

2014 Economic Outlook



SAN DIEGO
REGIONAL
EDC

San Diego County Economic Roundtable | 1.17.14



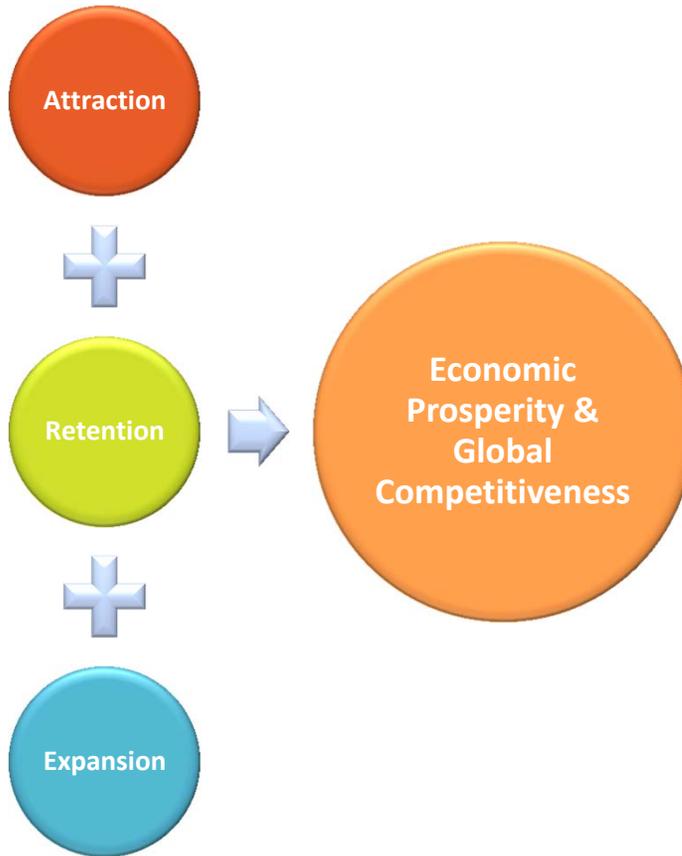
WHO WE ARE

Mission: San Diego Regional Economic Development Corporation's mission is to maximize the region's economic prosperity and global competitiveness.

Vision: The San Diego Region will be a pillar of the global economy and a magnet for investment, talent and innovation.

Values: Collaboration, Integrity, Accountability, Innovation, Vision

WHAT WE DO



ABOUT THE REGION

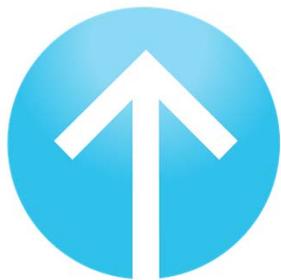


- The Cali Baja Bi-National Mega-Region includes **San Diego County**, **Imperial County** and **Baja California**
- **6.5 million** people live in the Mega-Region
- In the next 40 years, San Diego County's population is expected to **grow by 1.5M**
- **2** major international airports, **3** land ports of entry & **2** major seaports





KEY FACTS



At **6.8%**, San Diego's unemployment rate is much lower than the State of California (8.5%) and just above the US average (6.6%).

San Diego is the **16th largest** metropolitan economy in the U.S., generating more than **\$177 Billion in GDP** in 2012.

