COUNTY’S BUSINESS OUTLOOK TAKES SIGNIFICANT TUMBLE
Index at lowest point ever registered, with more firms planning to cut workforce hours

SAN DIEGO (August 15, 2014) – After four consecutive months of insignificant ebbing, the outlook for San Diego County businesses has taken a serious tumble. The Forecast, which is sponsored by Silvergate Bank, shows its Business Outlook Index™ (BOI) for San Diego County has fallen to 18.5 for August – the lowest point that has been registered.

A significant factor pushing the BOI to this new low is a declining outlook on workplace hours. Companies anticipating fewer employee hours grew from five percent in the previous quarter, to nine percent in August. Also, only 23 percent of firms this month say they will add hours, whereas in the previous quarter 36 percent said they would add hours.

Government is also a factor in the declined outlook, with firms citing issues with government having the weakest outlook of all. A variety of regulations and government-related issues contribute to this. For example, business people who perceive the minimum wage increase as a challenge sit at a flat 0.0 on the BOI. For those who focus on taxes and fees, the outlook falls into the negative side, conveying a worrisome outlook about their prospects in the coming three months.

It is important to note that as dramatically as it fell this month, the BOI can rebound rapidly. A similar recovery was seen last fall when the federal government shutdown was resolved. The BOI leapt more than 10 points from October to November, 2013.

“The San Diego Regional Chamber’s work to fight for business-friendly policy at the state and local level has never been more crucial and is underscored by these results,” said Chamber CEO & President, Jerry Sanders. “We will continue to fight the minimum wage increase above the state mandated level as well as other regulations that are counter-productive for San Diego and cause the business community to lose confidence.”

When asked to weigh in on the overall direction California and San Diego are headed, the results point in different directions. The state is widely perceived to be heading down the wrong track, while the general mood related to the city of San Diego is fairly positive.
Firms with issues related to government, again, yield the poorest results with more than half indicating they strongly believe California is headed down the wrong track and another 25 percent saying it is somewhat on the wrong track. In terms of San Diego, those firms that see things going poorly for the city are also those that see the minimum wage increase as their main challenge. Results from the real estate community point to a bright outlook when it comes to the city of San Diego. The bounce back in home prices has those in the real estate sector seeing the city in a favorable light.

“San Diego’s business community is a resilient population,” said Dino D’Auria, Silvergate Bank’s Executive Vice President and Chief Banking Officer. “While the outlook now is trending downward, San Diego business owners remain committed to our city and will work to continue to make our city great.”

The August 2014 report was fielded July 15-25, 2014 by Competitive Edge Research using responses from 206 randomly selected members of the San Diego Regional Chamber of Commerce and the East County Chamber of Commerce. Click here to see the full August 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 more than 200 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. Results are based a Business Outlook Index™ which runs from -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 www.silvergatebank.com or contact Dino D’Auria at ddauria@silvergatebank.com.

About The San Diego Regional Chamber of Commerce
The San Diego Regional Chamber of Commerce is the leading, most effective voice for business policy and connections in the San Diego-Baja region. As the largest Chamber on the West Coast, representing more than 3,000 businesses and 400,000 employees, the SDRCC is committed to organizing the business community to make San Diego the best place to do business and create jobs. For more information, please visit www.sdchamber.org or call 619/544-1300.

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