



SAN DIEGO'S CREATIVE ECONOMY

Introduction

The Creative Economy plays a key role in creating vibrant communities and creating a thriving region. We define the Creative Economy as the non-profit and for-profit businesses and individuals involved in producing cultural, artistic and design goods or services, and intellectual property. The goal of this study is to define and quantify San Diego's Creative Economy. This includes employment, the number of firms, as well as the available talent pool of creative professionals. This report outlines the economic impact of creative industry and workers on the regional economy. Spanning 71 industries and 77 unique occupations, the Creative Economy's impact is far and deep in San Diego.



"We bought this old building, we fixed it up, and then we painted it with a mural. And the effect it had on the surroundings was pretty massive. Ever since we did this mural, there hasn't been any graffiti, because it creates a sense of place, community, and pride. And what that does is it has a positive effect on the entire neighborhood."

- Alexander "Sasha" Favelukis, CoPlace San Diego

Key Takeaways



Key Takeaways

Competing for talent

- + The overwhelming majority of creative firms value experience and technical training over traditional 4-year degrees.
- + The top degree program for creative workers is computer science.
- + Computer science degree-holders are in high demand across industries.
- + For-profit firms have a harder time finding the talent they need, as they compete with higher paying industries.



We also get lucky I think because we're San Diego. Every summer, a handful of people call me and say 'I'm tired of the snow; do you have an art teaching job?' We've picked up some great people just because of the location."

-Russ Sperling, San Diego Unified School District

Key Takeaways

Resource Assistance

- + While overall perceptions of doing business in San Diego are positive, there are areas where additional support could benefit both for-profit and non-profit creative firms.
- + Specifically, contracting assistance and additional physical space for theaters and art studios are all in demand by creative firms.
- + Additionally, there is demand for augmenting the awareness of local arts and culture and differentiating the region from Los Angeles by better promoting and marketing existing assets and through the establishment of a Film Commission.



I've seen firsthand how creative spaces can literally change entire communities. Thoughtfully planned creative collaborations, both public and private, have the ability to become epicenters for cultural and economic vibrance. Not only do these collaborations support local artists, they can also help sustain surrounding restaurants, shops, and other ancillary businesses."

– Susanna Peredo Swap, Vanguard Culture

Key Takeaways

Affordability

- + The most cited challenge to doing business in the region is the high cost of living.
- + Ensuring San Diego is an attractive and affordable place for talent and business is critical to maintaining its regional competitiveness.
- + This is particularly true for the nearly 13,000 self-employed creative workers which are growing in numbers but lagging in earnings.

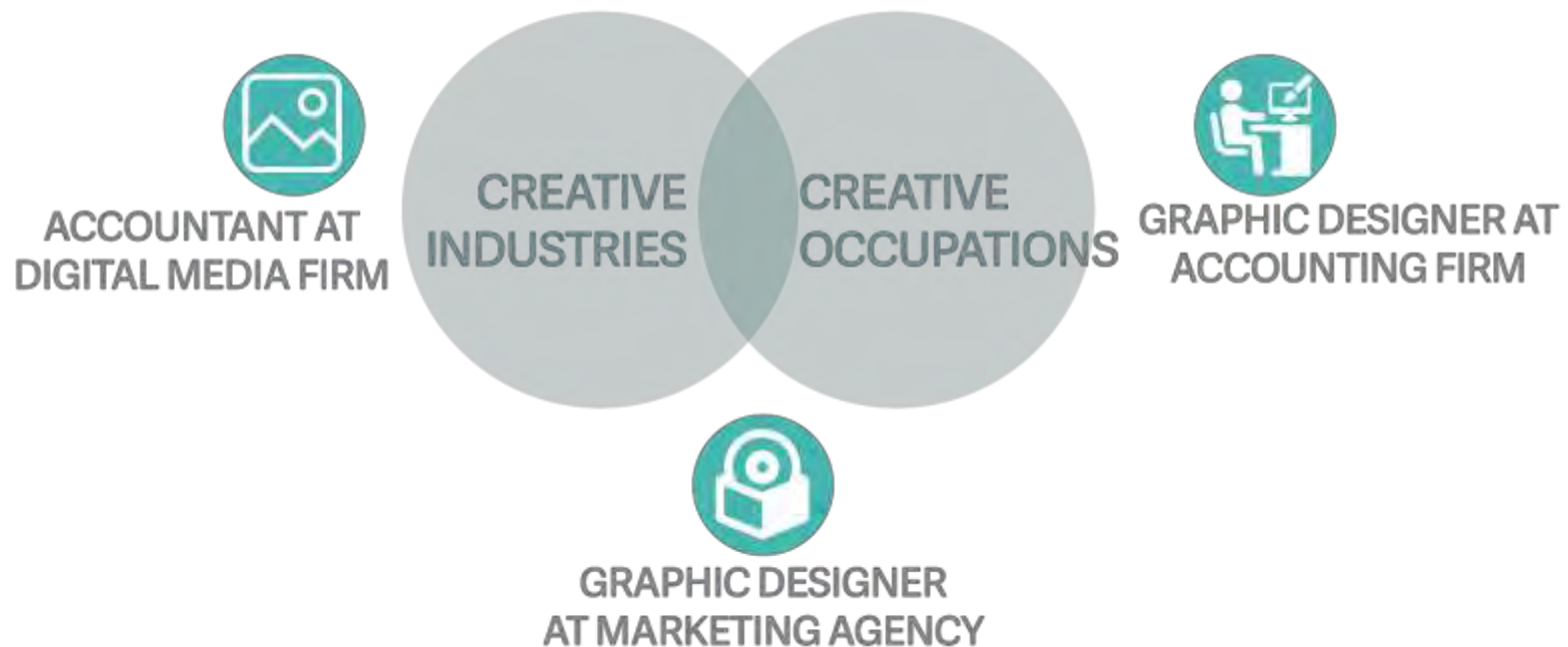


The cost of living makes it difficult for creatives to thrive here. If San Diego truly values it's artists and cultural institutions, it should be investing in their success."

– Anonymized Survey Respondent

Industries & Occupations

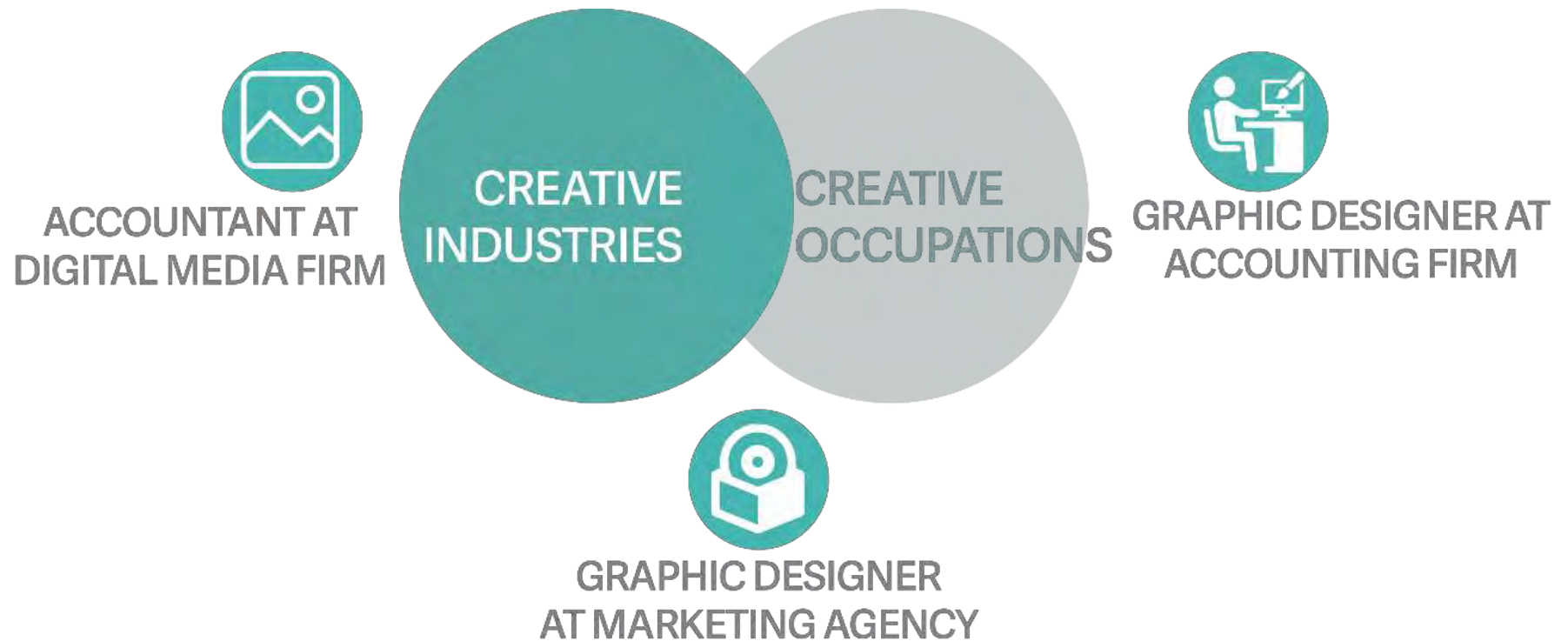
Industry classifications describe the activities of businesses while occupational classifications describe the activities of workers. Industries generally employ people in many different occupations. Similarly, many occupations are found in many different industries. The following graphic provides a framework for thinking about creative industries and occupations.



Industry Trends

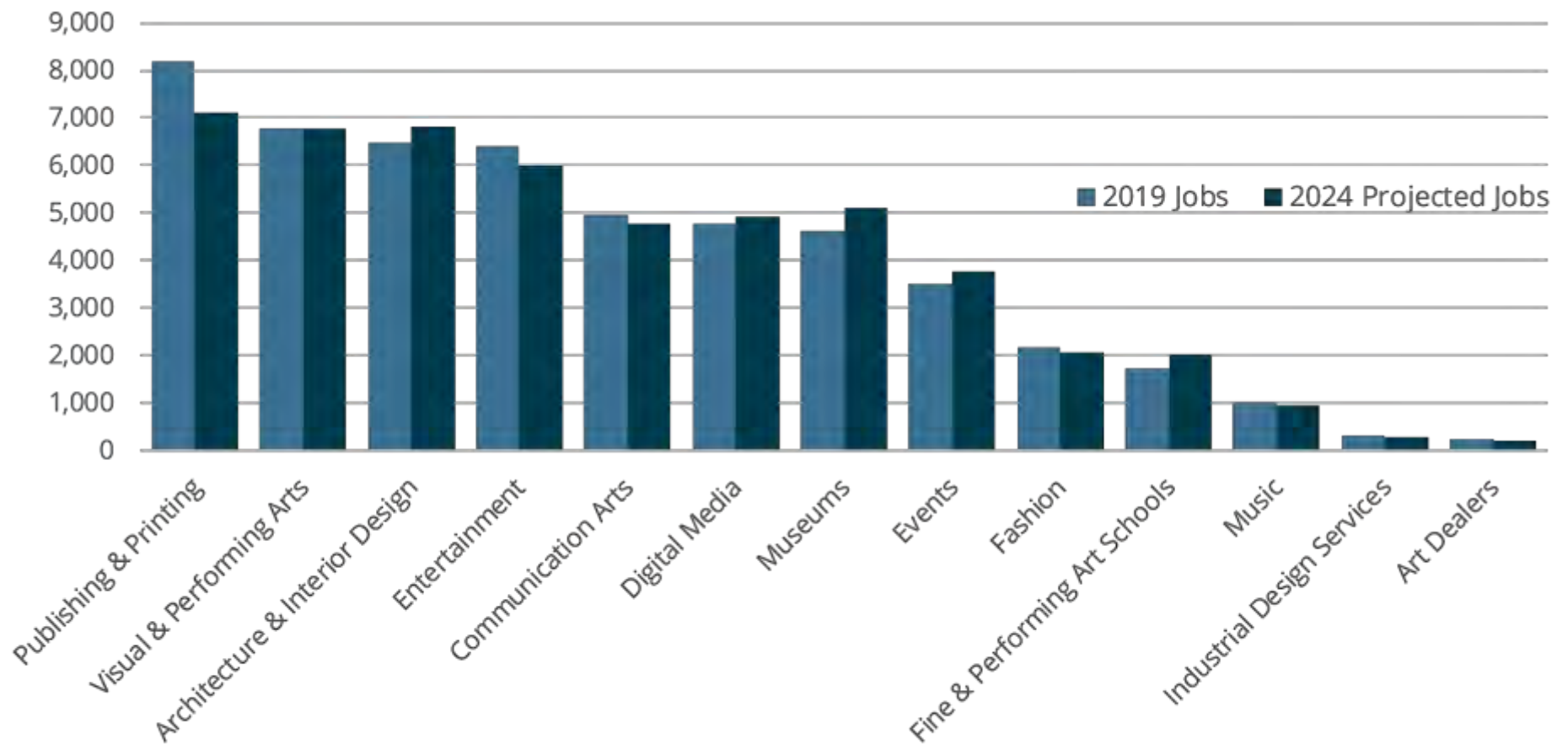


Creative Industry



Industry Employment

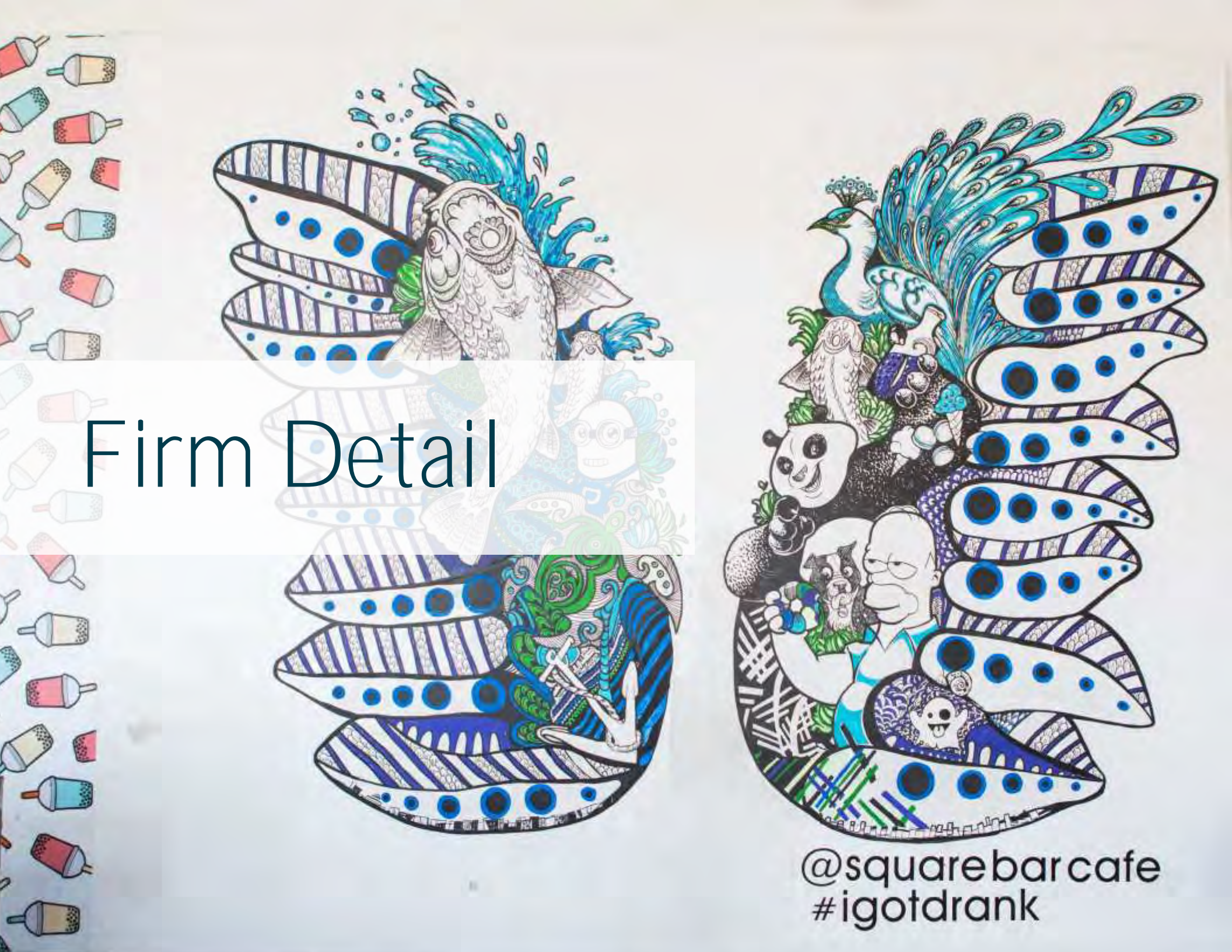
With more than 8,200 jobs, Publishing and Printing leads all industry groups, but it has shed 13 percent during that same period and is projected to lose another 13 percent of jobs over the next five years.