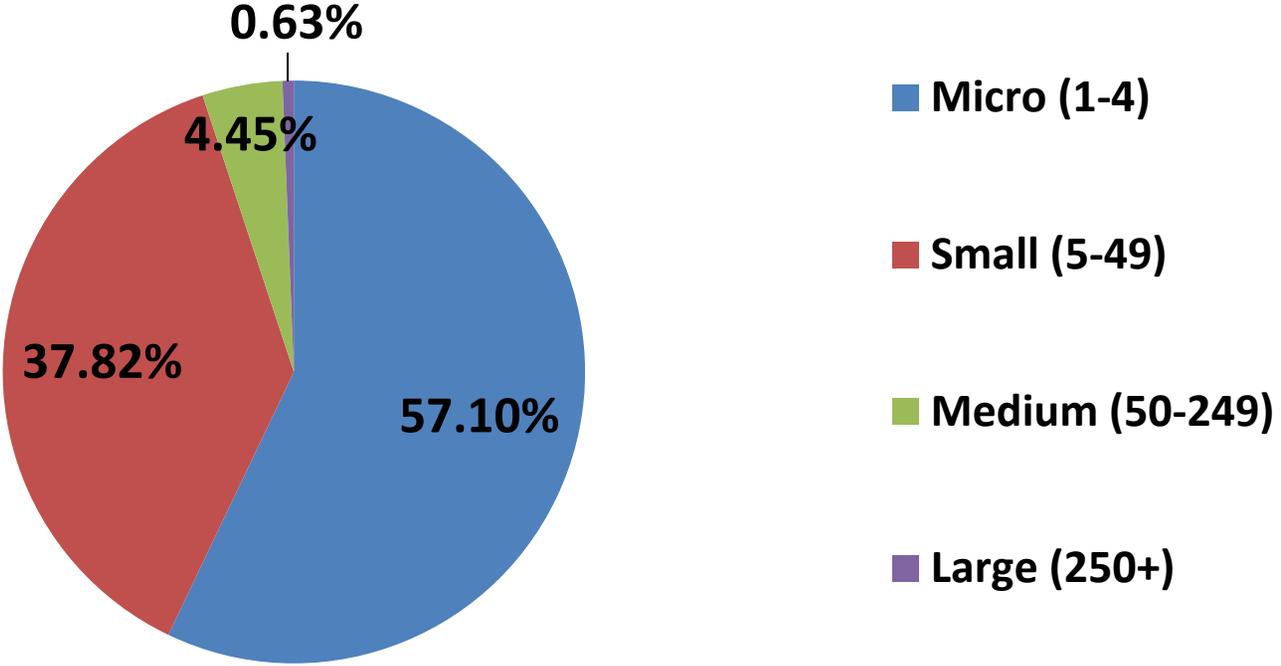
As one of the nation's leading export markets, San Diego exported more than **\$17.2 Billion** in goods and services in 2012.

San Diego startups and businesses received more than **\$1.1 Billion in Venture Capital** in 2012, making it one of the largest VC markets in the US



