NATIONAL UNIVERSITY SYSTEM
INSTITUTE FOR POLICY RESEARCH

Policy Brief

NEWS AND NOTES: SOUTH COUNTY ECONOMY BOOMING

"How has San Diego's South County economic growth been so hidden?"

San Diego began recovering from the Great Recession in 2010. Since bottoming out, San Diego's Gross Domestic Product (GDP) increased 12.9 percent between 2010 and 2013 (7.2 percent adjusted for inflation).

One of the areas where the recovery is most pronounced is in South County. Over the same three year period, the 23 Zip codes defining South County have seen GDP increase 37.6 percent (30.7 percent adjusted for inflation), about **three times** faster than the County's overall rate of growth. Fueling this growth has been an increasing number of high-tech and professional service companies that call South County home, continued growth along the border, and gains on the "Working Waterfront" of the San Diego Bay.

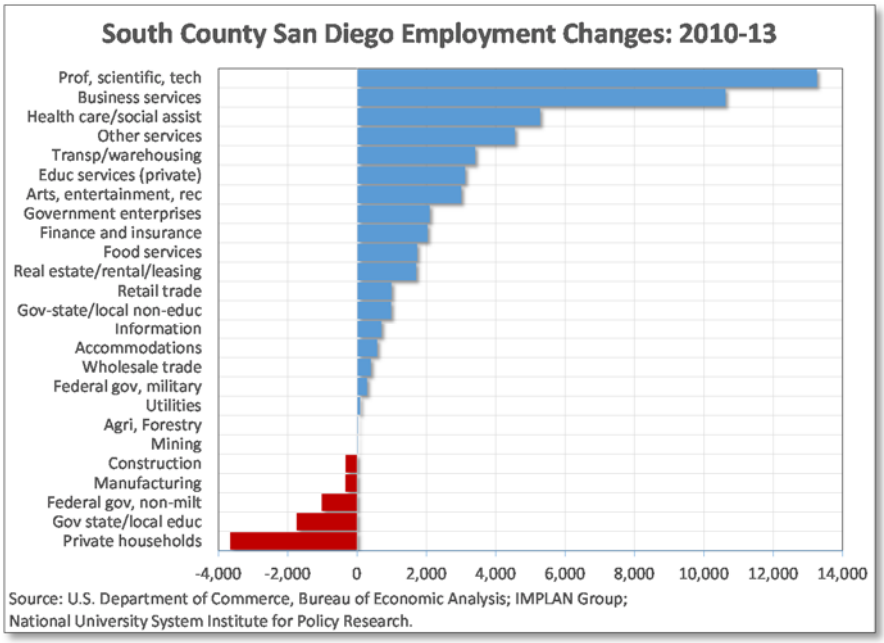
Gross Domestic Product	South County	Percent of County	San Diego County
2010	$14.6 billion	8.4%	$175.2 billion
2013	$20.1 billion	10.2%	$197.9 billion
Change 2010-13	37.6%		12.9%
inflation adjusted	30.7%		7.2%
annual inflation adjusted	9.3%		2.4%

One result is South County's prominence relative to the rest of the county has increased. Whereas South County accounted for 8.4 percent of San Diego's economy in 2010, by 2013 the area's output amplified to 10.2 percent.

Comparing the change of employment in South County similarly shows substantially greater gains than the rest of the County. South County employment increased 29.2 percent from 163,650 jobs in 2010 to 211,400 in 2013, compared with County employment overall increasing 6.3 percent. Similarly, South County's population growth outpaced the county as well, increasing 12.9 percent, while the County only grew 4.4 percent. Likewise, the number of households rose 15.9 percent compared to countywide gain of 5.0 percent.

