

Manufacturing in San Diego

On October 3, San Diego and the nation will celebrate National Manufacturing Day. Manufacturing continues to play an important role in the region's economy and supports tens of thousands of good paying jobs in the region.

1. San Diego's manufacturing sector is diverse with strengths in both defense (aerospace, shipbuilding, advanced electronics) and non-defense industries.

Unlike many regions, San Diego's manufacturing sector is extremely diverse, with strengths in such areas as unmanned aerial vehicles (UAVs), shipbuilding, golf, computer and electronic equipment, craft beer and food processing. This diversity cushions the region against cyclical downturns.

2. Manufacturing contributes nearly 9% to the region's Gross Domestic Product (GDP).

Manufacturing contributes more than \$17.2 billion (8.7%) to the regional economy. As measured by contribution to the region's gross domestic product, manufacturing has grown significantly faster than the rest of the economy, expanding 20% since 2007 while the rest of the economy grew only 13%.

(Adjusted for inflation, manufacturing grew 12.1%, while the rest of the economy grew only 3.1%.)

SAN DIEGO MANUFACTURING EMPLOYMENT AND WAGES - Annual 2013

Rank	NAICS	Industry Title	Estab-lish-ments	Employ-ment	Payroll Total (\$millions)	Average Annual Wage
	31-33	Manufacturing TOTAL	2,909	94,445	\$7,161.2	\$75,800
1	334	Computer and Electronic Product	385	24,457	2,575.8	105,300
2	336	Transportation Equipment (Aerospace, shipbuilding)	153	13,720	1,041.7	75,900
3	339	Miscellaneous (Recreation goods golf equipment)	387	10,557	754.0	71,400
4	333	Machinery	198	8,272	658.7	79,600
5	325	Chemical	151	7,368	773.9	105,000
6	332	Fabricated Metal Product	403	7,066	337.4	47,800
7	311	Food	192	5,217	171.5	32,900
8	326	Plastics & Rubber Products	102	3,253	185.6	57,100
9	323	Printing, Related Support Activities	289	2,938	121.8	41,500
10	335	Electrical Equipment, Appliances	87	2,239	123.3	55,100
11	312	Beverage & Tobacco Product	41	1,863	83.7	44,900
12	337	Furniture and Related Product	167	1,694	68.2	40,300
13	327	Nonmetallic Mineral Product	79	1,350	72.8	53,900
14	315	Apparel	79	1,148	41.3	36,000
15	331	Primary Metal	32	862	48.1	55,800
16	322	Paper	28	805	40.7	50,600
17	314	Textile Product Mills	56	554	19.2	34,600
18	321	Wood Product	47	416	15.7	37,600
19	313	Textile Mills	11	303	10.6	34,800
20	316	Leather and Allied Product	16	259	9.3	36,000
21	324	Petroleum & Coal Products	9	104	7.9	76,000

Source: Quarterly Census of Employment and Wages (QCEW), California Employment Development Department; National University System Institute for Policy Research.

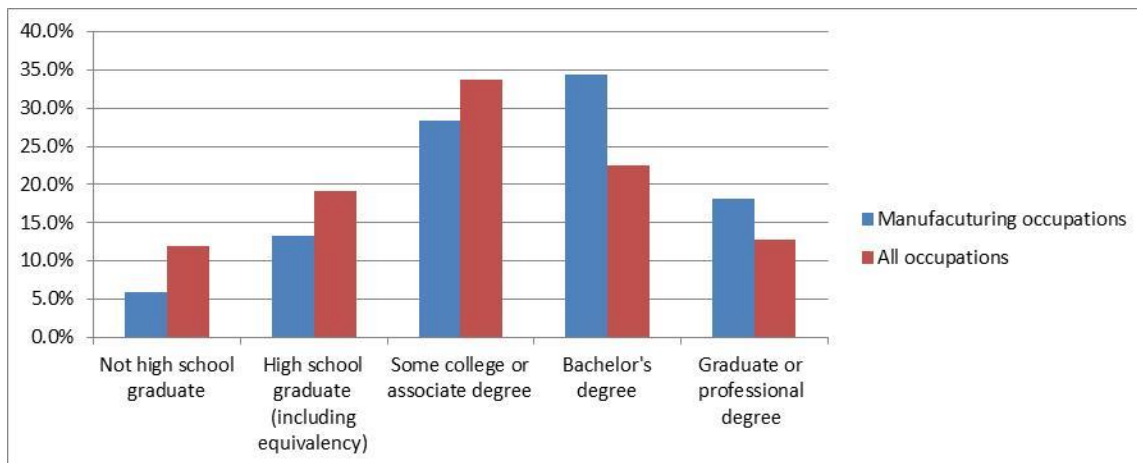
3. The sector employs more than 94,000 workers, at wages significantly above the region’s median income.

In 2013 manufacturers in the region employed more than 94,000 workers with total payroll in excess of \$7 billion. Paying an average wage of \$75,800, the industry has average wages nearly 50% higher than San Diego’s overall private sector average wage (\$53,800).

A challenge for policy makers and economic developers, however, is that while the industry’s contribution to GDP has grown substantially, overall manufacturing employment fell from 102,000 in 2007 to **94,800 in 2013**. Even with a modest uptick in 2012 and 2013, the region is still far below recent peaks in manufacturing employment.

4. Most Jobs in Manufacturing Require Substantial Post-Secondary Education.

Using data from the American Community Survey, NUSIPR was able to calculate out the average educational level for the 45 most common jobs in San Diego’s manufacturing sector and which comprise 70% of sector employment. We found that contrary to most assumptions, the workers in the most common occupations in our region’s manufactures have significantly more formal education than the rest of the workforce.



5. San Diego’s manufacturing workforce is somewhat less diverse, more male, and older than the workforce as a whole.

Using the same dataset NUSIPR was able to compare the gender, ethnicity and age of workers in San Diego’s manufacturing industry with the rest of the region. With respect to gender, there is not much difference between manufacturing employment and the rest of the workforce. Men hold 56% of manufacturing jobs, compared with 54.1% for all jobs, a difference within the margin of error. Ethnically, the principal difference between manufacturing and the rest of the San Diego workforce is in respect to Asians – who comprise only 11% of the workers in San Diego but hold 15% of manufacturing jobs. Finally, the manufacturing workforce skews slightly older, with median age of 41.2 compared to 39 years old for all occupations.