Industry Job Growth

Nine of the 13 groups have added jobs since 2014; only five of the groups are projected to add jobs over the next five years.

Industry Group	2014-2019 Percent Change	2019-2024 Projected Percent Change	2019 Jobs	2024 Projected Jobs
Architecture & Interior Design	13.93%	4.96%	6495	6817
Art Dealers	-15.49%	-24.63%	260	196
Communication Arts	0.63%	-3.85%	4953	4762
Digital Media	13.17%	2.95%	4783	4924
Entertainment	-0.94%	-6.26%	6389	5989
Events	20.74%	7.48%	3493	3754
Fashion	8.41%	-5.18%	2167	2055
Fine & Performing Art Schools	20.34%	17.39%	1729	2030
Industrial Design Services	-10.38%	-12.65%	313	273
Museums	20.61%	10.74%	4611	5106
Music	-0.73%	-7.64%	1020	942
Publishing & Printing	-13.41%	-13.41%	8204	7104
Visual & Performing Arts	2.67%	-0.15%	6776	6766

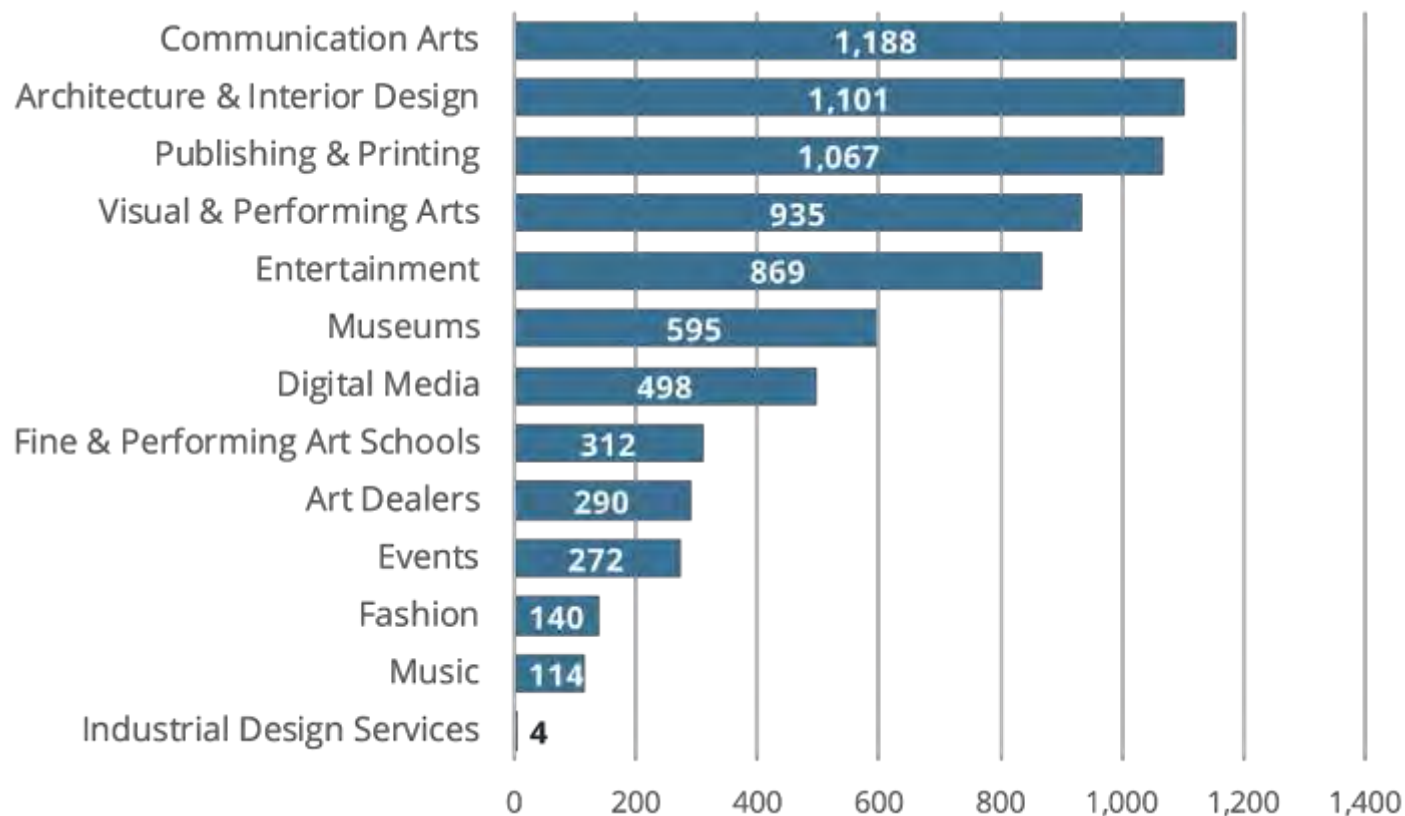


Firm Detail

@squarebar cafe
#igotdrank

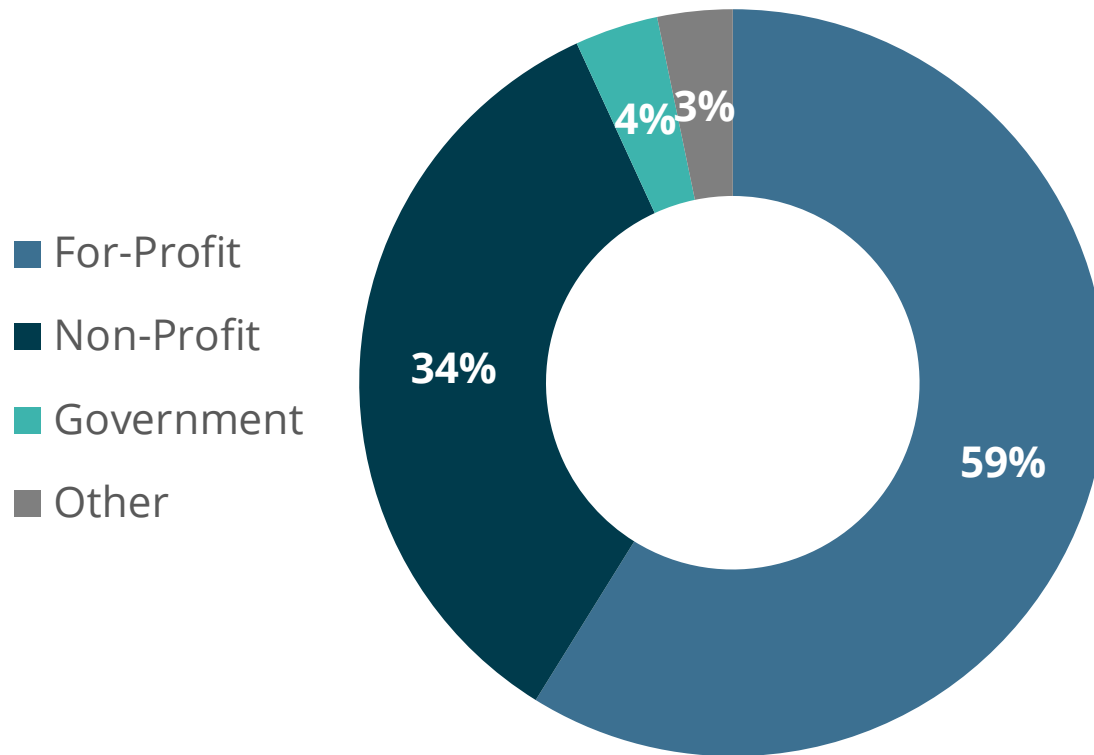
Firms by Industry

There are 7,386 non-profit and for-profit creative firms in the region. Again, business formation and growth dynamics differ across the thirteen industry groups. While not as large in terms of overall employment, communication arts leads in terms of number of firms with 1,188 across the county.



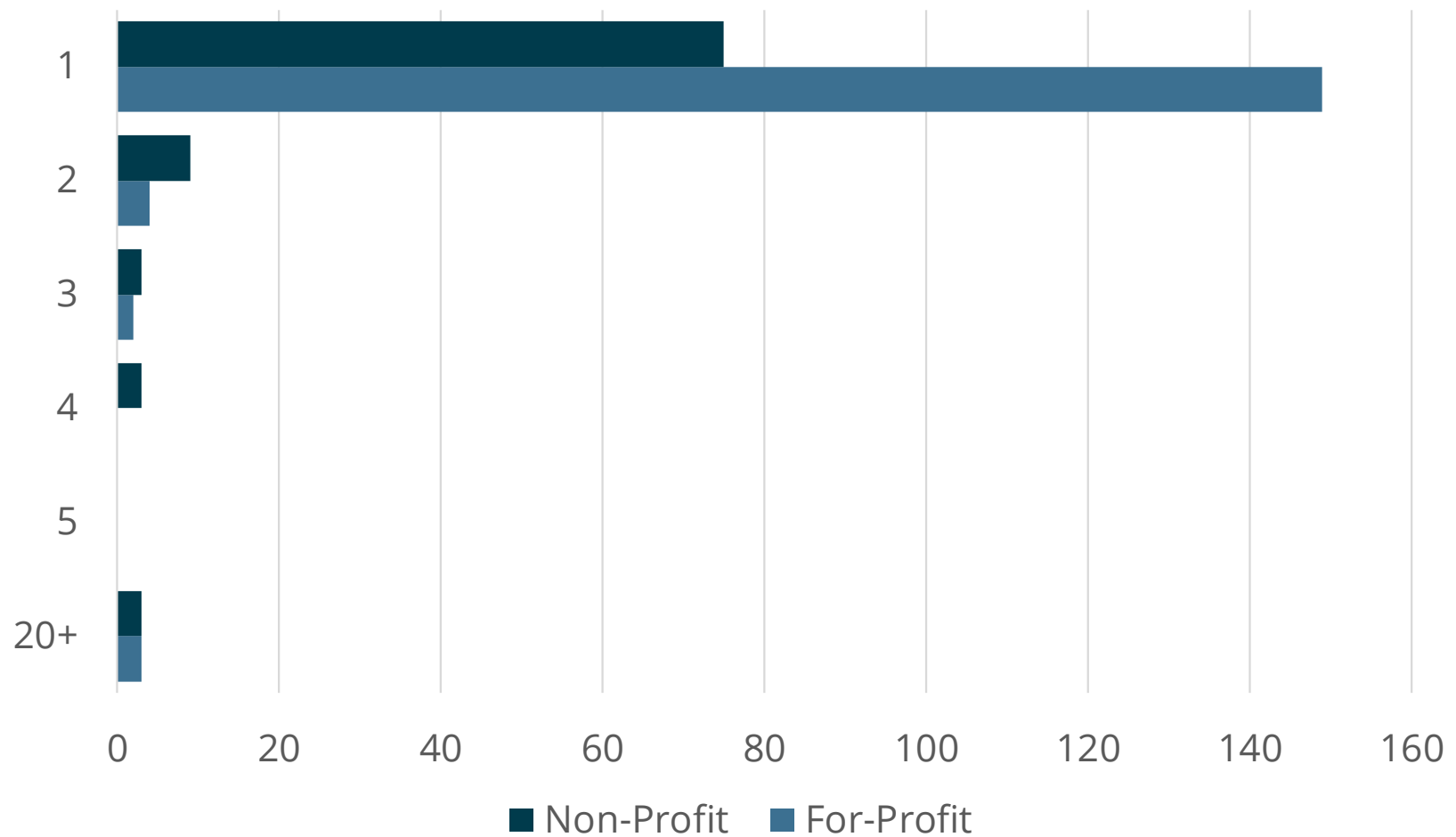
Firms by Sector

The majority of respondents of the Creative Economy survey consisted of for-profit (59% or 163 respondents) and non-profit (34% or 95 respondents) entities. There were other types of organizations, which included government employers, independent contractors (such as freelance writers and artists).



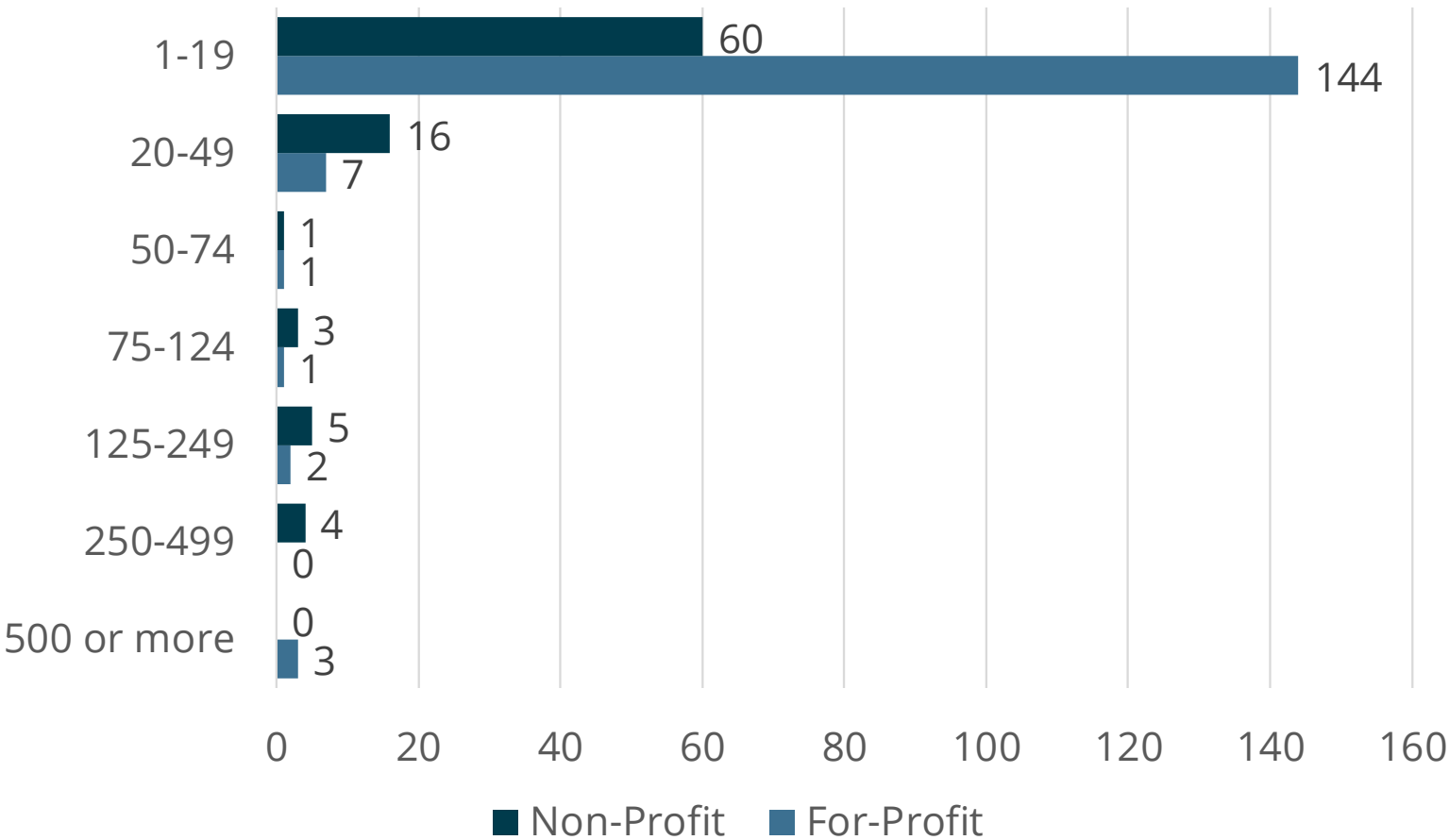
Number of Locations

The majority of respondents from all categories came from smaller entities with only one business location in San Diego County.