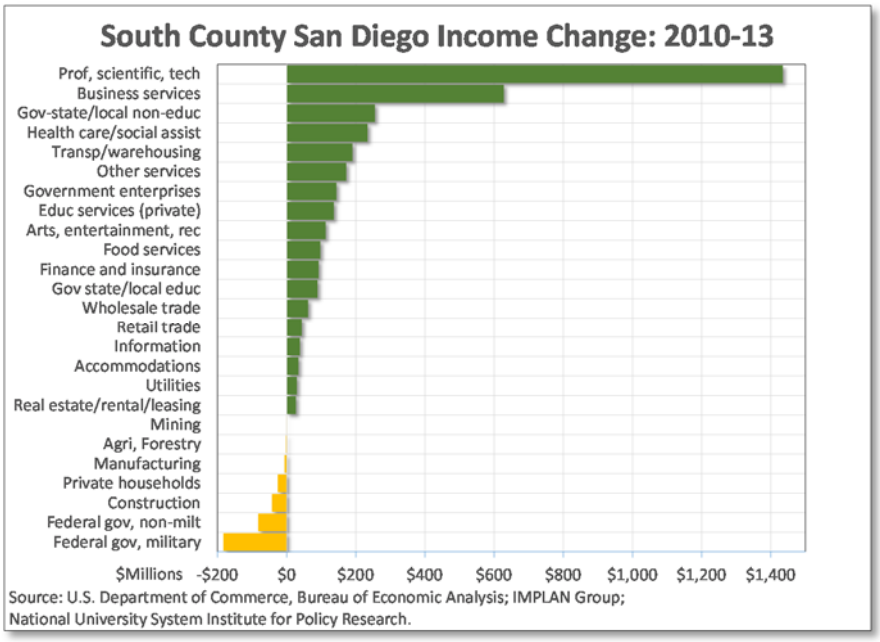
	South County	Change 2010-13	Percent of County	San Diego County	Change 2010-13
Personal Income:	$24.7 billion	69.4%	15.3%	$161.4 billion	13.0%
Employment:	211,400	29.2%	10.9%	1,937,000	5.7%
Population:	490,800	12.9%	15.3%	3,211,250	4.4%
Households:	149,300	15.9%	13.1%	1,137,800	5.0%

Employment and sales data are reported by place of employment, while income is designated by place of residence. That helps us understand commuting patterns and jobs-housing balances. South County accounts for 10.9 percent of the County's overall employment, but personal income makes up a greater proportion of 15.3 percent, the same ratio as population. A large number of residents living in South County commute to other regions for work, although they tend to spend most of their paychecks in South County where they live.



South County's largest employment, income, and sales increases came from "professional, scientific, and technical" services. This sector was led by technology driven research and development, computer programming, environmental and other technical and management consulting. Generally, these are skilled, high-wage positions.

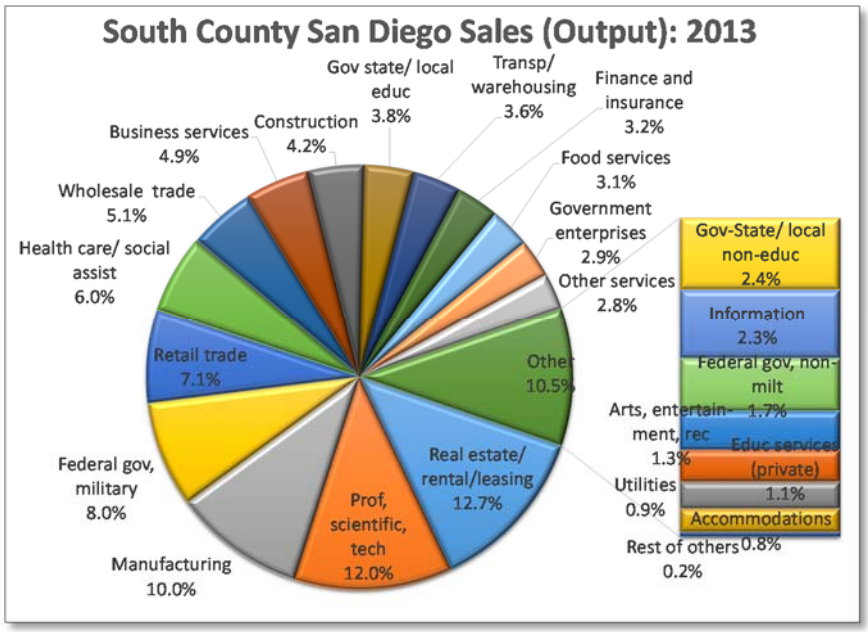
The second greatest increase was among business services, which includes an assortment of activities supporting business efforts, including employment (i.e. temp agencies), management and administrative, building (janitorial, landscape, maintenance), and investigative/security services. Health care, transportation/ warehousing, and "other" services are significant factors in South County's economic growth as well.



