

# BUSINESS FORECAST

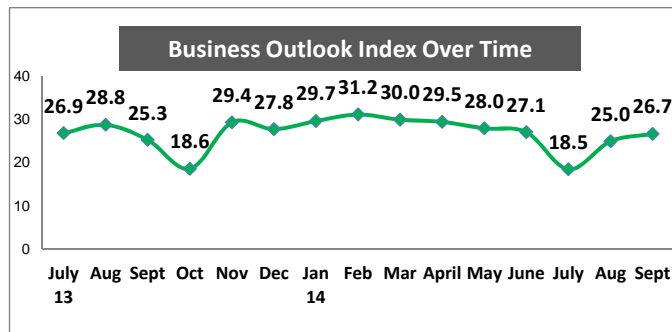
FOR IMMEDIATE RELEASE

## Positive Business Outlook Tied to Optimism for Workforce Hours

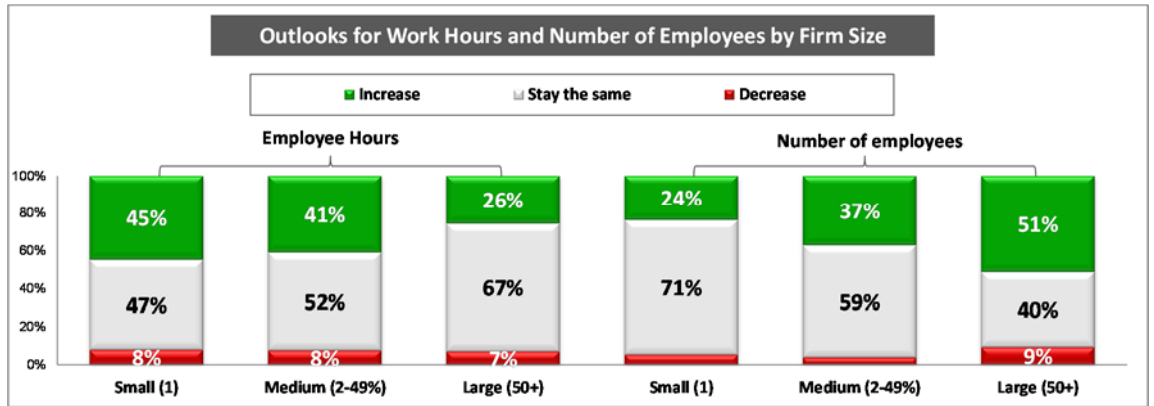
*Business not anticipating associated advance in hiring; see government regulations as top business issue*

**SAN DIEGO (October 16, 2014)** – The Business Outlook Index™ (BOI), which saw a marked gain last month from the serious drop that occurred in July, edged slightly upward this month. The uptick is mainly driven by renewed optimism about workforce hours among smaller businesses, however these businesses are not predicting an associated increase in hiring. This month also sees concern over government regulations regain the top spot as an issues for businesses, just edging out minimum wage which still draws much anxiety.

The Forecast, which is sponsored by Silvergate Bank, shows its Business Outlook Index™ (BOI) for San Diego County now sits at 26.7. The BOI has a range of -100 to +100 with zero indicating a neutral outlook.



Over the next three months, 39 percent of firms indicate that they expect to add hours for employees – a 12 percent improvement in just one month. Predictions concerning work force hours and hiring are starkly contrasted between large and small firms with big firms not predicting an uptick in work hours. Looking from smaller firms to larger firms (those with 50 or more employees), the outlook for work hours *decreases* while the outlook for hiring *increases*. That is, larger firms are less likely to add hours, but more likely to add personnel. The reverse tends to be true for medium-sized firms.



“It is encouraging to see the index continue an upward trend with small firms looking forward to making positive additions in workforce hours. We are working with our clients to help ensure that this translates into a fiscally sound fourth quarter,” said Dino D’Auria, Executive Vice President and Chief Banking Officer at Silvergate Bank

Concerns over the City of San Diego's recently approved increase in the minimum wage continue to be hot, but concerns about government regulations have overtaken them. In response to the open-ended question “*Are there any new challenging issues facing your business?*” one out of every ten businesses now say that new challenge is government regulations.

“Last month we saw overwhelming support from the business community for the minimum wage referendum and as we look toward a more positive future for business on that issue, we know that there are other issues such as regulations that continue to cause anxiety among Chamber members and the business community,” said Jerry Sanders, President & CEO of the San Diego Regional Chamber of Commerce. “By rallying the clout of our membership we will continue to aggressively promote pro-business initiatives at city, county, state, national and international levels to help alleviate these burdens for our members.”

With the Congressional election drawing much attention recently, we asked the business community what they felt about running for Congress. Fifteen percent acknowledge they have considered a run, although serious consideration is limited to four percent.

Analysis of those responses shows that the minimum wage issue has had the effect of galvanizing citizen activists. Of those who say the minimum wage increase is the biggest challenge their business is facing, 36 percent have considered a run for Congress.

The October 2014 report was fielded September 18-29, 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 October 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](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.*

#### **Contact:**

Alison Phillips  
San Diego Regional Chamber of Commerce  
619-544-1381 (w); 805-886-8594 (c)  
[aphillips@sdchamber.org](mailto:aphillips@sdchamber.org)