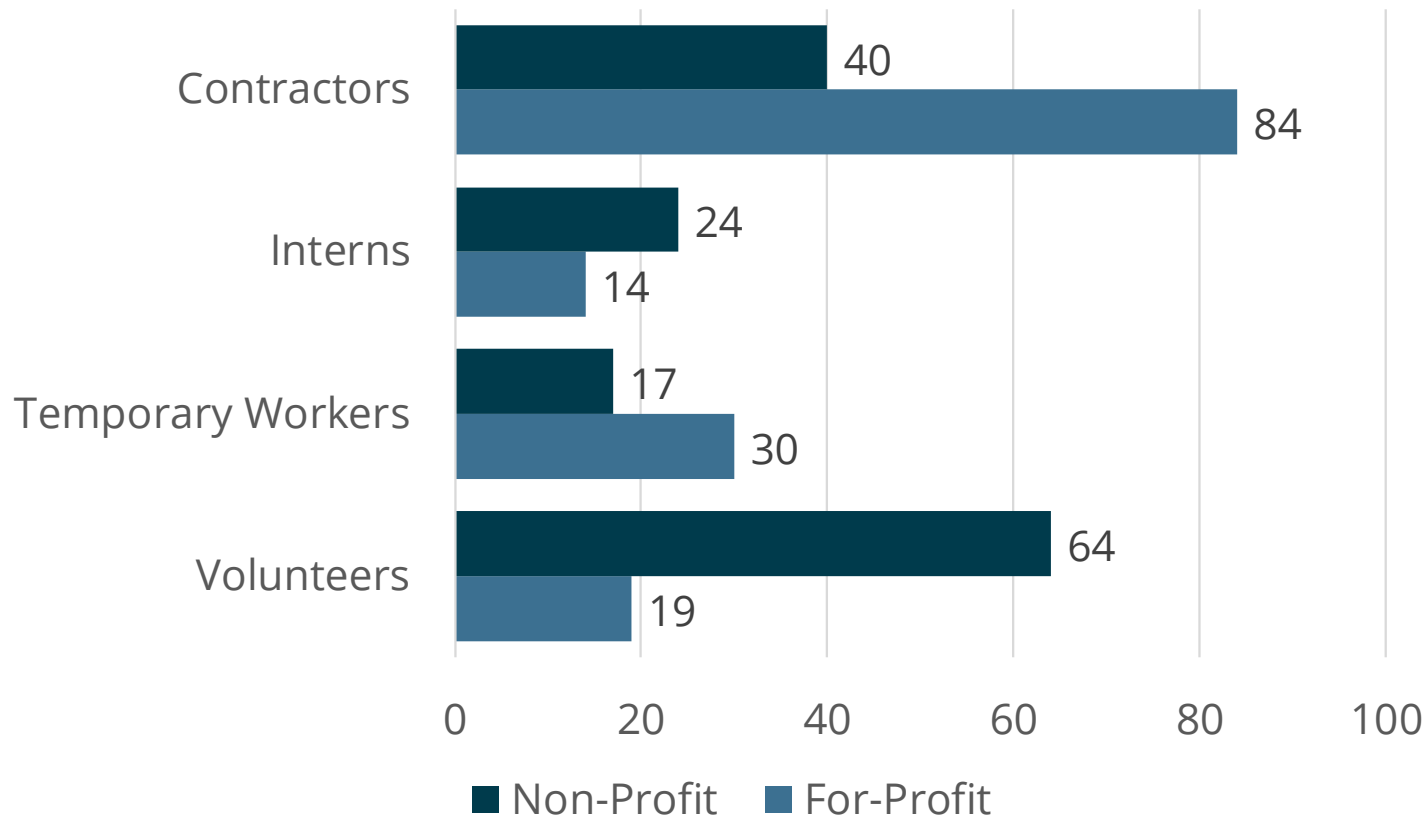
Firm Size by Employment

The majority of the entities are small in size, with 1 to 19 employees working at their location. Non-profit entities have a wider distribution of employees at their sites, with 18 percent reporting 20 to 49 employees and 10 percent reporting having more than 125 employees at their sites.



Flexible Employment

Overall, a significant number (41%) of the creative industry employers hire a large number of contractors. The practice of hiring contractors is more common in for-profit entities, with nearly 60% having contractors comprise a substantial component of their workforce.

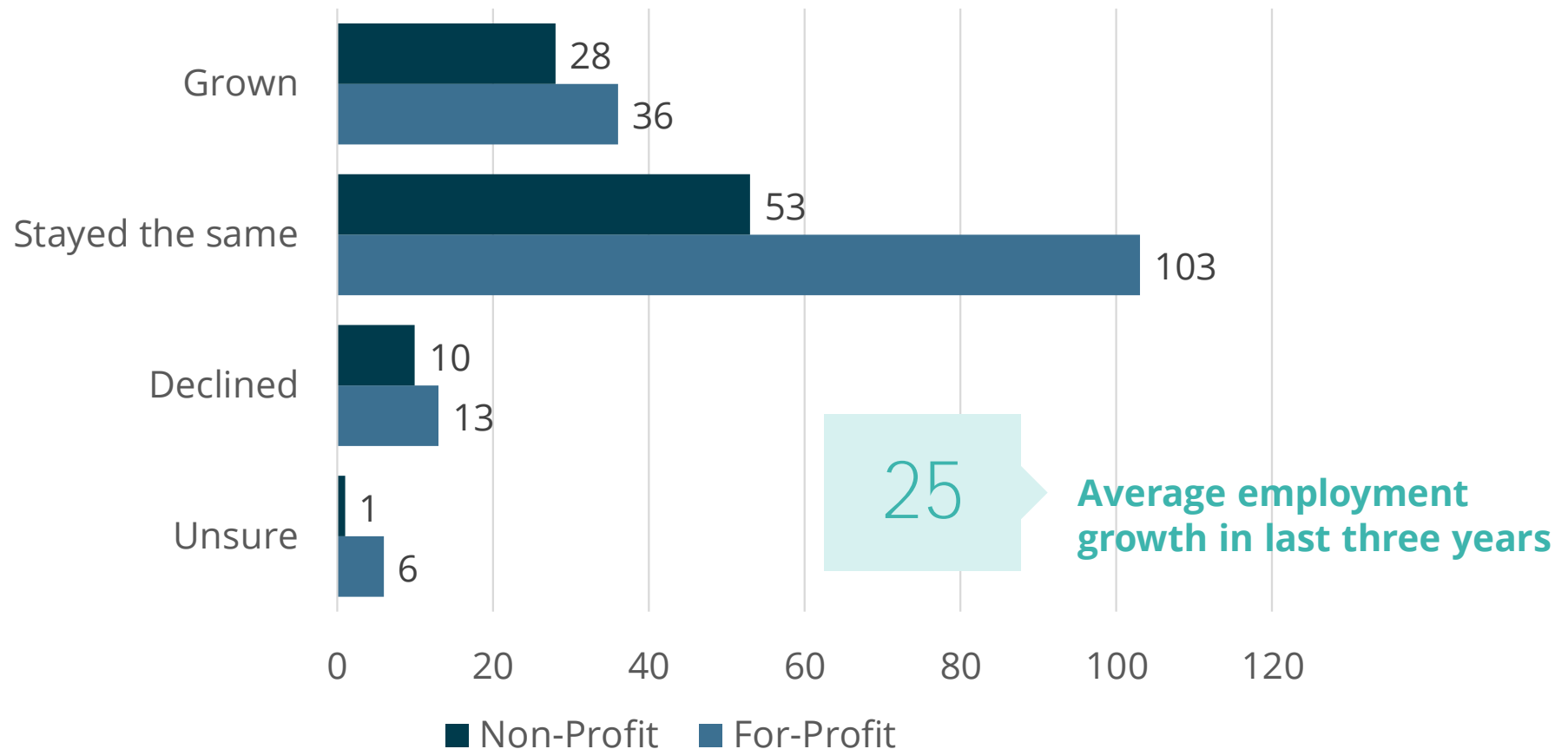


Employment Trends



Historical Growth

In the last three years, the majority of creative industry entities report their organization has stayed the same in terms of permanent employment at their locations. Non-profit entities (30%) have reported slightly more growth than for-profit (23%) companies. Interestingly, a higher percent of non-profit organizations (11%) also reported having a decline in permanent employment.



Historical Decline in Workforce

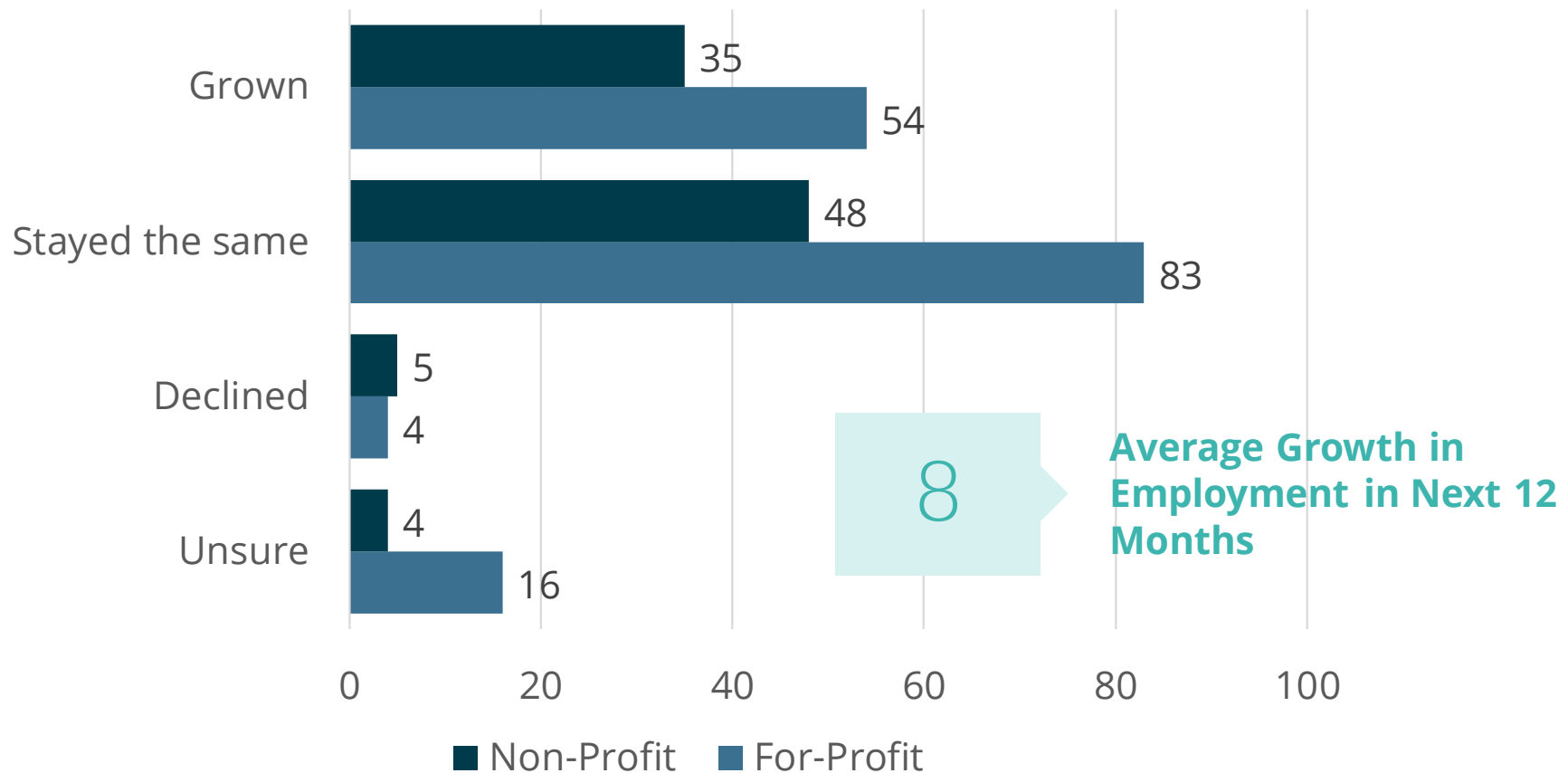
- For-profit agencies reported their primary reasons for a declining workforce as also being a decline in revenue (53%), followed by a significant increase in expenses (21%). Other reasons varied from retirements to change in market conditions
- Non-profits reported their primary reasons as also being a decline in revenue (46%), followed by a change in employment structure (38%)
- Overall, the most common reason reported for a decline in the workforce was a decline in revenue (50%), followed by a change in employment structure (19%)

24

Average employee decline
in the last three years

Projected Growth

Over the next 12 months, the majority of organizations (54%) reported expecting their workforce to stay the same. For-profit and non-profit agencies reported similarly, with a slightly higher percentage of non-profits expecting to grow (38%) or decline (5%). Ten percent of for-profit companies were unsure of their workforce outlook in the next 12 months.



Projected Decline in Workforce

- Overall, the primary reason for an expected decline in the workforce over the next 12 months was a change in employment structure (38%)
- For-profits and non-profits had slightly different primary reasons
- Both similarly reported a shift in their employment structure
- However, for-profits reasons primarily included an expected decline in revenue (60%)
- Two non-profits detailed in “other” that California’s Assembly Bill 5 (AB5) was going to be the reason they anticipated a decrease in their workforce
- 2 job average decline in employment in next 12 months

Economic Impact



Creative Industries' Ripple Effect

San Diego's creative industries have a ripple effect in the broader economy. Every job in creative industry supports another 1.1 jobs.



