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Study: 85 percent of small businesses along San Diego's 78 Corridor anticipate financial growth

Survey finds small businesses need assistance hiring, finding customers to ensure future success

NORTH COUNTY, SAN DIEGO – With many economists forecasting an economic downturn in the years ahead, small businesses are often the most vulnerable to a changing economy. However, a new survey released by [Innovate78](#) – a collaboration among Carlsbad, Escondido, Oceanside, San Marcos and Vista – found that small businesses are feeling optimistic about the future. In fact, 85 percent of small businesses along the 78 Corridor project financial growth over the next two years, demonstrating stability in San Diego's North County.

“Most small business owners are so busy running their companies, that they don't have time to step back and leverage the resources available to them,” said Michelle Geller, Economic Development Manager for the City of Escondido. “As part of Innovate78, we are taking a collaborative, data-driven approach to understand their business’ needs. Using the data from this study, we will be able to better collaborate with regional partners to ensure these businesses remain viable and a key economic engine in North County.”

[“The Small Business Ecosystem along the 78 Corridor”](#) surveyed 164 small businesses – firms with fewer than 100 employees – as a way to uncover insight and gain a deeper understanding of small business perceptions of the regional business climate.

According to EMSI, small businesses make up 98 percent of the 78 Corridor's businesses – mirroring the broader San Diego region.

KEY FINDINGS:

- **Businesses are growing.** Over the next two years, 85 percent expect to grow in terms of financial performance.
- **Companies have a focus on local customers.** In total, 69 percent said their customers were primarily in Southern California, whereas only 7 percent said their customers were primarily international.
- **Job growth will continue to be fueled by small businesses.** Over the next two years, 45 percent of 78 Corridor small businesses project employment growth, while only 6 percent say they will have fewer employees.
- **Generating new sales is the biggest need for small business owners.** A majority – 88 percent – of small businesses said sales/new business was a challenge. As a way to generate sales, survey respondents identified ‘marketing’ as their highest future priority.

- **Connecting to resources is imperative.** Small business identified needing assistance with financing, marketing and business development. However, many cited a lack of knowledge of available resource providers, like municipalities, economic development organizations, and chambers of commerce.

“A quick glance at the data confirms that small businesses are a key driver for our economy. But when you dig a little deeper, you uncover trends that are key to understanding the 78 Corridor’s competitive advantage,” said Kirby Brady, director of research at EDC and the author of this study. “The study shows that small businesses along the 78 Corridor are both profitable and resilient.”

The study concluded that 73 percent of Innovate78 small businesses reported financial growth in the past two years, and 62 percent of businesses have been operating for more than five years, a metric often associated with resiliency. According to the [Small Business Administration](#), nearly 50 percent of small businesses fail before the five-year mark. While not a direct comparison, this data suggests that small businesses along the 78 Corridor are outlasting U.S. small businesses.

CHALLENGES AHEAD:

While Innovate78 businesses are faring well collectively, many challenges remain. With the 78 Corridor’s December 2018 unemployment rate at 3.2 percent, finding skilled talent is increasingly difficult – a trend many rapidly growing regions across the country are facing.

“From hiring to finding new customers, I face many challenges on a day-to-day basis that I did not anticipate before starting my own business,” said Jiang Fan, president of Carlsbad-based American Lithium Energy. “While these are trials that many small business owners face, I believe that because of the 78 Corridor’s unique access to both San Diego and Orange County’s labor market, as well as the abundant resources the cities offer, that there’s never been a better time to own a small business on the 78 Corridor.”

If you are a business along the 78 Corridor and are looking to connect with available resources, please visit [Innovate78’s resource](#) page and/or contact your city’s economic development department directly.

Read the [study](#) here.

About Innovate78

Innovate78 is an economic development collaboration among the cities of Carlsbad, Escondido, Oceanside, San Marcos and Vista to retain, expand and attract talent, companies and investment along the 78 Corridor. The initiative is executed by San Diego Regional EDC, with financial and programmatic support from the five cities. [innovate78.com](#)

About San Diego Regional EDC

San Diego Regional EDC mobilizes business, government and civic leaders around an inclusive economic development strategy in order to connect data to decision making, maximize regional prosperity, enhance global competitiveness, and position San Diego effectively for investment and talent. [sandiegobusiness.org](#)

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