On the other hand, income from the federal government, both military and non-military, construction and manufacturing decreased over the same time frame.

These changes of employment are changing the South County economic landscape in significant ways. Most

notably, South County is becoming much more "high-tech" focused in the professional services economy. Whereas total sales of "professional, scientific, and technology" services had accounted for only 3.4 percent of South County's total economic output in 2010, by 2013 this grew to 12.0 percent. The second largest change occurred among business services rising from 1.8 percent to 4.9 percent of total sales.



On the other end of the spectrum, manufacturing declined from 14.6 percent to 10.0 percent. Although the volume of real estate, rental and leasing sales increased 16 percent, the proportion of all South County sales faltered from 15.5 percent to 12.7 percent.

Conclusions

Measurements of employment, income and sales growth overwhelmingly indicate an ongoing economic boom occurring in South County. The much faster economic growth of South County since the end of the recession may partially reflect the region having been more impacted by the recession and formerly lagging the rest of the County, thus having more room to grow and catch up. However, the data clearly demonstrates the much greater growth occurring in South County far surpassing the rest of the region since that time.

About the National University System Institute for Policy Research

The National University System Institute for Policy Research (NUSIPR) is a non-partisan, non-profit organization that formulates and promotes high quality economic policy, and public opinion research so as to improve the efficiency and effectiveness of local governments and to improve the quality of life enjoyed by the region's residents in the regions National University serves.

NUSIPR publishes regular independent research and analysis for the public on a range of topics, including unemployment, business growth, and regional economic indicators. The Institute also works collaboratively with clients to develop high quality research products that are tailored to their requirements.