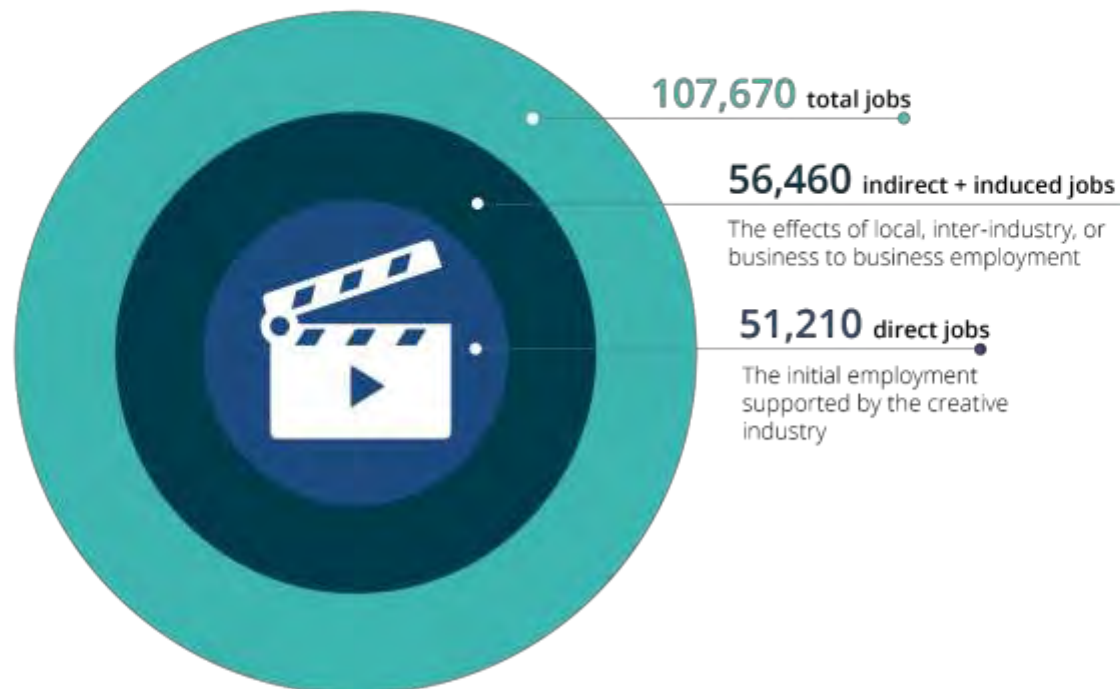
107,673
TOTAL
IMPACTED JOBS



7,386
TOTAL CREATIVE
FIRMS



\$11.1B
TOTAL ECONOMIC
IMPACT



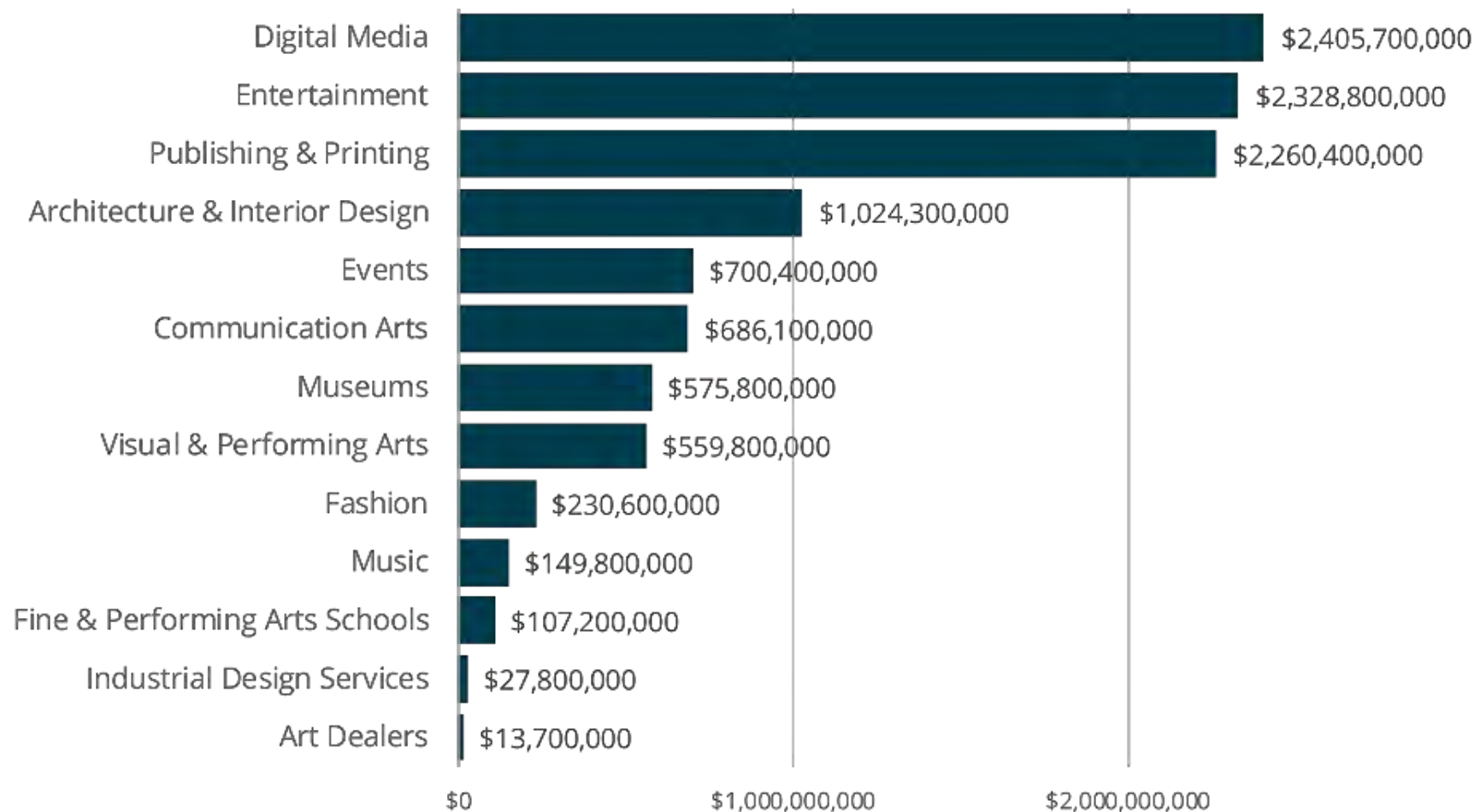
Economic Linkages

Creative industries serve a wide range of customers and depend on a diverse set of suppliers. All of this activity amounts to an \$11.1 billion regional economic impact, which represents 4.5 of the regional economy.

LOCAL SAN DIEGO PURCHASE/OUTSOURCE	FOR-PROFIT	NON-PROFIT
Catering, event space, and event planning	42%	67%
Financial/Accounting services	54%	48%
Marketing/Graphic design services/Communications/PR	45%	54%
Furniture, office supplies, and equipment	40%	44%
Audio, Video Production	42%	46%
Legal services	45%	38%
Facilities/Construction/Architecture & Engineering services	17%	30%
Human resource management services	9%	20%
Other	10%	20%

Total Value Added by Industry Group

Digital Media, Entertainment, and Publishing & Printing are responsible for nearly two-thirds of the total economic value added by creative industries.



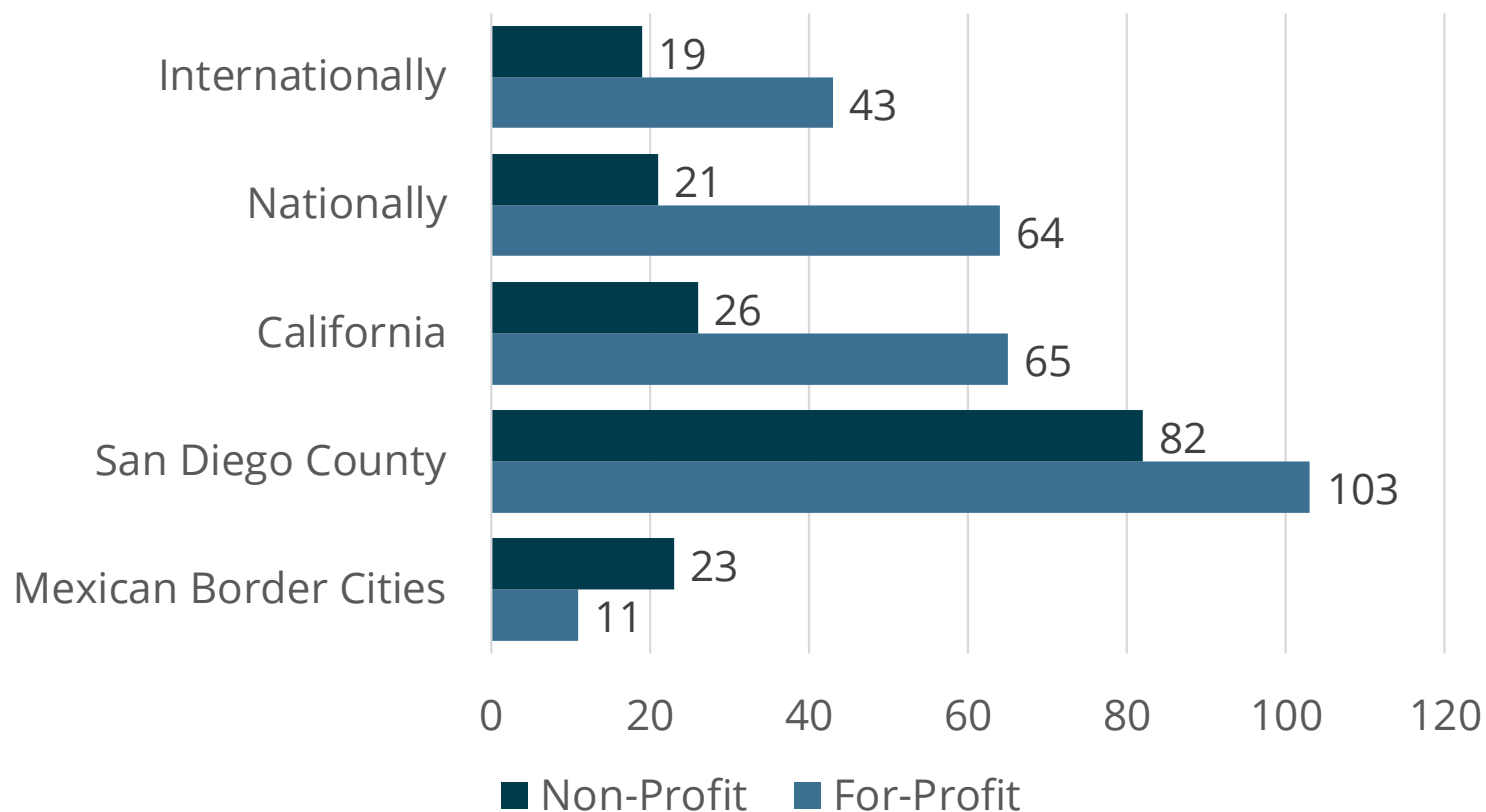
Contributions to the Local Economy

To get an understanding of the impact the creative economy businesses have on the local San Diego economy, respondents identified the services which their organizations purchased or outsourced locally. For-profit companies primarily outsourced financial, accounting, marketing, graphic design, communications, PR, and legal services to San Diego businesses. Non-profit businesses mainly outsourced their catering, event space, event planning, marketing, graphic design, communications, PR, financial, and accounting services locally.

Local San Diego Purchase/Outsource	For-Profit	Non-Profit
Catering, event space, and event planning	42%	67%
Financial/Accounting services	54%	48%
Marketing/Graphic design services/Communications/PR	45%	54%
Furniture, office supplies, and equipment	40%	44%
Audio/Video Production	42%	46%
Legal services	45%	38%
Facilities/Construction/Architecture & Engineering services	17%	30%
Human resource management services	9%	20%
Other	10%	9%

Customers, Patrons, or Attendees Located

Creative economy businesses' customers, patrons, or attendees are located mainly in San Diego County (40%). The majority of for-profits customers are in San Diego County, followed by within California and Nationwide (23% and 22%, respectively). Non-profit's top constituents are mostly in San Diego County (48%) and California, though they have some reliance on border cities as well (13%).



Customers, Patrons, or Attendees Located

Businesses identified the types of customers that utilize their services. Respondents could select more than one option. Overall, the majority of for-profit's customers were other for-profit businesses (80%), followed by direct to consumer (58%), and non-profit organizations (48%). Non-profit's customers primarily consist of direct to consumer (64%), community organizations (61%), and education entities.

54%

**Of For-Profit firms
are hired by Arts,
Entertainment,
Events and
Recreation firms**

40%

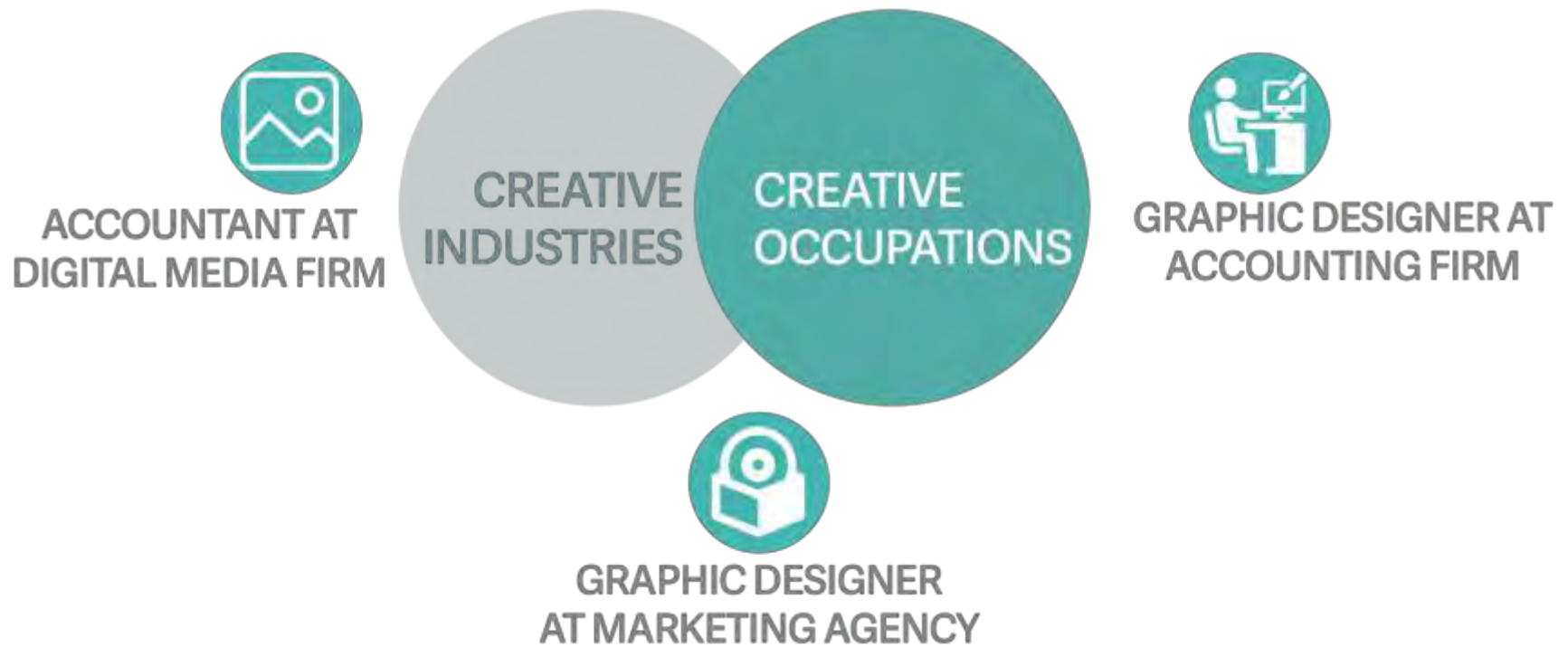
**Of Non-Profit firms
are hired by Arts,
Entertainment,
Events and
Recreation firms**

Customers, Patrons, or Attendees	For-Profit	Non-Profit
For-profit businesses	80%	37%
Direct to Consumer	58%	64%
Community organizations	41%	61%
Nonprofit businesses	48%	52%
Education	34%	55%
Government	32%	28%
Attendance-based services	3%	43%
Other	2%	7%