OUR ECONOMY

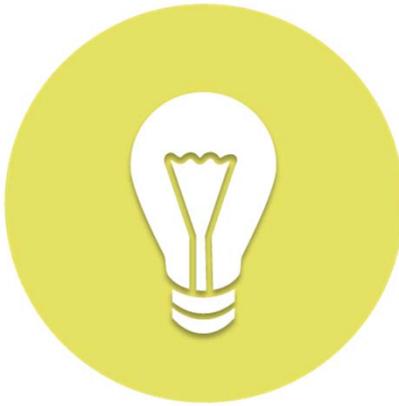
Business Size Breakdown



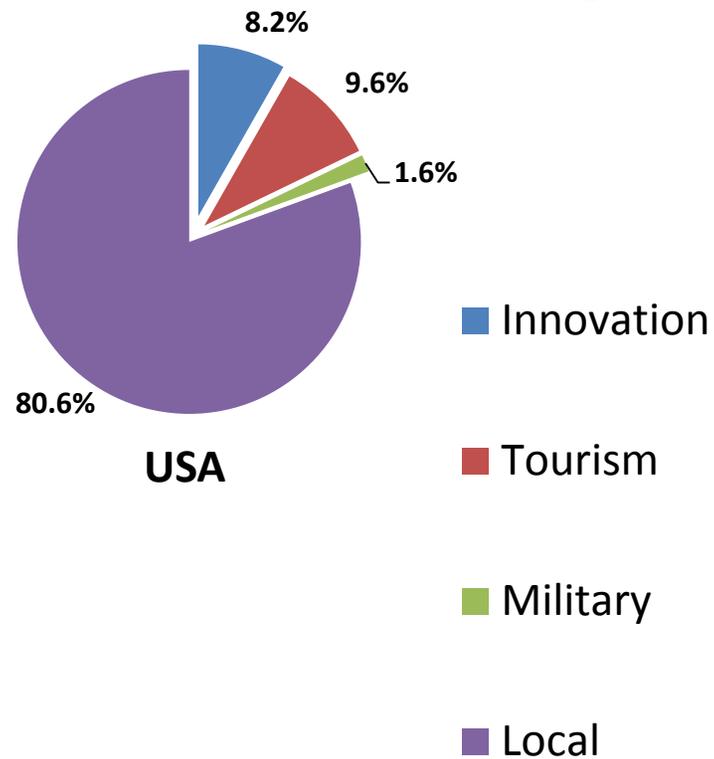
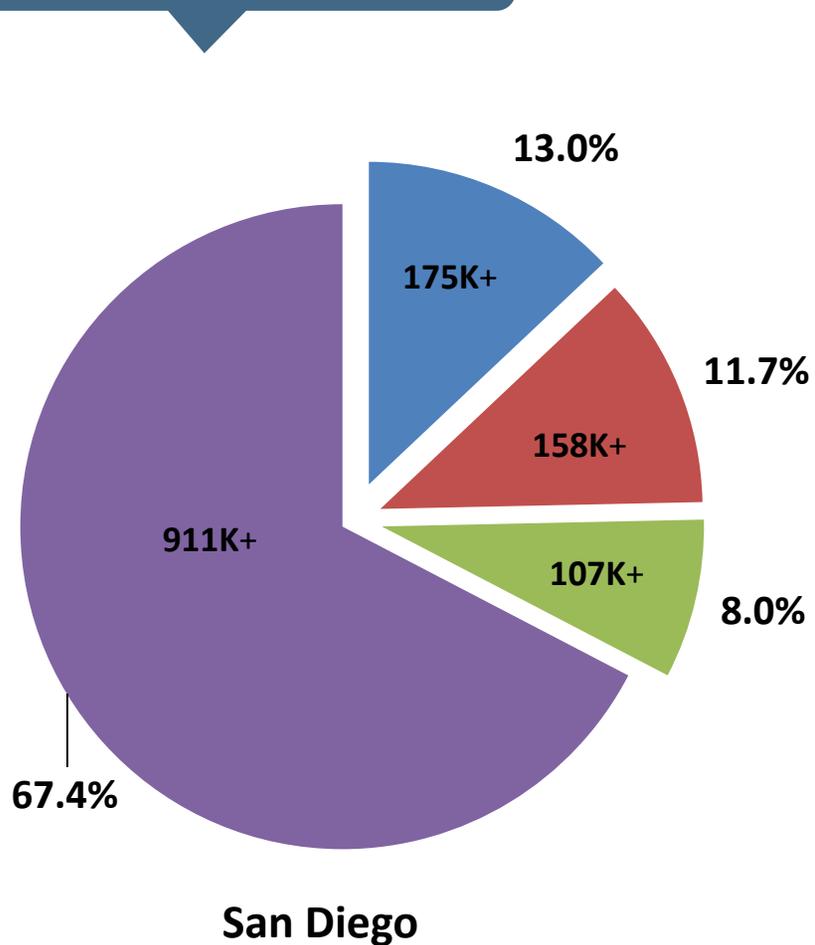
Source: Census County Business Patterns



