

San Diego Businesses, By the Numbers

BY: LISA HALVERSTADT | AUGUST 7, 2014 | 15 COMMENTS



Photo by Sam Hodgson

Government agencies make up the bulk of our region's major employers.

QUEST

The Challenges of Doing Business in San Diego

We're on a quest to cut through the rhetoric and assess the realities facing San Diego businesses, particularly the business climate that's persuading some to consider

Tens of thousands of businesses call San Diego home.

It's crucial to understand some basics about the business landscape here. For one, smaller companies dominate. Just a few major companies are headquartered here.

an out-of-state move and others to bring their companies here.

Get Involved

What do you want to know about businesses that may be moving out of our region or laws they may be wrestling with? Leave a comment below or email lisa@vosd.org.

I pulled some key numbers to keep in mind as we continue to explore the region's business climate.

77,326

The number of San Diego County businesses that had at least one employee as of 2012, according to the U.S. Census Bureau. This figure doesn't include farms or non-profit organizations.

242,035

The number of San Diego County businesses without any paid employees. Most of these companies simply consist of one worker who'd be considered self-employed. Example could include a real-estate agent who doesn't work for a larger firm or an engineer who works full time but consults on the side.

57 percent

The percentage of San Diego-area companies with just one to four workers.

Census data shows small businesses dominate in San Diego County. Less than 1 percent of the region's companies have more than 250 workers.

These figures don't incorporate companies without any employees.

Business Sizes in the San Diego Metro Area

1,590,800

The number of workers considered part of San Diego County's labor force.

The state Employment Development Department reported that about 94 percent of them had jobs in June, which translates to a 6.1 percent unemployment rate.

San Diego County's unemployment rate matched the U.S. rate for June and was 1.3 points lower than California's rate for the same month.

4

The number of businesses or nonprofits among San Diego's top 10 employers that aren't directly tied to government.

They are telecommunications giant Qualcomm, utility company San Diego Gas & Electric and health providers Kaiser Permanente and Sharp Healthcare. Together, these four entities employ a combined 42,983 workers.

Here's a look at how that chunk of the workforce compares to other top employers, which were cited in a recent city bond document.

Top San Diego Employers

As you can see, government agencies make up the bulk of our region's major employers.

2

The number of Fortune 500 companies in San Diego.

They are Qualcomm, which ranked 120th with \$24.9 billion in revenues, and SDG&E owner Sempra Energy, which hauled in \$10.6 billion in revenues last year. It landed 267th on the list. The list is based on companies' total revenue.

Three other San Diego-based companies – CareFusion Corp., Leap Wireless International and PriceSmart – made Fortune's larger compilation of top 1,000 companies.

By comparison, 26 Houston companies made the top 500 as did 16 Atlanta based-businesses and five firms in metro Phoenix. Austin, often dubbed a hot-spot for San Diego companies mulling relocation, has just one.

California as a whole boasts 54 Fortune 500 companies and is tied with New York for the state with the most firms on the list.

48 percent

The percentage of San Diego County workers considered part of the services industry, which includes those that aid other businesses, and work in health care or tourism.

Here's a visual of how that compares with employment in other major sectors, according to the state Employment Development Department's March 2012 data dump.

San Diego County's Employment Breakdown

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The number of key San Diego industry clusters identified by the county's planning agency that bring new money to the region rather than simply serve residents.

Almost two years ago, the San Diego Association of Governments released a report about the region's so-called traded industry clusters that make up a significant chunk of local employment.

The SANDAG analysis included this chart, which sums up those top clusters, the average wages and the growth associated with them.