Occupational Trends



Occupations



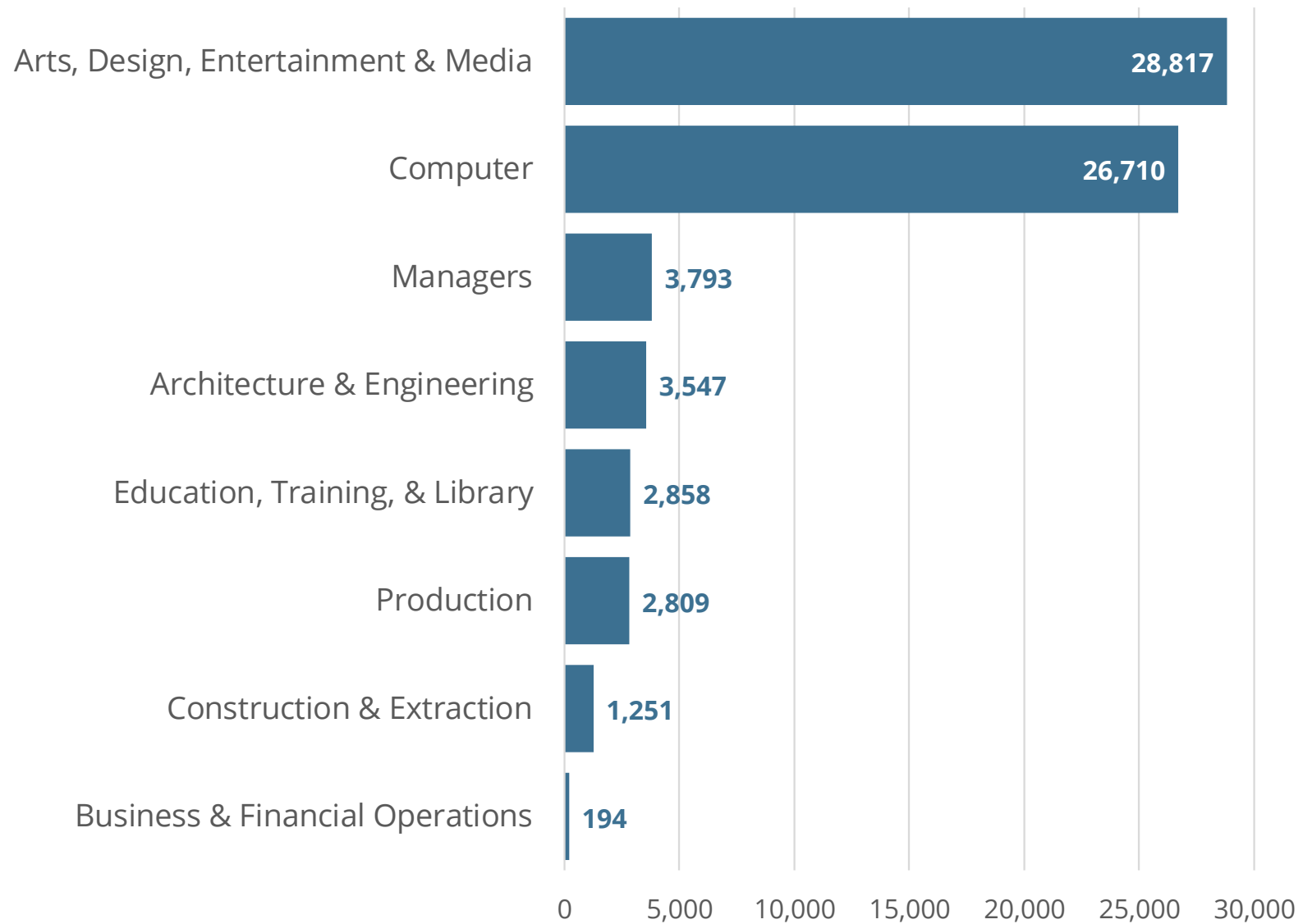
Creative Occupations

San Diego has 77 unique creative occupations that fit into eight occupational groups with similar skill, knowledge, and ability requirements. In 2019, most jobs were concentrated in either the Arts, Design, Entertainment, & Media or Computer professions. Together, these two occupational groups represent 79 percent of the nearly 70,000 creative jobs in the region.



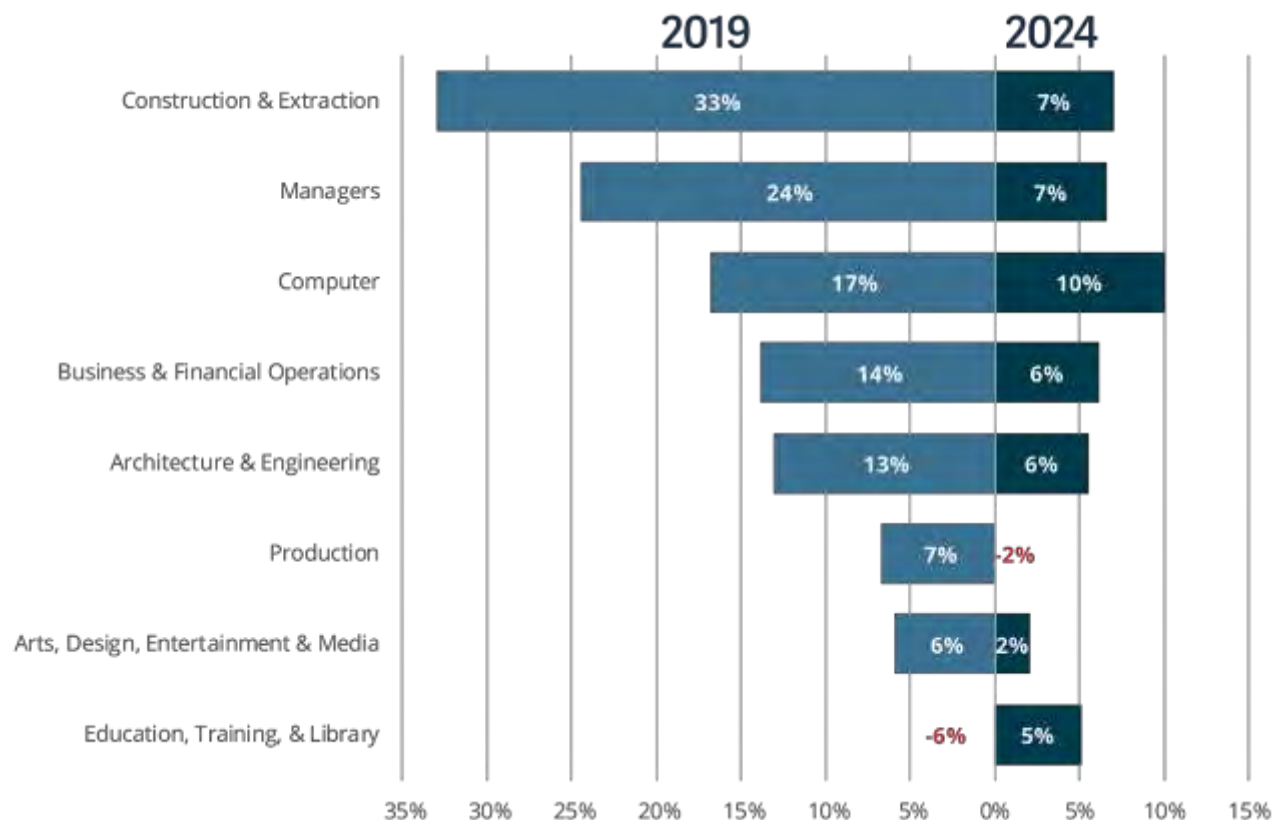
TODAY, THERE ARE **69,979**
CREATIVE JOBS
IN SAN DIEGO

Occupation Concentration



Past & Projected Growth

Since 2014, creative occupational employment increased by eleven percent, better than the regional growth rate of nine percent. Going forward, Computer-related occupations will lead job growth. Demand for software developers and computer programmers will continue to rise across the economy, which are the top three creative occupations in San Diego.



Median Annual Income

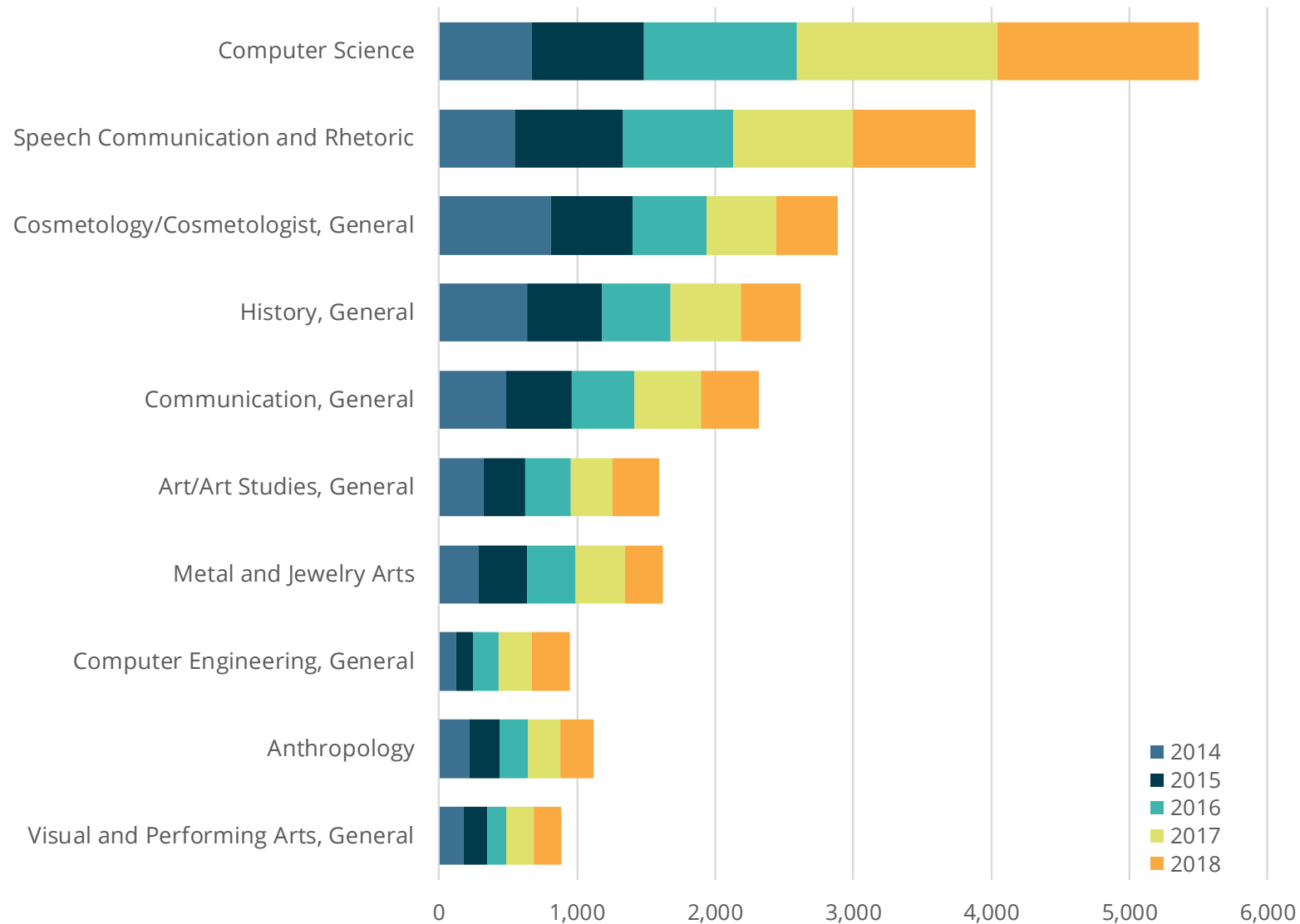
\$75K

**Median annual income for
all creative occupations**

OCCUPATION GROUP	MEDIAN ANNUAL INCOME
Architecture & Engineering	\$69,408
Arts, Design, Entertainment & Media	\$51,616
Business & Financial Operations	\$54,013
Computer	\$106,573
Construction & Extraction	\$52,996
Education, Training, & Library	\$49,416
Managers	\$124,412
Production	\$35,605

Educational Pipeline

The top academic program for producing creative professionals is Computer Science, with nearly 5,500 completions in the region since 2014.

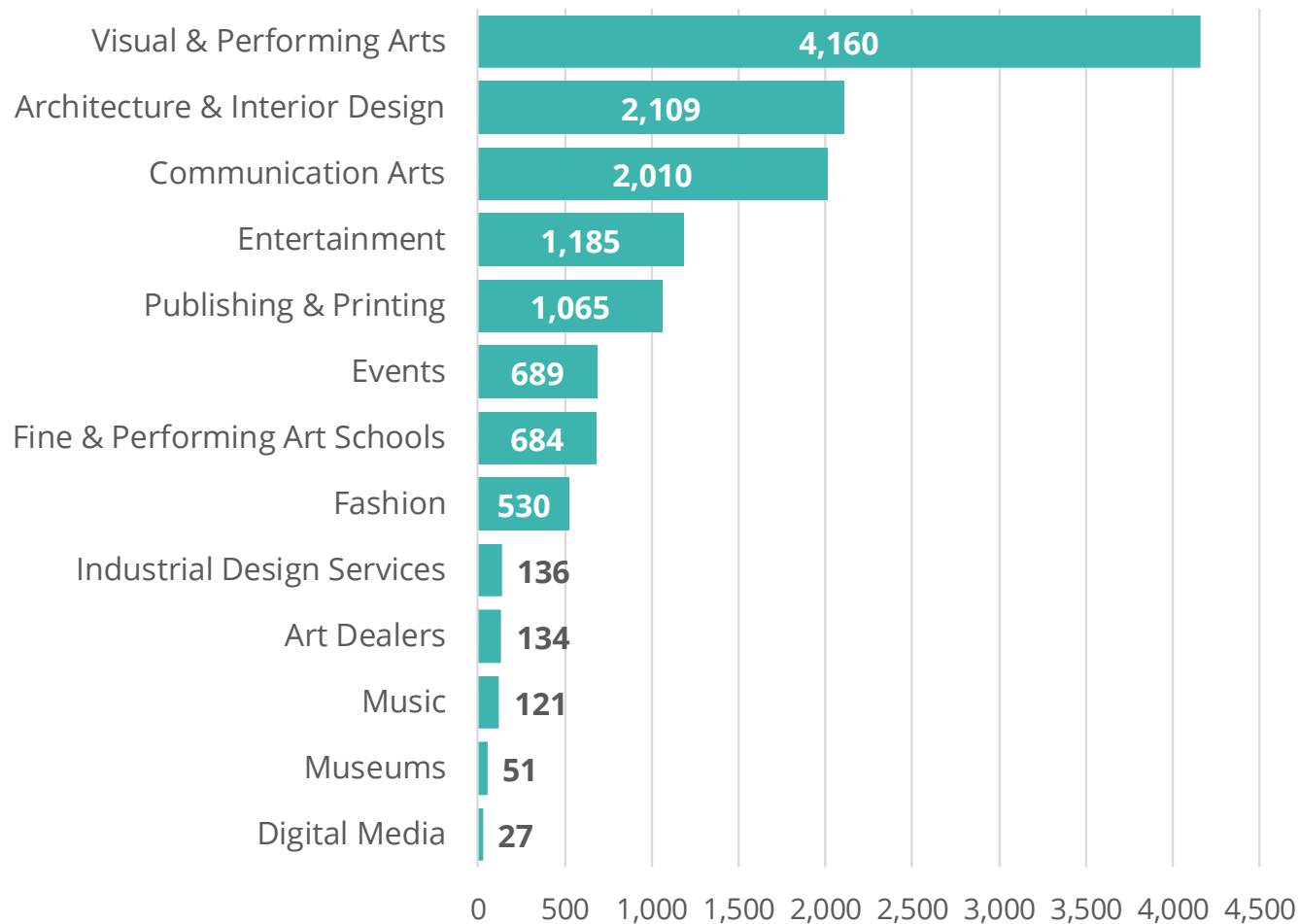


A photograph of an outdoor cafe or restaurant. In the foreground, there is a low wall covered in a vibrant, multi-colored mosaic of small, irregular tiles in shades of red, yellow, blue, and green. Above the mosaic wall is a decorative border with a repeating geometric pattern. In the background, several white patio umbrellas are open, and a tall, silver patio heater stands prominently. The sky is bright blue with scattered white clouds. The overall scene is bright and sunny.

Self-Employed

Self-Employed

Self-employed workers are crucial to the creative economy. There are nearly 13,000 self-employed creatives in the region, with a third in the Visual & Performing Arts industries.



