



Highlights

Business outlook has rebounded, pushing the County's Business Outlook Index to a new high of +29.4

Firms indicating an improvement in employment hours have risen from 21% to 35%

40% of businesses believe the Affordable Care Act will make things worse for them in the long-term

30% of businesses are unfamiliar with the impact the new healthcare changes will have on their business

**Note: Data for this report was collected November 11-18, 2013.*

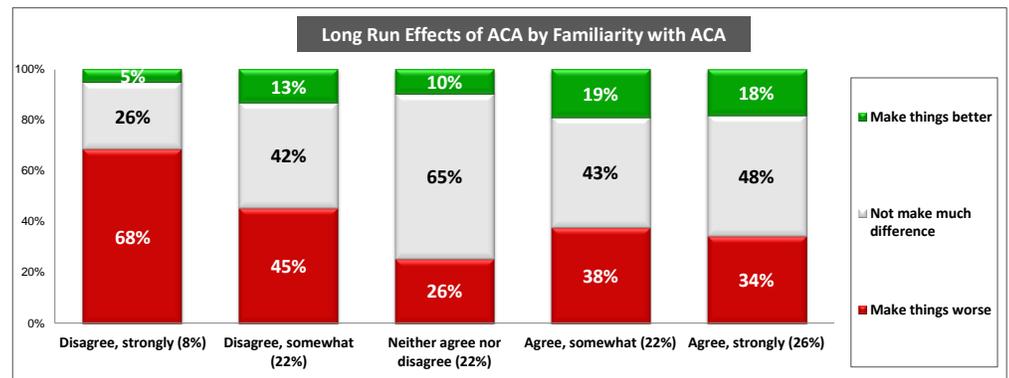
BUSINESS CONFIDENCE REBOUNDS DESPITE CONCERNS OVER OBAMACARE

After dipping in October and November, the business outlook for San Diego County has dramatically bounced back. After declining for the past two consecutive months, the County's Business Outlook Index™ has risen from +18.6 to a new high of +29.4. Previously the highest point on the Index™ was +28.8 in August.

All four of the categories used to gauge business confidence – revenue, industry business conditions, employee hours and number of employees – have increased. The biggest improvement came in employment hours, with the number of firms indicating that they would increase worker hours up from 21% to 35%.

"It is encouraging to see an improvement in the outlook of San Diego regional businesses," said Alan Lane, president and CEO of [Silvergate Bank](#) – the sponsor of the monthly Business Forecast report. "Moving past the government shutdown and some delays in implementing the Affordable Care Act seem to have had a positive effect on business confidence."

The Affordable Care Act (ACA) and government regulations remain the top two challenges currently facing businesses. Nearly 30% of businesses admit that they are not familiar enough with the law to know how it will affect their business. Almost 40% of businesses believe that ACA will make things worse in the long-term, with only 14% of businesses agreeing that it will make things better in the long-term. Those unfamiliar with the law are more likely to see it as a dud.



Source: Competitive Edge Research

Geographically, east inland cities and towns such as La Mesa, El Cajon and Santee are more skeptical than coastal towns. Only 5% of them see the ACA as an improvement.

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.