APPENDIX

SOUTH COUNTY ECONOMIC CHANGES, 2010-2013

	Employment				Income ($millions)				Output/Sales ($millions)			
Industry Description	2010	2013	Change	Percent	2010	2013	Change	Percent	2010	2013	Change	Percent
SOUTH COUNTY TOTAL	**163,646**	**211,392**	**47,747**	**29.2%**	**$9,101.2**	**$12,579.6**	**$3,478.4**	**38.2%**	**$21,428.6**	**$30,473.0**	**$9,044.4**	**42.2%**
Agriculture, Forestry	115	139	24	21.0%	8.6	6.3	-2.2	-25.8%	18.3	12.1	-6.2	-33.8%
Mining	65	85	20	30.8%	3.2	2.8	-0.4	-11.7%	8.3	19.1	10.8	129.5%
Utilities	152	235	83	54.4%	21.5	51.0	29.5	137.0%	119.4	269.4	150.0	125.7%
Construction	7,117	6,784	-333	-4.7%	494.6	452.1	-42.5	-8.6%	1,171.9	1,283.9	112.0	9.6%
Manufacturing	11,253	10,916	-337	-3.0%	886.6	880.7	-6.0	-0.7%	3,142.2	3,054.8	-87.3	-2.8%
Aerospace	2,820	3,075	255	9.0%	313.3	355.9	42.6	13.6%	905.7	903.0	-2.6	-0.3%
Shipbuilding	824	724	-100	-12.2%	66.5	56.6	-9.9	-14.8%	191.6	173.4	-18.2	-9.5%
Retail/Wholesale trade	30,953	32,339	1,386	4.5%	1,323.1	1,429.0	105.8	8.0%	2,903.9	3,714.1	810.2	27.9%
Wholesale trade	6,004	6,397	393	6.6%	462.0	524.1	62.0	13.4%	1,051.0	1,542.5	491.5	46.8%
Retail trade	24,950	25,942	992	4.0%	861.1	904.9	43.8	5.1%	1,852.9	2,171.6	318.7	17.2%
Transportation and warehousing	5,689	9,095	3,406	59.9%	294.7	484.8	190.1	64.5%	576.0	1,101.8	525.8	91.3%
Information	757	1,457	700	92.4%	40.5	78.5	38.0	93.8%	258.6	696.8	438.2	169.5%
Finance and insurance	4,660	6,689	2,030	43.6%	283.4	375.8	92.4	32.6%	1,024.6	985.2	-39.4	-3.8%
Real estate and rental and leasing	7,182	8,885	1,703	23.7%	203.8	230.6	26.8	13.2%	3,326.7	3,857.8	531.1	16.0%
Professional, scientific, technical services	6,051	19,315	13,265	219.2%	444.0	1,878.8	1,434.8	323.1%	725.6	3,663.9	2,938.3	405.0%
Business services	5,395	16,019	10,624	196.9%	210.4	838.4	628.0	298.5%	379.2	1,500.0	1,120.8	295.5%
Educational services	1,465	4,578	3,114	212.6%	53.3	190.0	136.6	256.1%	89.3	321.2	231.9	259.6%
Health care and social assistance	15,107	20,385	5,277	34.9%	897.0	1,131.1	234.0	26.1%	1,526.0	1,828.2	302.2	19.8%
Arts, entertainment, recreation	2,284	5,289	3,005	131.6%	44.8	157.5	112.7	251.4%	151.6	388.5	236.8	156.2%
Accommodations	1,838	2,414	576	31.4%	61.5	95.8	34.3	55.7%	199.2	236.3	37.1	18.6%
Food services	13,741	15,471	1,730	12.6%	312.6	409.7	97.1	31.1%	839.5	935.5	95.9	11.4%
Other services	6,949	11,498	4,549	65.5%	299.4	471.6	172.2	57.5%	635.1	842.4	207.2	32.6%
Private households	4,356	693	-3,663	-84.1%	40.4	14.6	-25.7	-63.8%	40.4	14.6	-25.7	-63.8%
Government enterprises	1,688	3,780	2,093	124.0%	140.9	284.9	144.0	102.2%	344.4	883.6	539.2	156.6%
Government	36,829	35,325	-1,504	-4.1%	3,036.8	3,115.8	78.9	2.6%	3,948.5	4,863.7	915.3	23.2%
State & local non-education	5,511	6,489	978	17.7%	416.0	671.2	255.2	61.3%	481.7	721.6	239.9	49.8%
State & local education	16,162	14,417	-1,745	-10.8%	988.2	1,077.4	89.2	9.0%	1,141.4	1,160.6	19.2	1.7%
Federal, non-military	3,762	2,739	-1,023	-27.2%	439.3	356.8	-82.5	-18.8%	481.4	531.6	50.2	10.4%
Federal, military	11,395	11,681	286	2.5%	1,193.3	1,010.4	-183.0	-15.3%	1,843.9	2,449.9	606.0	32.9%

Source: U.S. Department of Commerce, Bureau of Economic Analysis; IMPLAN, Inc.; National University System Institute for Policy Research.

***South County Zip Codes**

ZIP Code	City
91902	Bonita
91908	Bonita
91909	Chula Vista
91910	Chula Vista
91911	Chula Vista
91912	Chula Vista
91913	Chula Vista
91914	Chula Vista
91915	Chula Vista
91921	Chula Vista
91932	Imperial Beach
91933	Imperial Beach
91950	National City
91951	National City
92118	Coronado
92136	San Diego
92143	San Ysidro
92153	San Ysidro
92154	Otay Mesa & San Ysidro
92155	Coronado
92173	San Ysidro
92178	Coronado
92179	San Ysidro