Self-Employed



6.0%

SELF-EMPLOYED CREATIVE
JOB GROWTH IN LAST 5 YEARS



4.1%

TOTAL CREATIVE JOB GROWTH
IN LAST 5 YEARS



TOP 5 SELF-EMPLOYED CREATIVE INDUSTRY JOBS

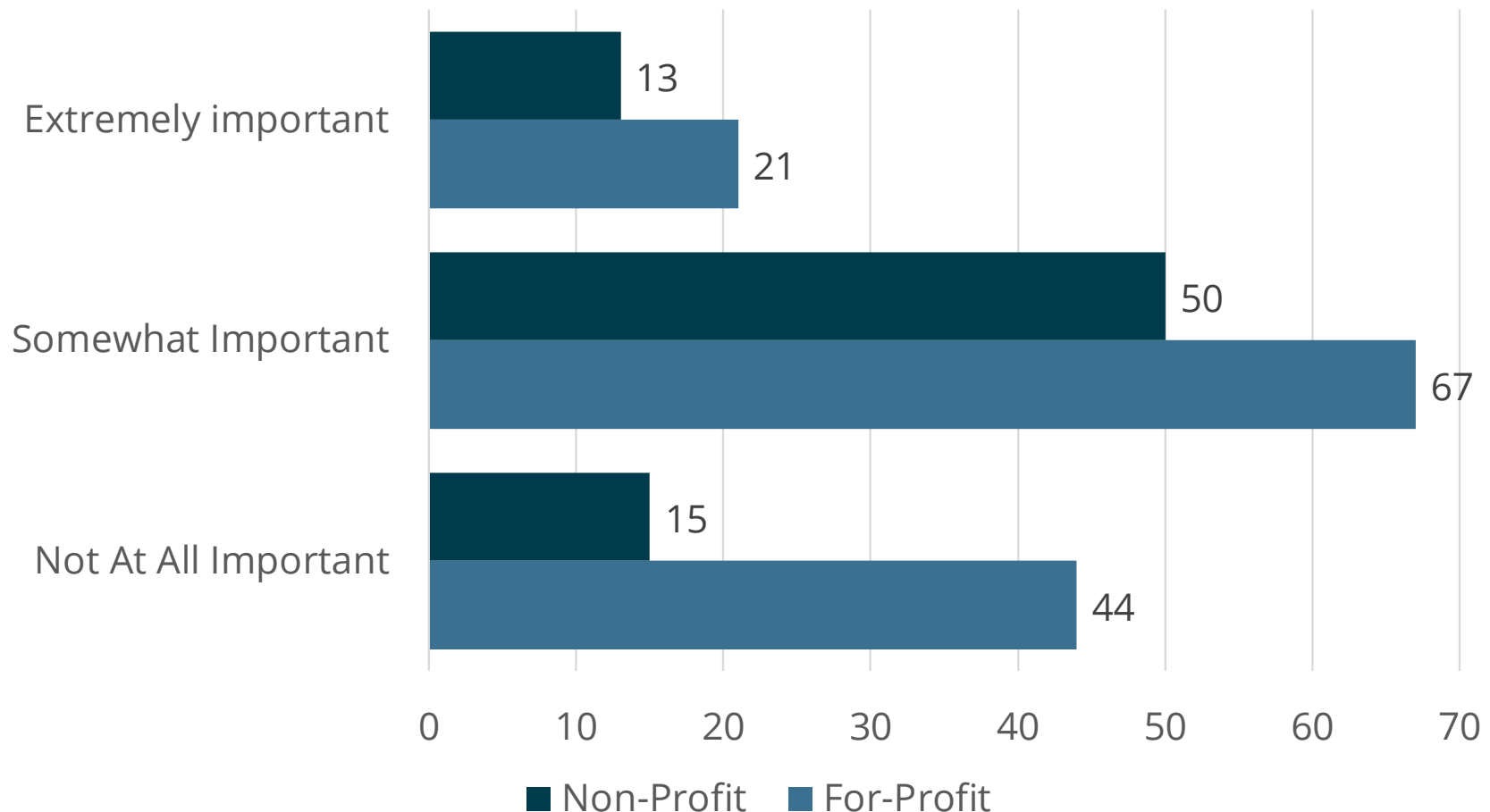
- 1 Independent Artists, Writers, & Performers
- 2 Graphic Design Services
- 3 Interior Design Services
- 4 Motion Picture and Video Production
- 5 Fine Arts Schools



Talent Needs

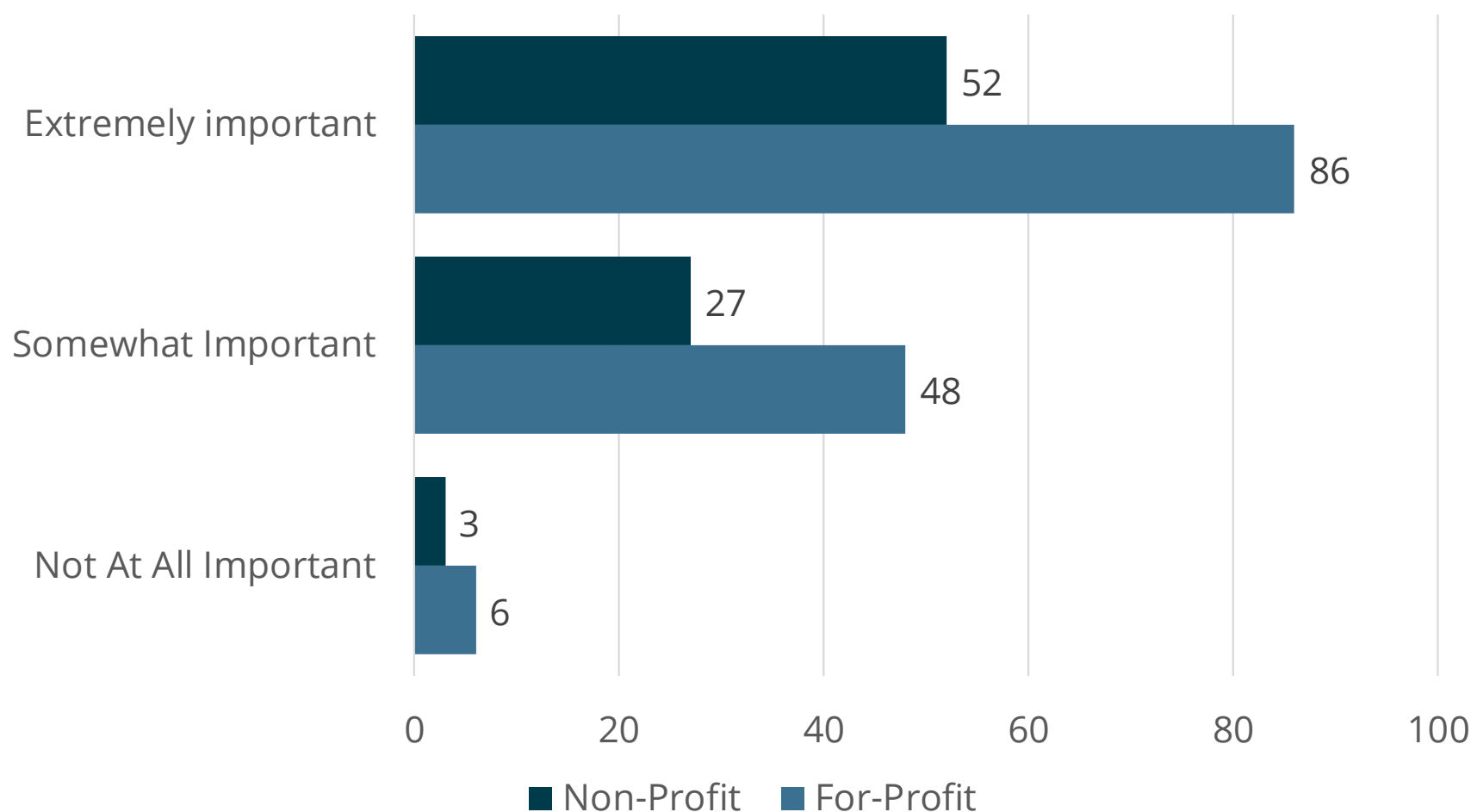
An Industry Recognized Credential

An industry-recognized credential is somewhat important for most employers. For-profit employers placed less emphasis on having a credential.



At Least One Year of Industry-Related Work Experience

A candidate's work experience is considered extremely important by both for-profit and non-profit employers, with both sets of employers answering almost identically.



Technical Training and Expertise

Similarly to work experience, respondents found it extremely important to have their workforce have the technical training and expertise specific to their jobs. With almost identical figures

67%

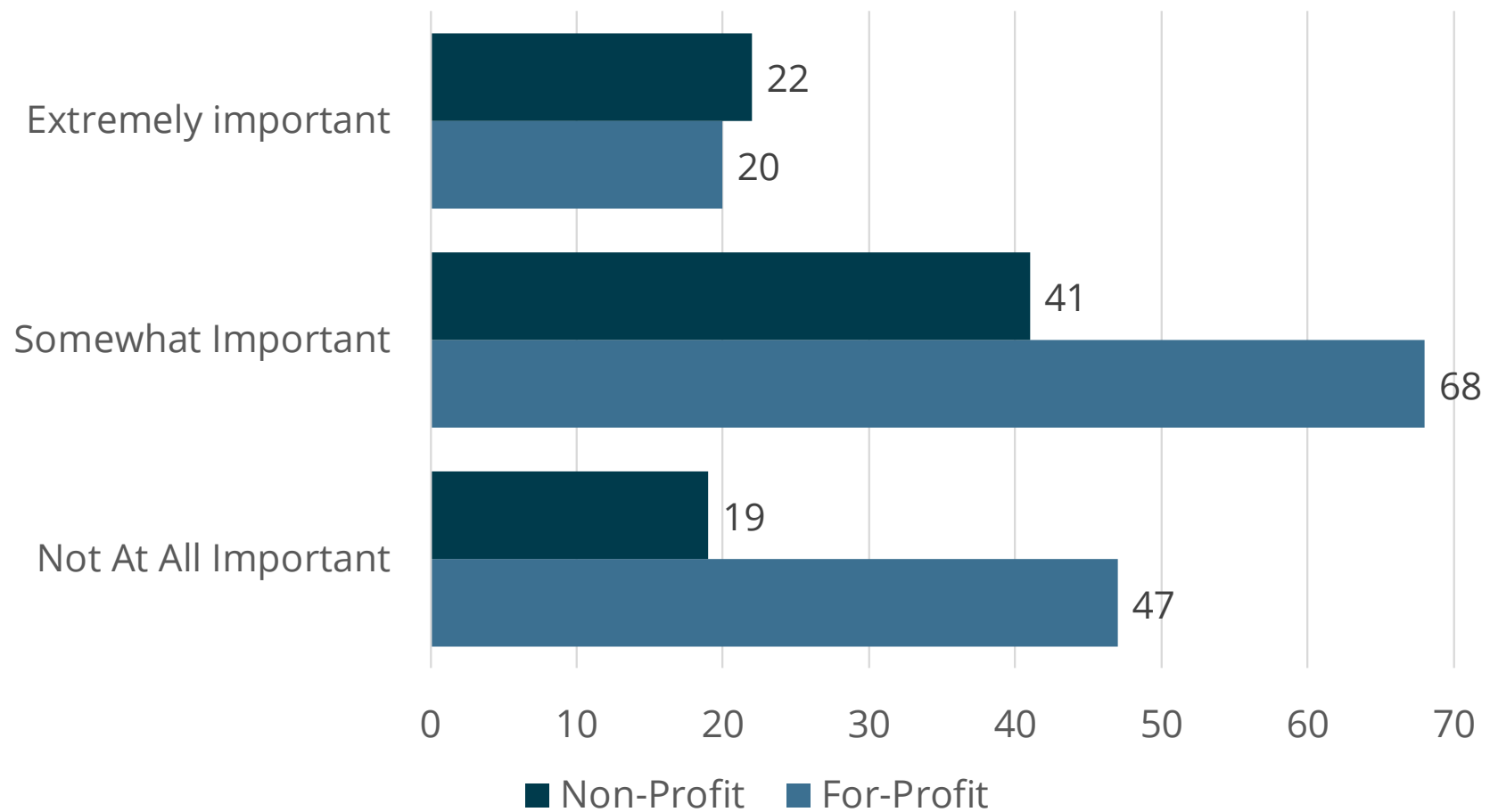
Of For-Profit firms see technical training and expertise as extremely important

60%

Of Non-Profit firms see technical training and expertise as extremely important

A Four-Year College Degree or Higher

A candidate's work experience is considered extremely important by both for-profit and non-profit employers, with both sets of employers answering almost identically.



Business Climate



Ease of Starting/Operating a Business

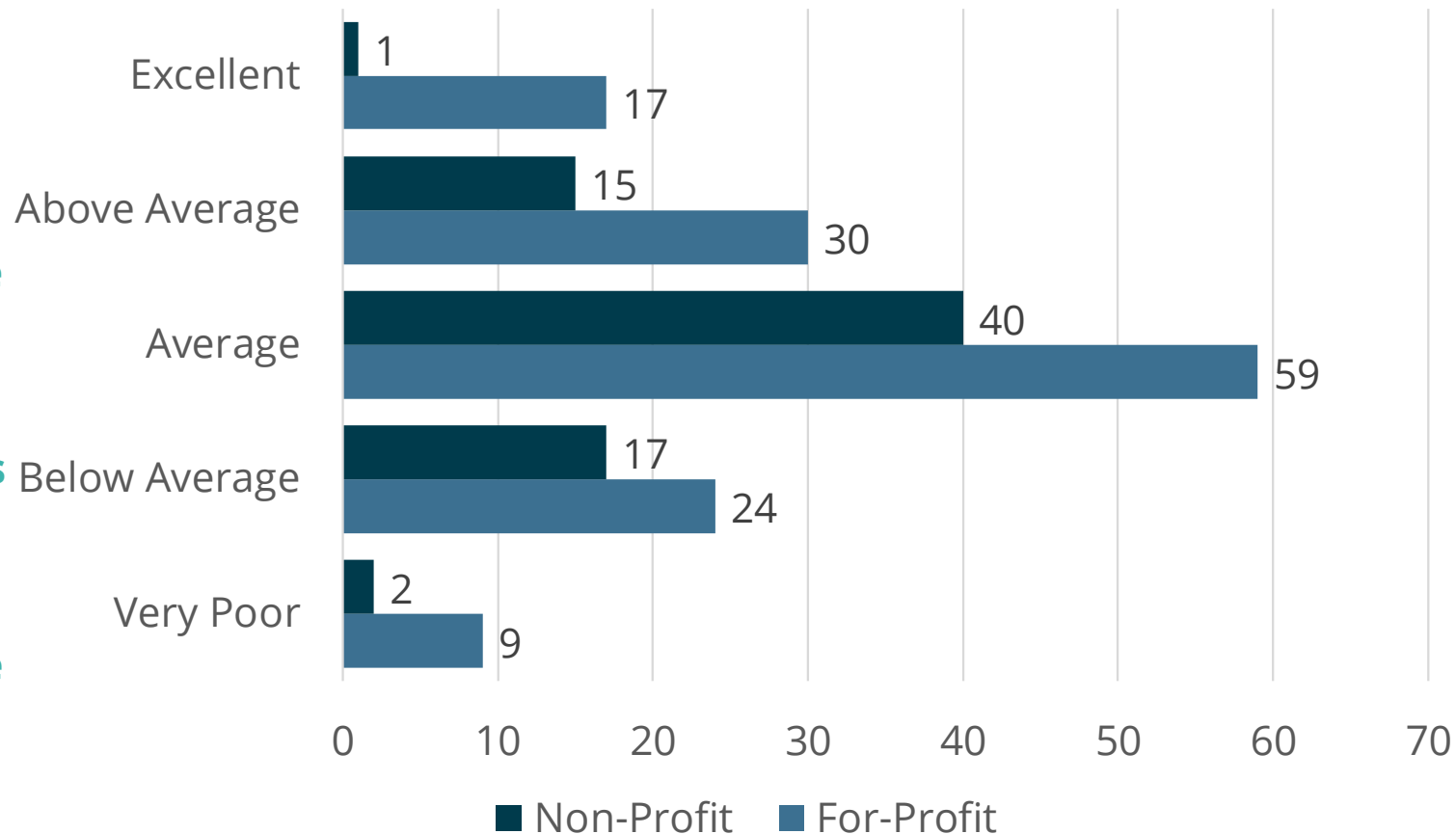
The majority of respondents rated San Diego very well as a place to do business. With for-profit (76%), non-profits (74%), and overall (75%) rating ease of starting or operating a creative industry organization as average, above average, or excellent. This equates to almost 3 in 4 businesses giving a positive rating.