Figure 2
Industry Cluster Employment and Wages, 2008-2010

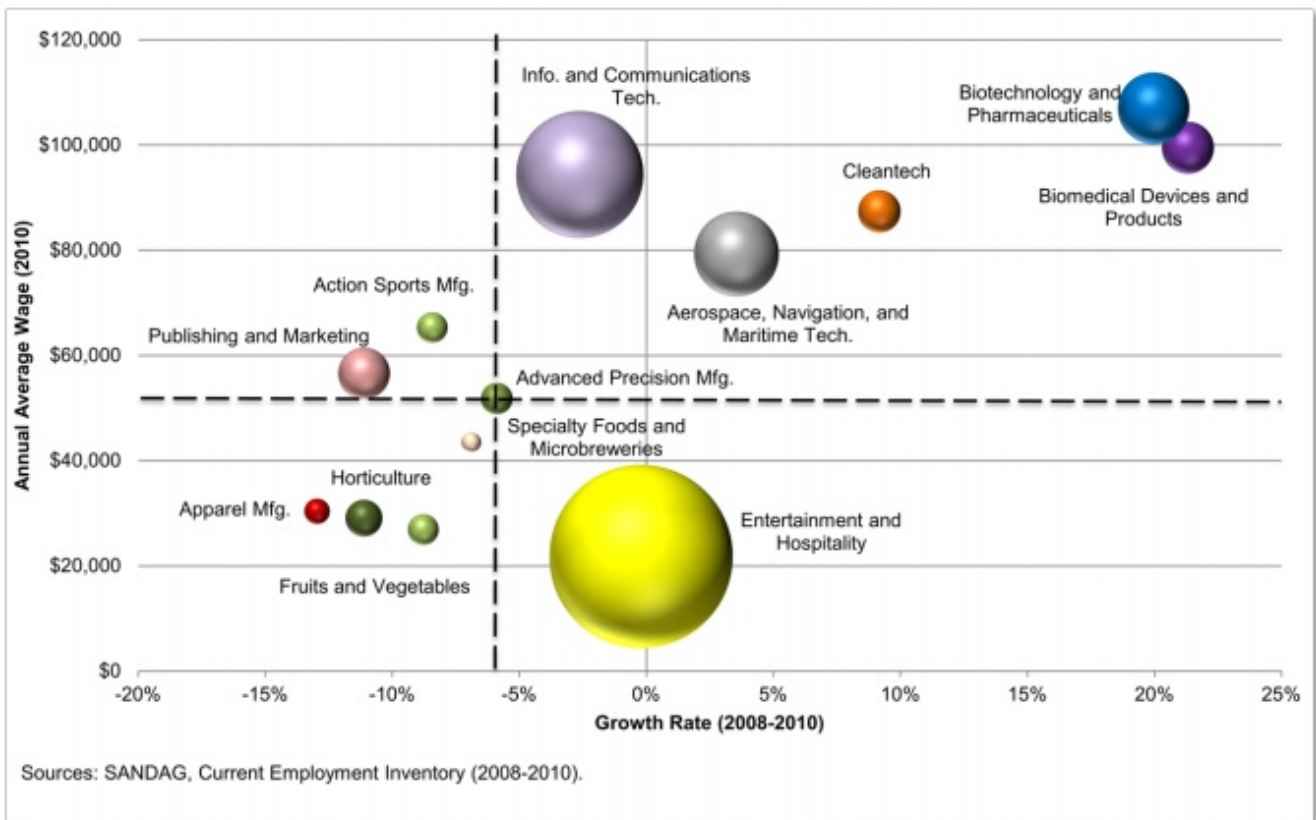


Image courtesy of San Diego Association of Governments

At the time, these industries employed about 27 percent of the region's workforce.

San Diego's entertainment and hospitality industry – which is also the lowest-paying cluster on average – was the largest group but SANDAG noted that the number of higher-paying jobs tied to the biomedical products and biotechnology groups grew by about 20 percent each from 2008 to 2010. These gigs tended to be tied to small-to-mid-sized companies.

Still, the information technology and communications cluster, which includes software, computer and electronic companies, and the aerospace and maritime cluster outlined in the chart provided thousands more jobs to the region than biomedical or biotech firms during the period SANDAG studied.

This is part of our quest digging into the difficulties – real or perceived – of doing business in San Diego. Check out the previous story in our series, One Company That's Moving Back to San Diego.

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