

# BUSINESS FORECAST

## Small Businesses Unafraid of Cyber Attacks, Which May Put Them At Risk

*Business Outlook Index hits highest mark in nearly a year*

**SAN DIEGO** (April 15, 2015) – As cyber-attacks continue to lead headlines, one would think that businesses across the board would ramp-up precautionary measures. Yet, this month’s Business Forecast, sponsored by Silvergate Bank, shows that’s not entirely true, particularly for small businesses.

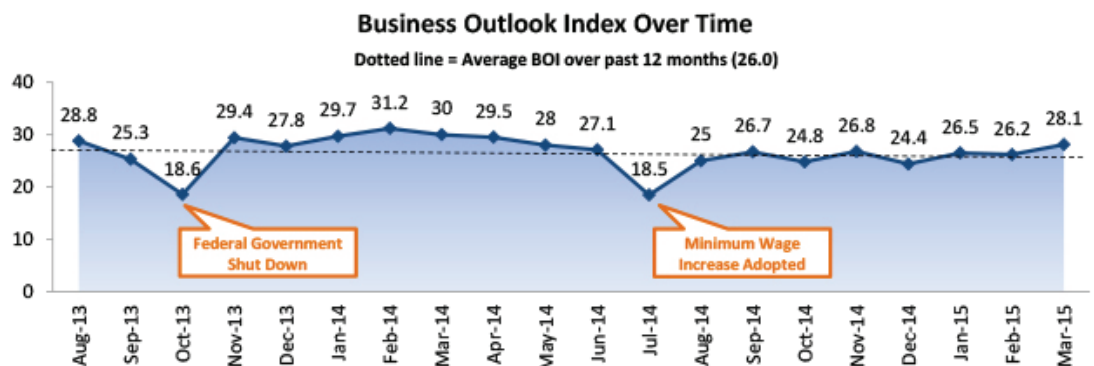
Among San Diego County small businesses, 46 percent said cyber space for firms like theirs is less secure than three years ago making them less safe from potential cyber-attacks. This is compared to nearly the same percentage of large firms that feel security has improved.

Why would smaller firms run such a risk when talk of companies being hacked is a near daily occurrence?

The answer comes from the 54 percent of small businesses who indicated that they do not think a serious cyber-attack will hit their industry in the next three years. Among large firms, only 42 percent share that same attitude. So, while, larger firms are more aware of the threat, take it more seriously, and tend to bulk up cyber security, smaller firms are banking on their perception of the threat being less severe to justify a lack of increased security.

“In the financial sector in particular, protecting customers’ security is a top priority. Regardless of industry, it is important that businesses have an information security program in place and follow industry proven best practices,” said Dino D’Auria, Executive Vice President and Chief Banking Officer at Silvergate Bank. “At Silvergate Bank we make a significant annual investment in technology to improve the delivery and management of business and loan services to our customers. We also commit significant attention to staying abreast of cyber security threats and how to mitigate them.”

While the head-in-the-sand approach to cyber security is troublesome, this month’s Forecast brings good news in the form of the Business Outlook Index (BOI) which is at its highest point since April 2014. The BOI of 28.1 shows county businesses are anticipating spring to be a solidly prosperous season.



Taking a look at the outlook by region shows Escondido area firms out-performing their counterparts with a strong BOI of 33. Businesses in East County, which tend to underperform the rest of the County, have dropped back to their more normal BOI range and are at a 6 after an uncharacteristically high 34 in February. This month's decline stems from weaker revenue projections.

"Escondido is welcoming a number of new businesses, and well established businesses are experiencing growth, leading us in the direction of economic stability and prosperity," said Rorie Johnston, President & CEO of the Escondido Chamber of Commerce. "With the North County Mayors, the 78 corridor cities' economic staffs and the chambers of commerce, in collaboration through the 'Innovate 78' project, this region will continue to thrive."

The positivity also continues this month for firms in the beauty and fitness category as well as those in the advertising and promotions sector. These sectors report far more enthusiasm for the coming months which is largely powered by upward revenue trends and the increase in hours that business owners will be offering employees. Beauty and fitness firms also benefit from a robust hiring outlook and the advertising sector is very bullish about business conditions.

"The San Diego region is home to diverse business sectors and clusters all of which see their own ebb and flow," said Jerry Sanders, President and CEO of the San Diego Regional Chamber of Commerce. "What is consistent across the region is that all businesses benefit from policies that support growth and the creation of jobs, and through collaboration, the prosperity of the region as a whole is strengthened. It is a good sign for a recovering economy like ours to see this continued and improving positivity."

Silvergate Bank's San Diego County Business Forecast is a scientific look at where our region's economy is headed. The survey for this month's installment was fielded March 17-31, 2015 by Competitive Edge Research using responses from 205 randomly-selected members of the San Diego, East County, Alpine, Escondido, Lakeside, Vista, and Santee Chambers of Commerce. Click here to see the full summary report or previous San Diego County Business Forecasts.

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## 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, East County, Alpine, Escondido, Lakeside, Santee and Vista Chambers 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 [www.silvergatebank.com](http://www.silvergatebank.com) or contact Dino D'Auria at [ddauria@silvergatebank.com](mailto: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](http://SDChamber.org) or call 619-544-1300.*

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