35%

**Of For-Profits
site
"Regulations"
as the top
reason to rate
below
average**

50%

**Of Non-Profits
site
"Resources"
as the top
reason to rate
below
average**



Ease of Hiring

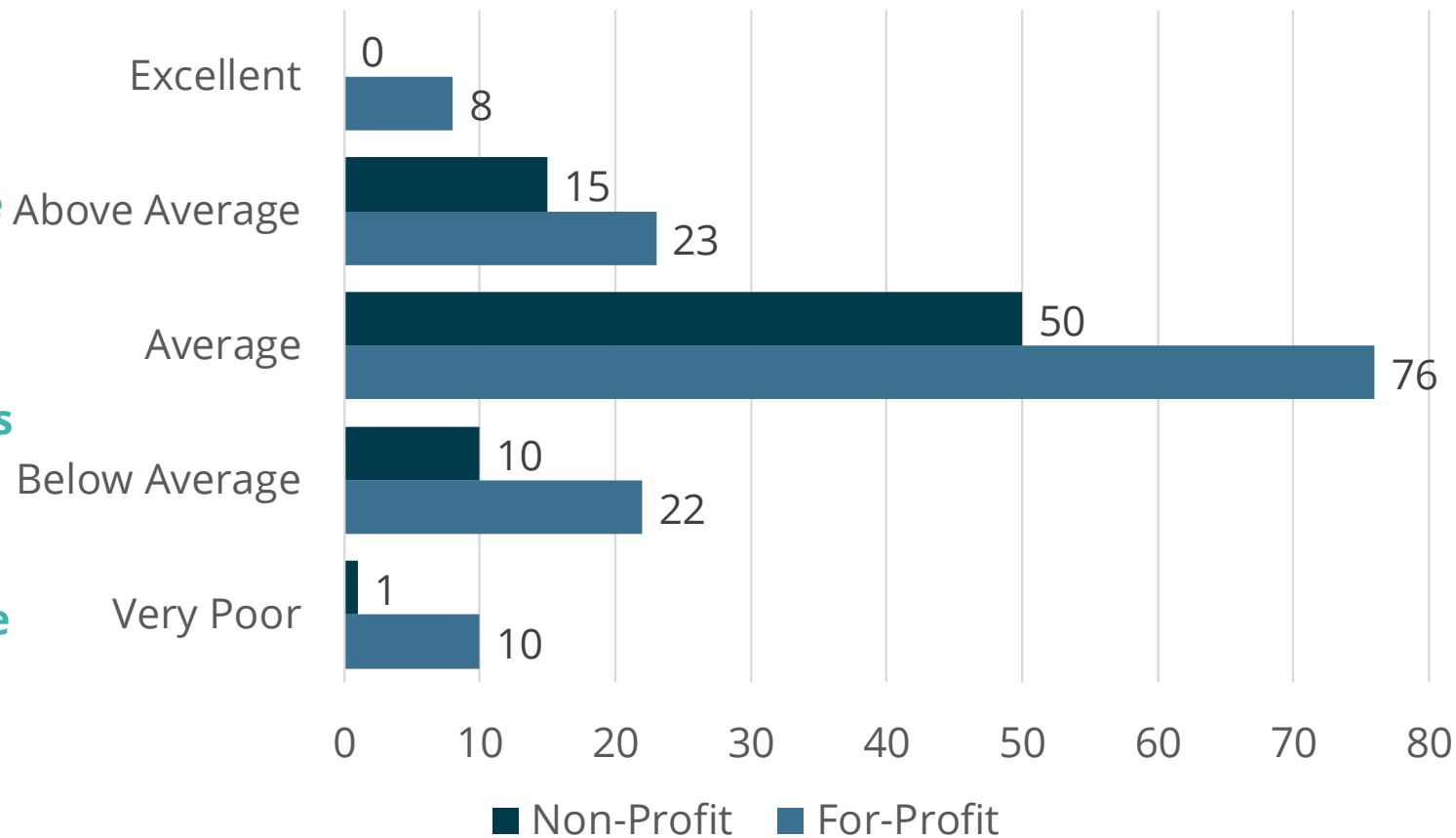
Most creative economy businesses had positive experiences in hiring, with for-profit (78%), non-profit (86%), and overall (79%) of respondents rating as average, above average, or excellent in hiring in San Diego County.

39%

Of For-Profits
site "AB 5" as
the top
reason to rate
below
average

57%

Of Non-Profits
site "Laborer
Shortage" as
the top
reason to rate
below
average



Ease of Business Regulations

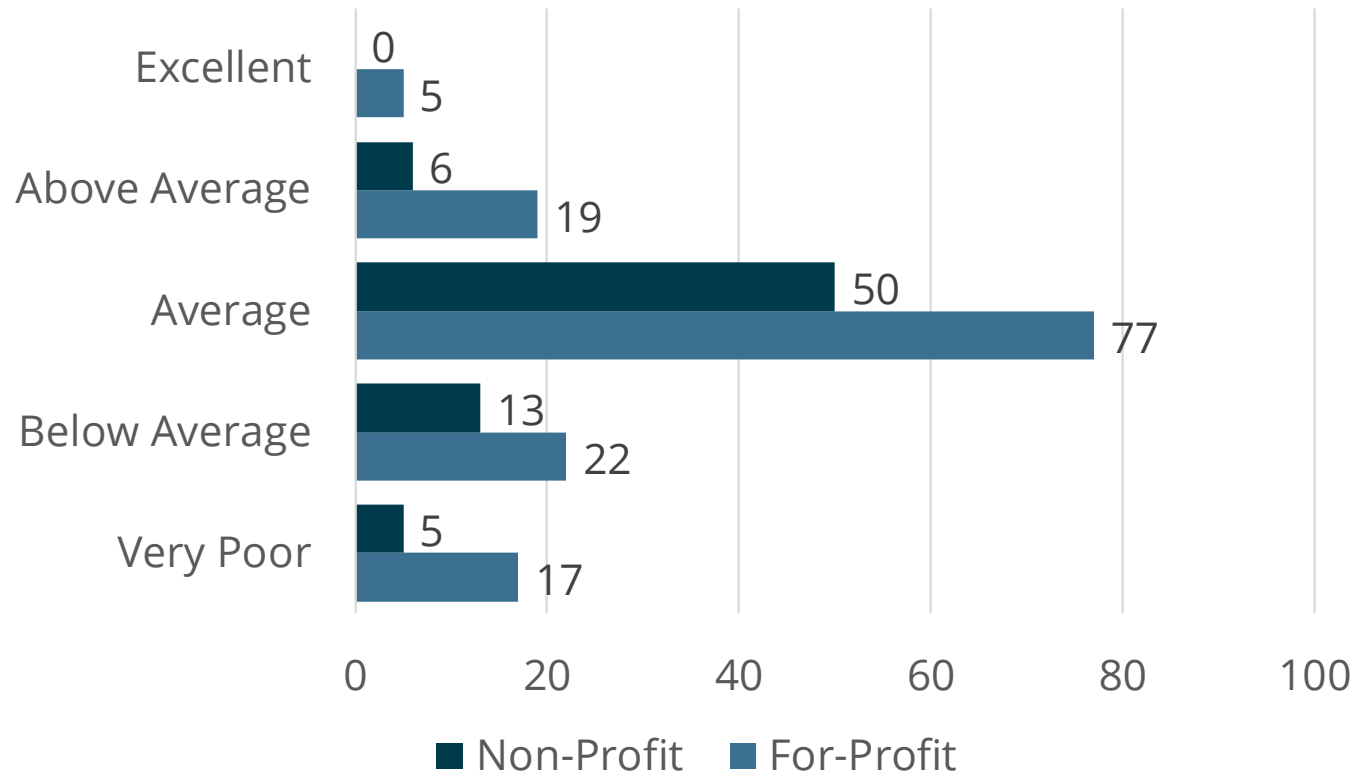
Similarly to the prior figures, most creative economy businesses had positive ratings for the ease of business regulations in San Diego. Ratings from for-profit (73%), non-profit (76%), overall (73%) were generally positive with most rating average, above average, or excellent.

44%

Of For-Profits
site "AB 5" as
the top
reason to rate
below
average

25%

Of Non-Profits
site
"Administrative
Difficulty" as the
top reason to
rate below
average

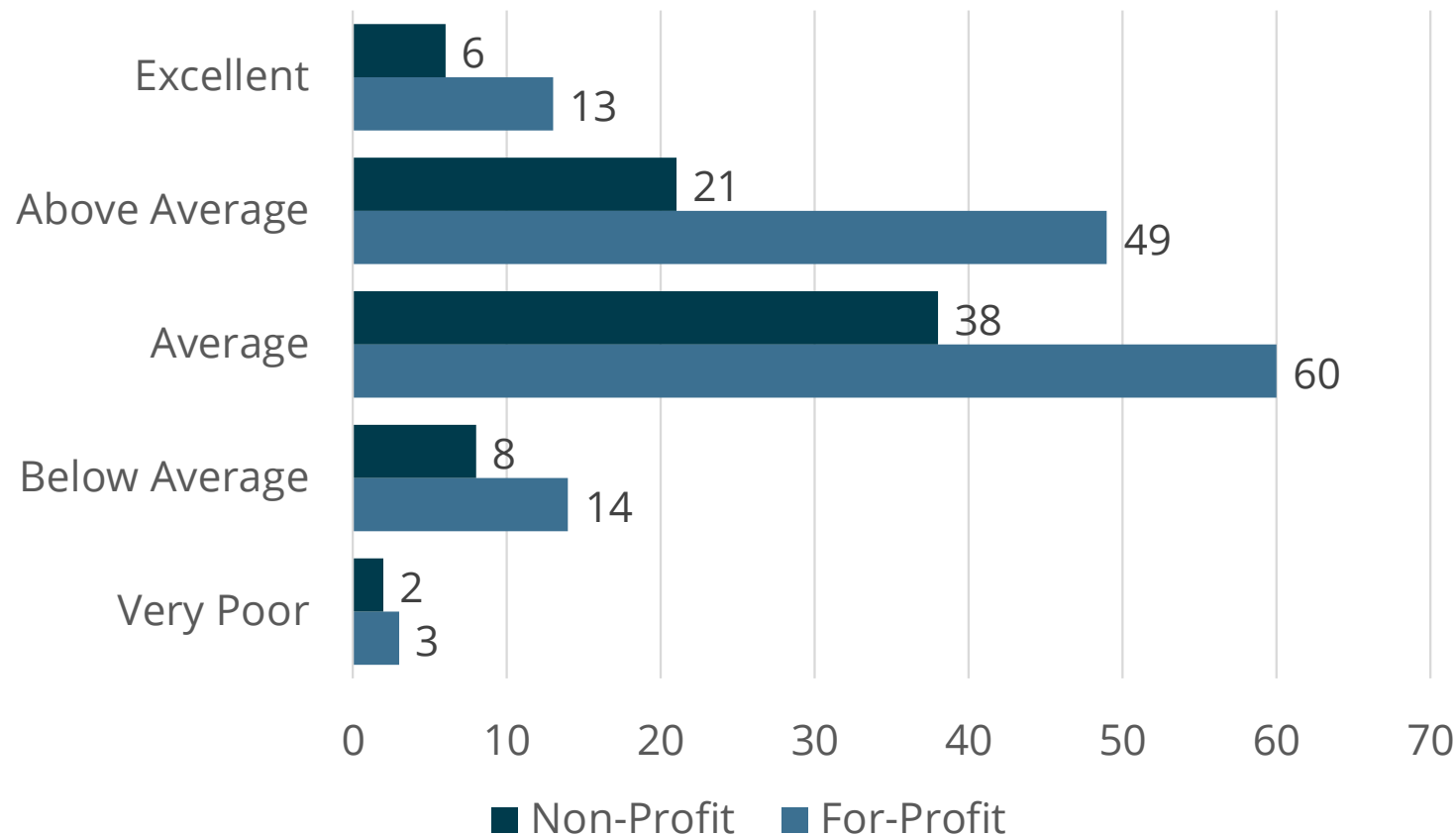


Skilled Workforce

Companies are overwhelmingly pleased with the skilled workforce in San Diego. For-profits (88%), non-profits (87%), overall (87%) of companies gave an average, above average, or excellent rating for San Diego having a skilled workforce.

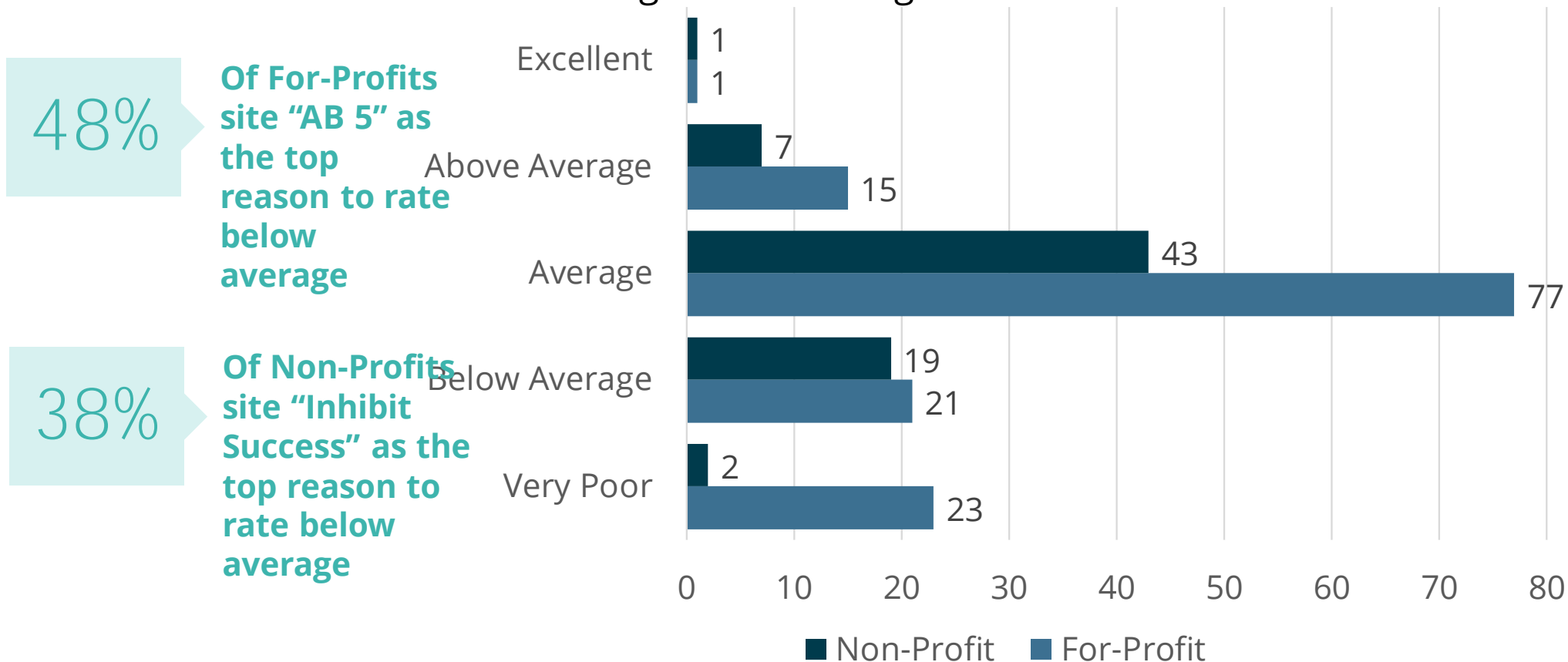
55%

Of all creative firms site "Laborer Shortage" as the top reason to rate below average



Government Regulation

Government regulation was rated lower than other questions, with for-profit (68%), non-profit (71%), overall (68%) rating average, above average, or excellent on government regulations. Although this is slightly lower ratings, overall, 2 in 3 businesses are satisfied with the government regulations.