OUR ECONOMY



OUR ECONOMY

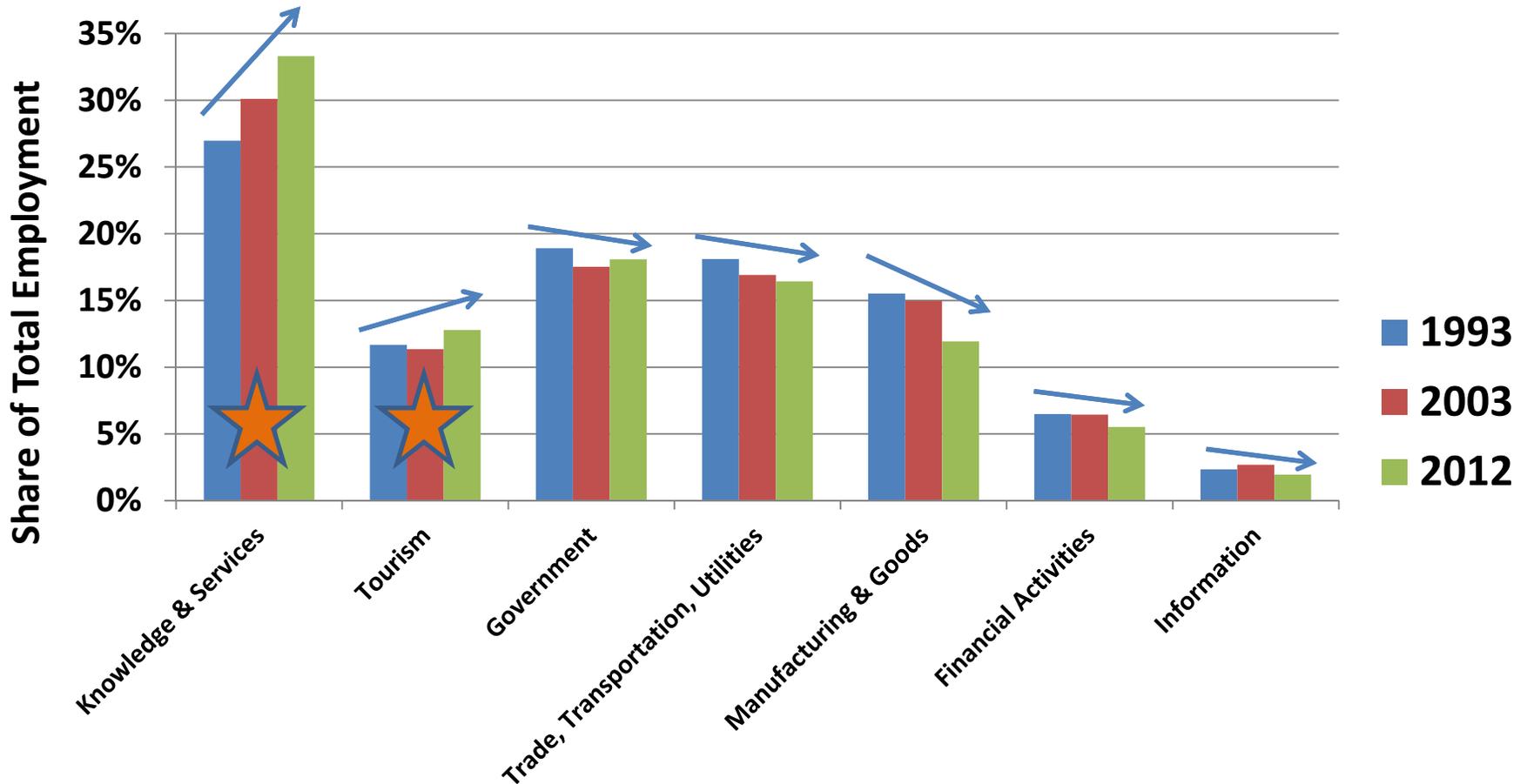


Source: San Diego Regional EDC; Bureau of Labor Statistics; 2011 QCEW Data; US Census Bureau, County Business Patterns, 2011; Bureau of Economic Analysis is used to determine Federal Military totals.

