaign mounted to reverse the city’s action, the issue took center stage in August. But now that focus has dissipated, as opponents rallied to place a referendum on the ballot. The chart shows the ebb and flow of the minimum wage increase as an issue and that very few businesses now see it as a new challenge they must overcome. Related, concerns over government-related issues in general have now abated as well. At this point, only 13 percent say the government is the problem - an all-time low.

New Business Challenges



Blue Tech Prioritization



“Business peoples’ reaction to the success of the minimum wage referendum underscores the validity of Chamber’s role as an advocate for the business community and we will continue our work to ensure the region becomes the best place to do business,” said Jerry Sanders, President and CEO of the San Diego Regional Chamber of Commerce.

This month’s survey also asked about maritime industry issues related to the Port of San Diego and “Blue Tech”. When asked how important the Port is to the region’s economic prosperity, two-thirds of local business people think the Port of San Diego is at least very important to the region’s prosperity. Analyzing responses by industry, we find that the hospitality/restaurant sector places much greater emphasis on the Port as a local economic driver. It appears that hotels, restaurants and the like see the Port of San Diego as a valuable conduit for more visitors.

There is little consensus within the business community when it comes to whether local officials should prioritize “Blue Tech” — the economic sector centered on maritime technology. Although 54 percent believe that local officials should make positioning San Diego as a leader in “Blue Tech” a priority, only 15 percent believe it should be the top priority. Further, 15 percent do not believe it is worth pursuing at all.

The November 2014 report was fielded October 17-28, 2014 by Competitive Edge Research using responses from 213 randomly-selected members of the San Diego Regional Chamber of Commerce and the East County Chamber of Commerce. [Click here](#) to see the full November summary report or previous San Diego County Business Forecasts.

About The San Diego County Business Forecast

The San Diego County Business Forecast is a monthly report that compiles insights and analysis on survey responses from local business executives from the San Diego Regional Chamber of Commerce and the East County Chamber of Commerce. It is sponsored by **Silvergate Bank** and conducted by **Competitive Edge Research**. Non-profit organizations are excluded from the results and all members are invited to complete the survey either online or over the phone. The Business Outlook Index™ (BOI) is comprised of four self-reported assessments regarding the next three months: Will a respondent’s business increase or decrease its number of employees, experience an increase or a decrease in revenue, increase or decrease the number of hours its employees work, and experience an improvement or a worsening of business conditions. For each assessment, definite and positive responses are scored 100, probable and positive responses are scored 50, neutral responses are scored 0, probable and negative responses are scored -50 and definite and negative responses are scored -100. The scores are summed and divided by 4 to get a range for the BOI of -100 to +100, with zero being a neutral outlook. [Click here](#) to see past Business Forecasts.

About Silvergate Bank, Business Banking Redefined

For over 25 years, as a San Diego based community bank, Silvergate provides a rewarding banking experience where the client’s needs always come first. Our business banking experts listen to needs and work to provide customized solutions to support your company’s growth and profit objectives. Our bankers are committed to superior responsiveness, local decision making, and the agility that allows our clients to choose the way they want to bank with us. To learn more, visit <http://www.silvergatebank.com> or contact Dino D’Auria at ddauria@silvergatebank.com.

About The San Diego Regional Chamber

The San Diego Regional Chamber is the hub for connections and collaboration among the regional business community, and uses that clout to advocate for public policies and candidates that support economic growth and the creation of jobs for all businesses. As the largest Chamber on the West Coast, representing more than 3,000 businesses and 400,000 employees, the San Diego Regional Chamber is fighting to make San Diego the most business-friendly region in California. For more information, please visit SDChamber.org or call 619-544-1300.