Study: San Diego software ecosystem outranks New York, Austin

San Diego— San Diego's software development ecosystem impacts more than **100,000 jobs** in the regional economy, according to a study released today by San Diego Regional EDC. With an anticipated **18.1 percent growth** rate in the next year, software is one of San Diego's most rapidly growing employment sectors.

 "**Software Development: Driving San Diego's Tech Ecosystem**" examines the region's growing tech hub as it relates to software talent and capital investment. The study looks at software workers and auxiliary support staff across every corner of the region's economy.

Mayor Kevin L. Faulconer said, "From Intuit to Illumina, software development permeates nearly every facet of San Diego's economy. Software development is helping to increase our workforce talent pool, diversity of job opportunities and capital investment. I'm proud to support San Diego Regional EDC's new study that highlights our competitive edge in our tech ecosystem that's making us a global leader in innovation and technology."

Additional key findings include:

- The total economic impact of San Diego's software ecosystem is **$12.2B** annually
- **Ranked 7th** overall on Software Power Index,* ahead of Austin, Portland, Los Angeles and New York
- **1** in **6** innovation economy jobs are in software development
- **Ranked 8th** for talent on Software Power Index;* Only **10%** of employers reported dissatisfaction with their ability to recruit high-level talent
- **Ranked 4th** in capital on Software Power Index* (vc dollars per capita); San Diego's software-specific vc was up by **38 percent** in 2015
- Merger and Acquisition (M&A) deals comprise **68 percent** of San Diego's capital flow – on average, U.S. metros receive 42 percent of capital through M&A

The Software Power Index combines data on concentration of software developers, talent, prosperity and capital to understand how San Diego stacks up with the top 50 most populous metros across the country. Refer to the full study for more details on methodology.

Across the globe, startups and technological innovations are catalyzing a new wave of economic growth. While regions such as Silicon Valley are known for creating consumer-facing

applications, San Diego's software ecosystem permeates through every corner of its innovation economy. Defense, communications and genomics companies – classified as "software-dependent" in the study – are increasingly reliant on software talent and functions to grow. In fact, software workers in **San Diego are twice as likely to work in scientific R&D than the rest of California**.

"From mapping the genome to piloting unmanned systems, software is the foundation behind most of San Diego's breakthroughs and innovation," said Mark Cafferty, president & CEO of San Diego Regional EDC. "With this study, we now have the ability to quantify the depth of the software ecosystem for the first time. We know San Diego is a good place to build and locate a business – and companies are following suit."

In the past two months, two Silicon Valley SaaS startups, Wrike and Bizness Apps, announced relocations and/or expansions to San Diego – a sign that the region's ecosystem is gaining national visibility.

 "The reason we chose to move our company from Silicon Valley to San Diego was the access to the talent San Diego provides," said **Andrew Gazdecki, CEO of Bizness Apps,** the latest company to announce its relocation. "With multiple universities in San Diego and larger existing technology companies nearby we felt we could grow our entire team here, from experienced leadership roles, to entry level positions out of college."

EDC's study was sponsored by **Hired, TVC Capital** and **Benefits Tech Trust** with additional research support from **CBRE**.

For a complete copy of the executive summary, click here. For a copy of the full study, click here.

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