OUR ECONOMY



Share of Employment by Sector (1993-2003)



INNOVATION



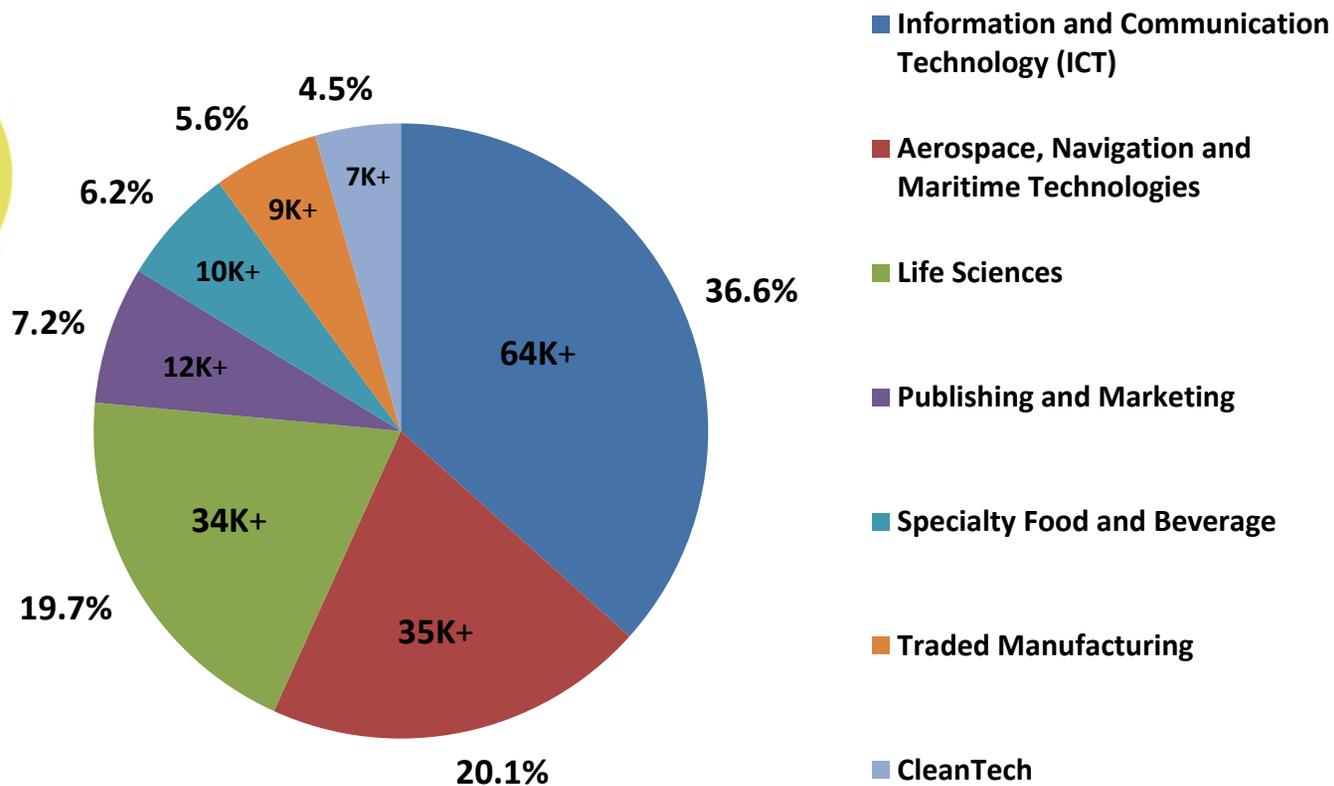
San Diego's Innovation Economy is more than **7,300** companies strong and employs more than **175,000** people

San Diego is home to **6** universities and **80** research institutes with more than **500** research scientists

The region hosts more than **15** incubators, accelerators and co-working environments

The sector is anchored by Cleantech, Defense, Information and Communications Technologies, Life Sciences and Maritime Clusters

INNOVATION



Source: San Diego Regional EDC; Bureau of Labor Statistics; 2011 QCEW Data
US Census Bureau, County Business Patterns, 2011



TOURISM



San Diego's Tourism Economy employs 158,000+ people

More than 31 million people visited in 2011

Visitors spent nearly \$7.5 billion in 2011 with an estimated economic impact of \$17.1 billion

San Diego Convention Center events attracted more than 566,000 people, 74 out-of-town conventions and trade shows and generated \$579 in direct spending



MILITARY



San Diego is home to the largest concentration of military in the world

The federal military directly employs more than **107,000** and military and defense impacts more than **310,000** of the region's jobs.

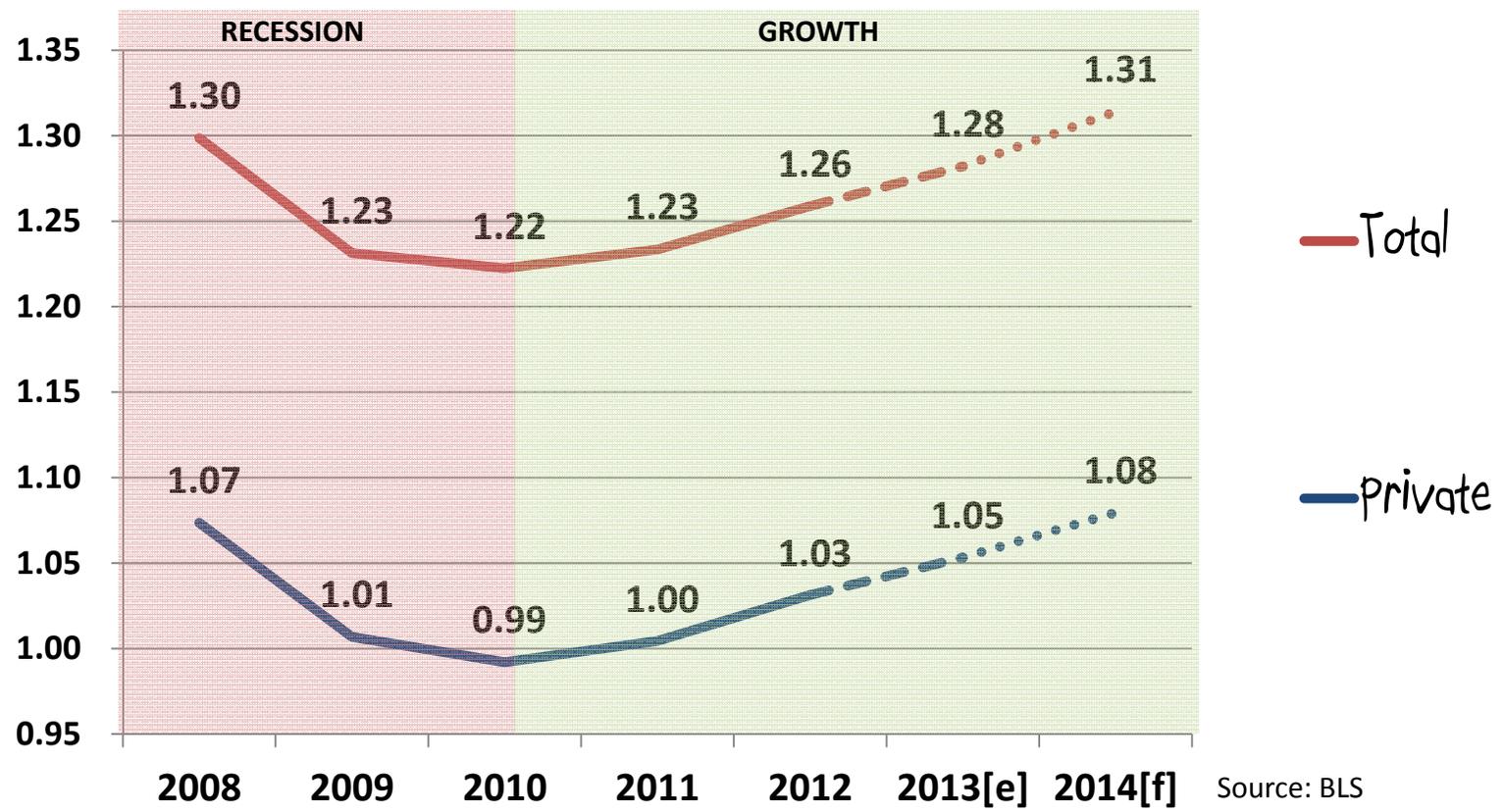
Sequestration poses an immediate threat to this sector of the economy, with nearly **10** percent of the jobs at stake

LOOKING AHEAD



Total and Private Employment

2008 - 2014 (in millions)

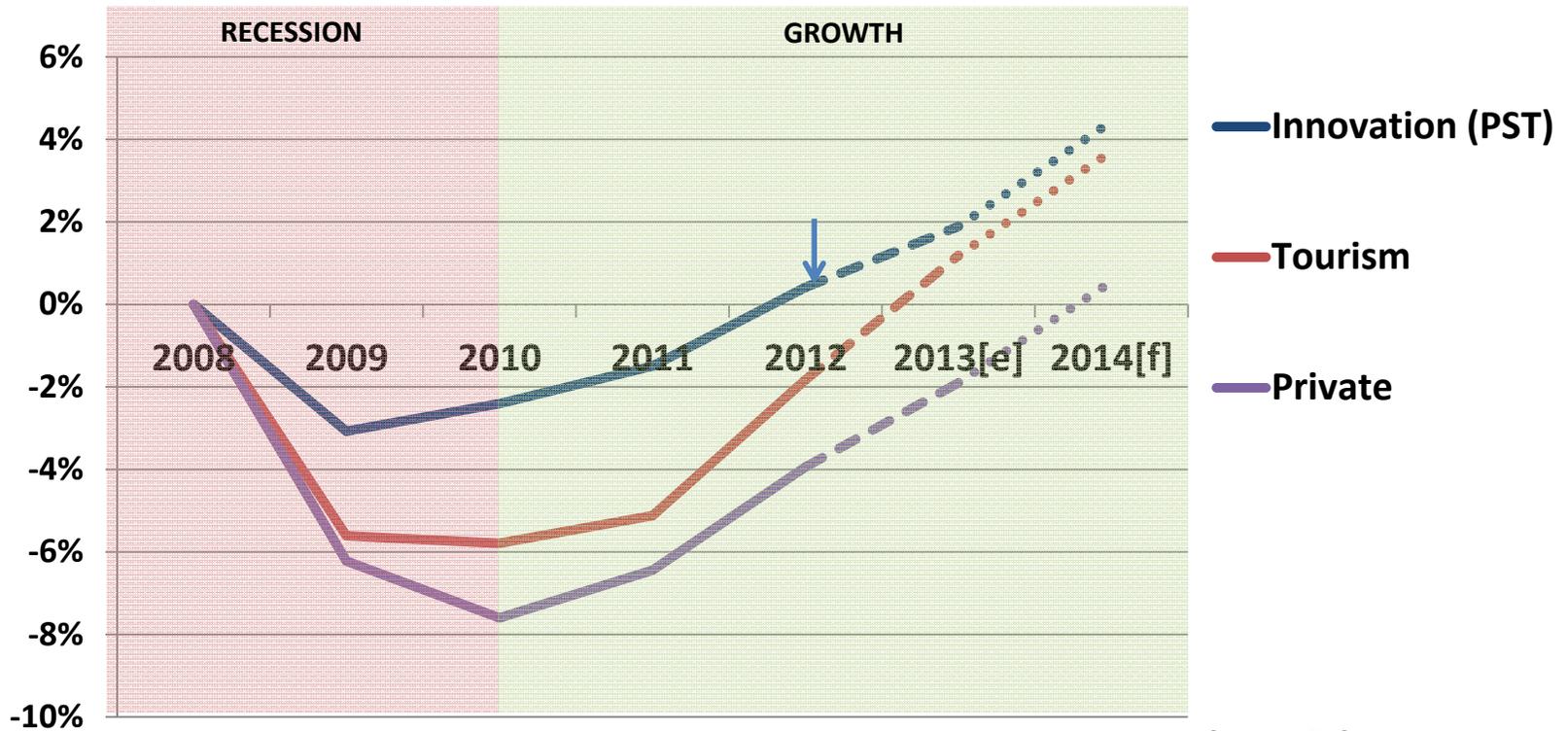


Source: BLS

OUR ECONOMY



%Growth in Traded Economies 2008 - 2014



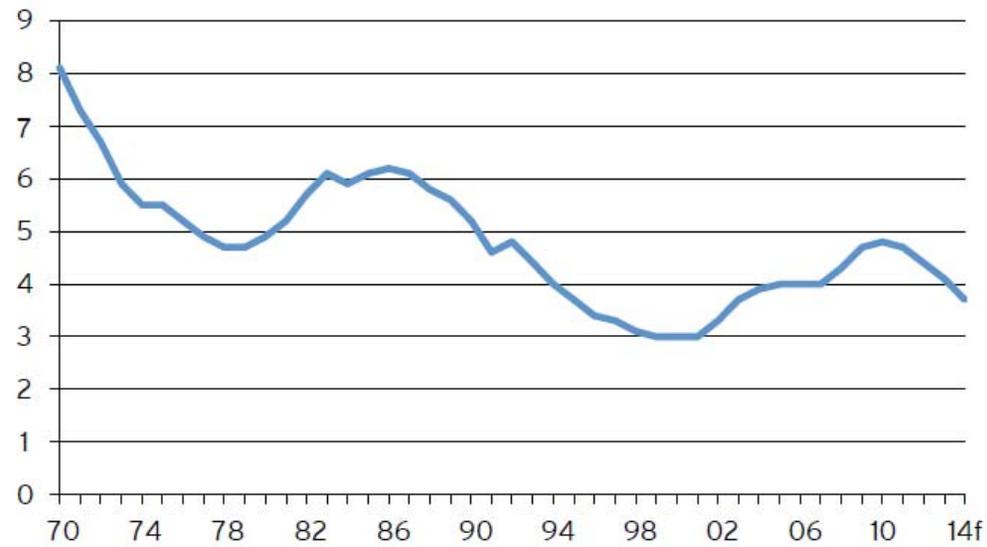
Source: BLS

LOOKING AHEAD



Defense Spending's Share of U.S. GDP Shrinks

Percent, fiscal years



f=forecast

Source: DoD; FBFI

LOOKING AHEAD



Defense Spending Plays Major Role in San Diego's Economy

Fiscal years

	2011	2012	2013e	2014f
Direct Spending (\$ billions)	24.4	24.2	24.6	24.3 ↓
Jobs (thousands)	319	307	302	295 ↓
Income (\$ billions)	21.2	20.6	20.9	20.6 ↓
Gross Regional Product (\$ billions)	32.7	31.9	32.2	31.9 ↓

Source: CNRSW; FBEI



LOOKING AHEAD



Several major elements of current U.S. national security strategy will work in San Diego's favor:

- Force Rebalancing: San Diego Pacific Orientation.
- Flight Training Needs: 2/3 of airspace in US Southwest.
- Relative Resource Increase (Cyber Security and Unmanned Systems): San Diego Strengths.
- Special Ops, Special Forces: Strong San Diego Presence
- Growth in Rapid Response Resources (terrorist attacks, humanitarian assistance): Aligns with Marine Corps Competencies.
- Increased Efficiency and Productivity Needs: Software, Energy Conservation and Cost Saving Solutions.
- Energy Alternative Needs: San Diego CleanTech Strengths

Thank You.



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