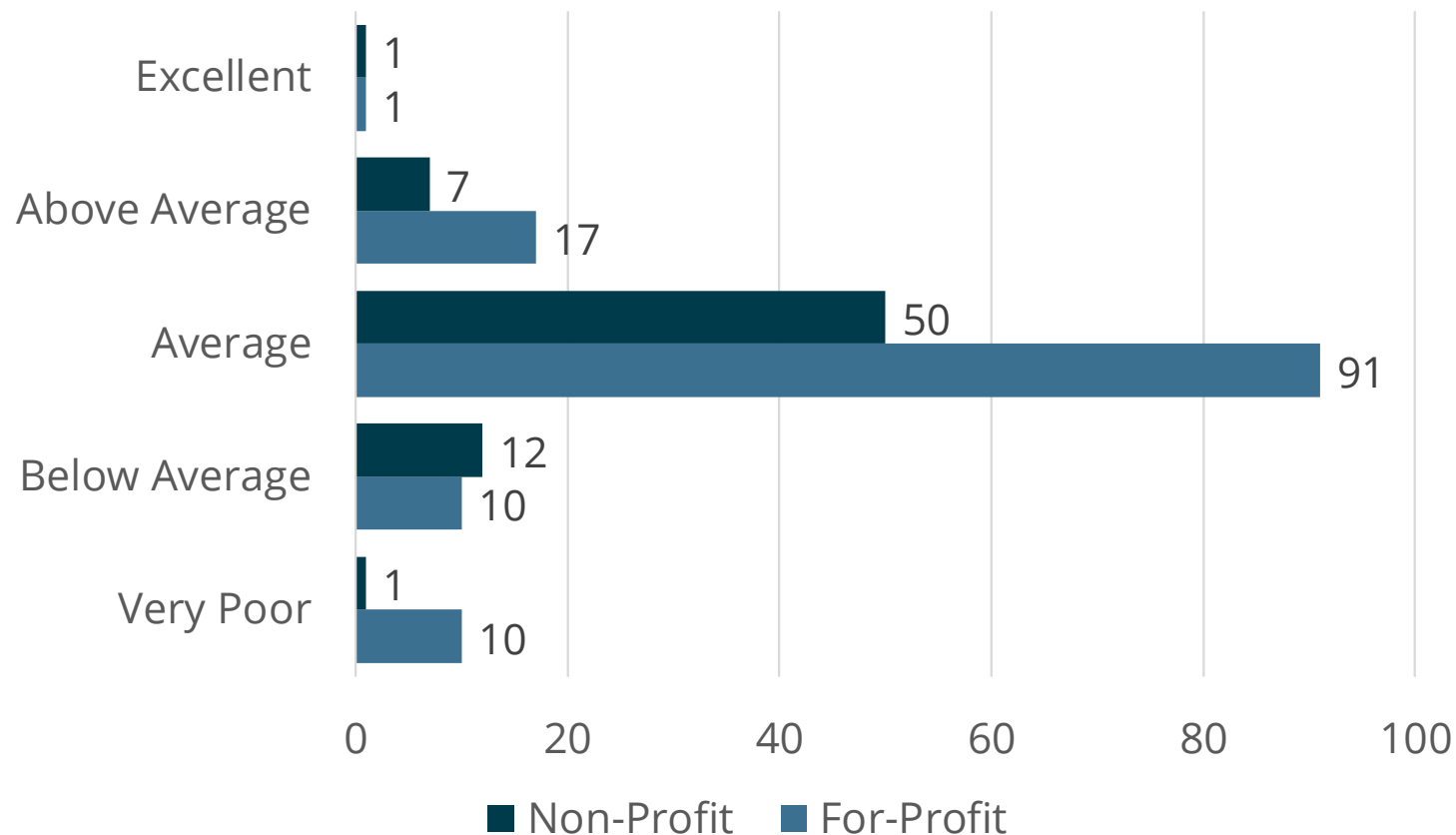


Contracting & Procurement

Respondents rated contracting and procurement highly, for-profit (85%), non-profit (81%), overall (81%) rating average, above average, or excellent.

28%

Of creative firms site "Difficult Process" as the top reason to rate below average

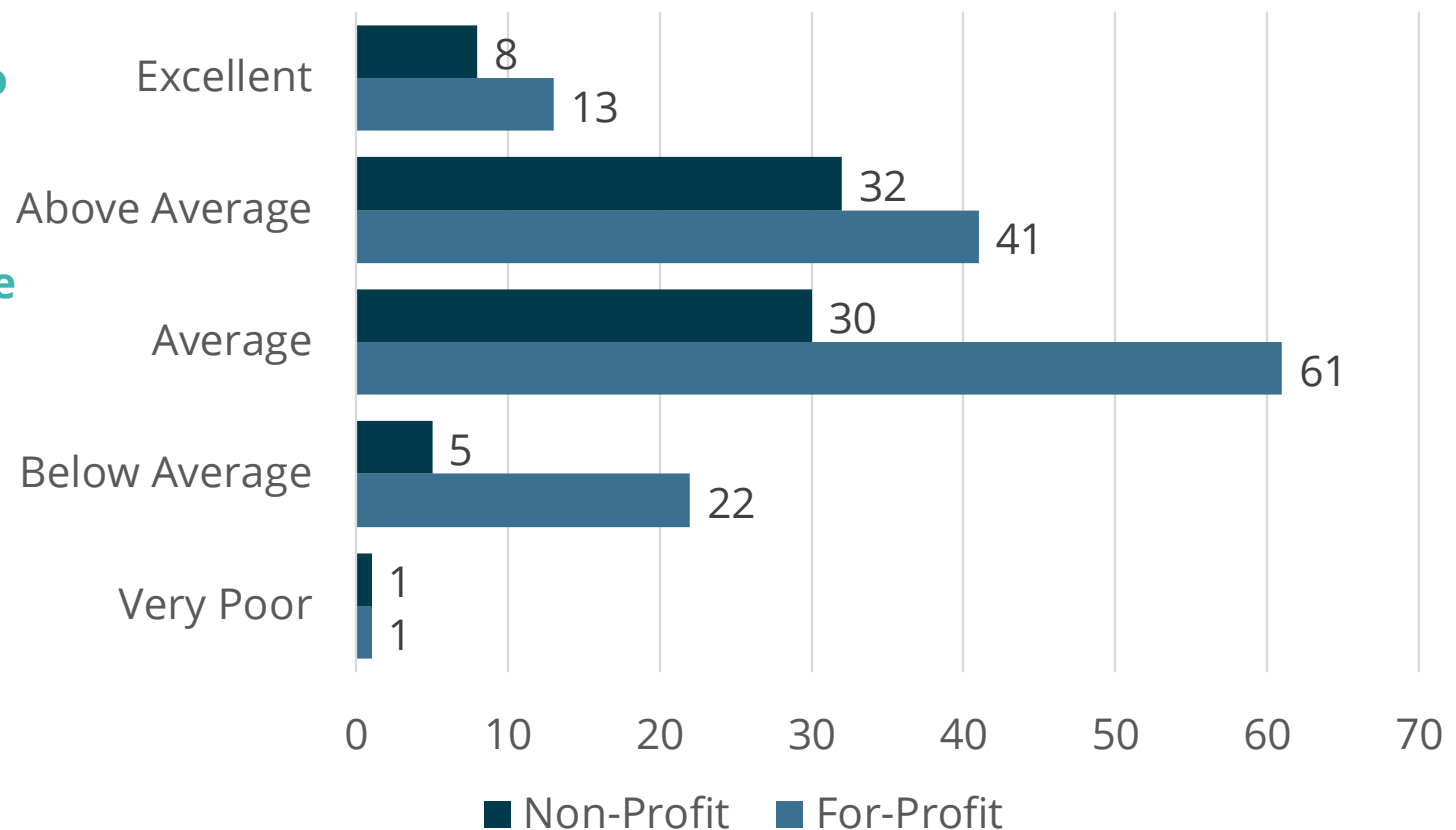


Training & Networking Opportunities

Creative economy industry businesses were overwhelmingly pleased with the training and networking opportunities in the San Diego region. For-profit (83%), non-profit (92%), overall (86%).

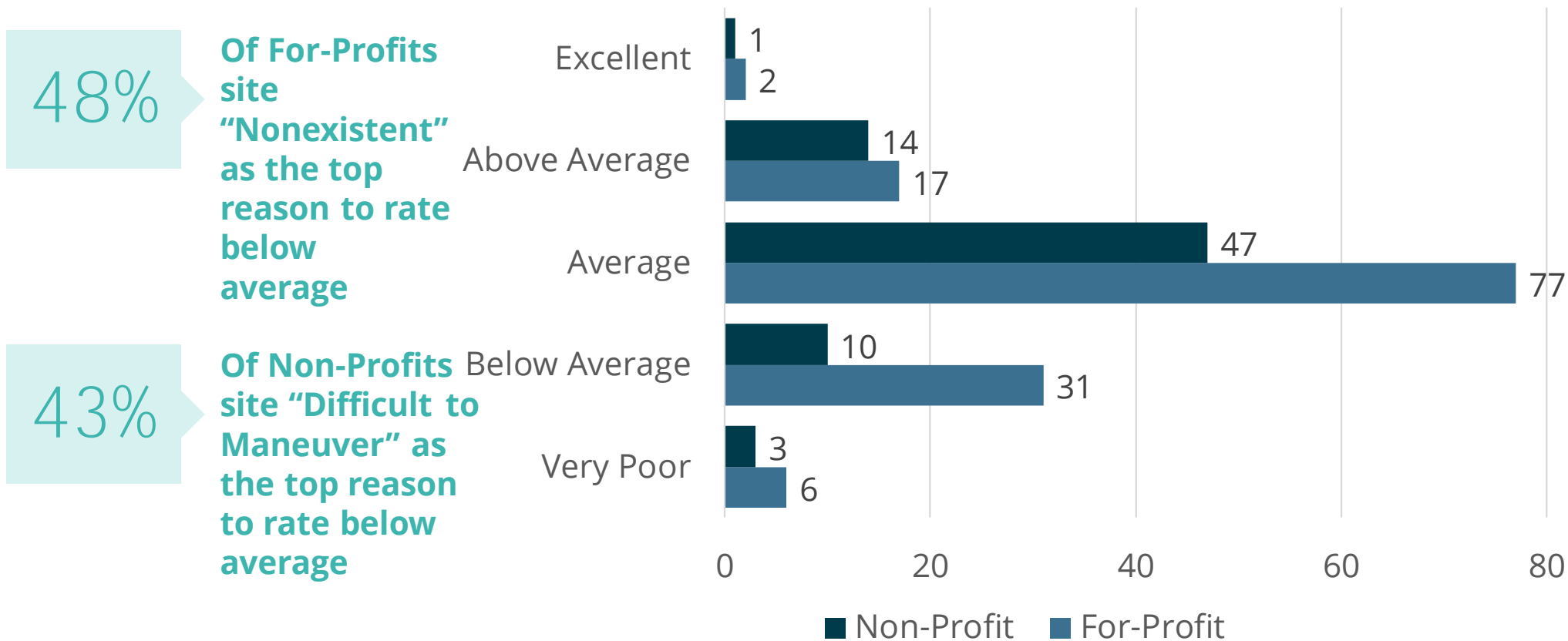
45%

Of creative firms site "No Local Options" as the top reason to rate below average



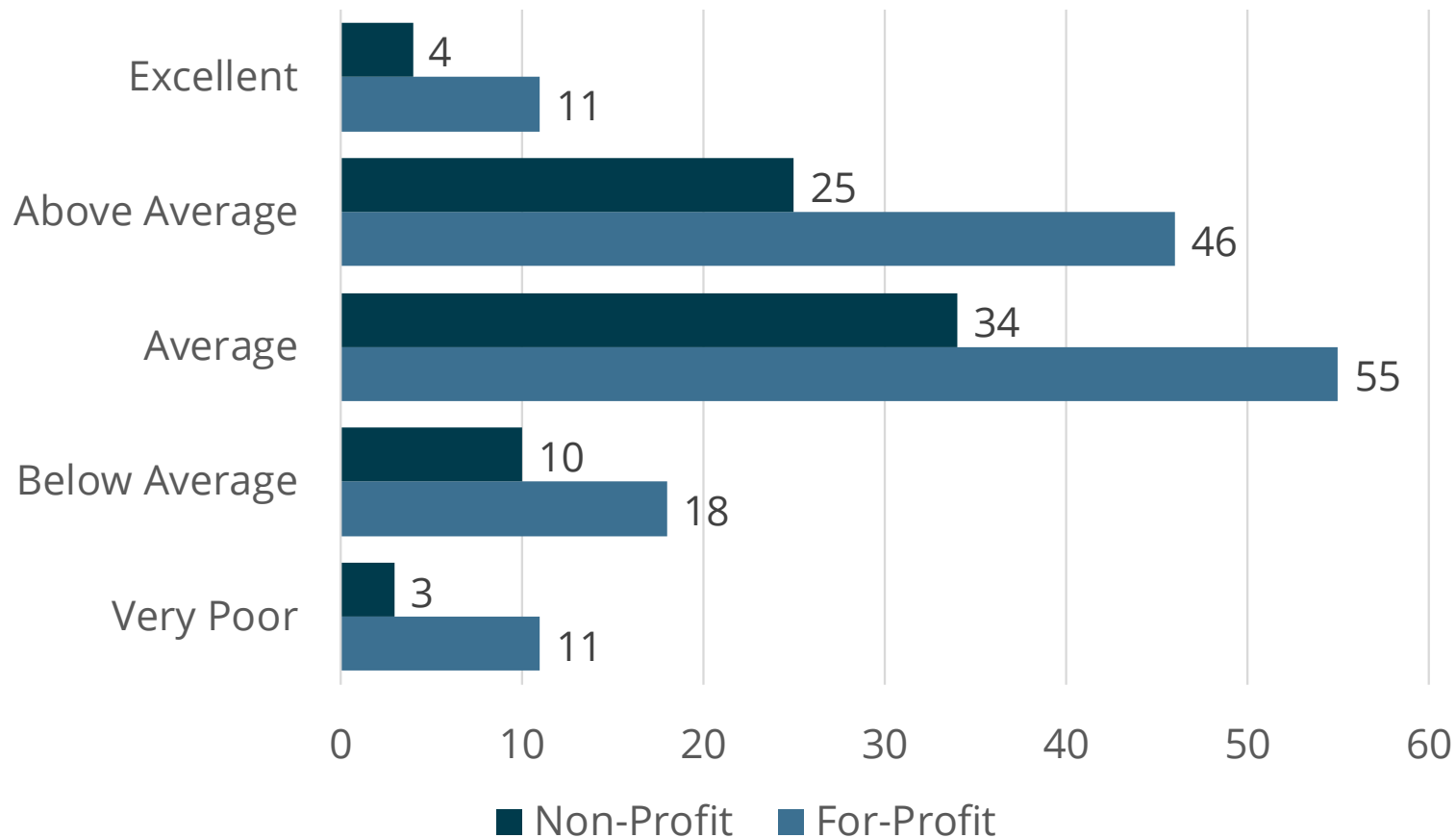
Government Websites for Business Assistance

The majority of creative economy businesses were satisfied with the existing government websites for business assistance. With for-profit (71%), non-profit (83%), overall (74%) rating the websites as average, above average, or excellent.



Overall, as a Place to Conduct Business

A vast majority of creative firms rated San Diego as a good place to do business. With for-profits (80%), non-profits (83%), and overall (80%) rating average, above average, or excellent. It is worth calling out that this question had a high percentage of companies rating above average or excellent, with for-profits (41%), non-profits (38%), overall (38%) giving a higher than average rating.



Employer Perceptions

“It [government agencies] should be subsidizing artist spaces and venues to make it easier for creatives to not just survive, but thrive here.”

“There are states that give tax incentives and are very supportive of production.”

“Simply put, when traveling to other cities it becomes quickly apparent to recognize if the city is one that curates culture, or if that culture is curated by its citizens. “

Most Cited Challenges

29%

Of For-Profits site **“Lack of Resources”** as the top challenge to do business in San Diego

32%

Of Non-Profits site **“Cost of Living”** as the top challenge to do business in San Diego

Appendix



Survey Overview

Quantitative: Web-based survey // 277 total qualified respondents

- + 425 respondents: sourced from EDC, UCSD, and other partner organizations
- + 277 qualified respondents: including decision-makers that work in creative industries

Qualifying companies:

- + Decision makers within creative firms, operating in San Diego County
- + Excluded: outside of San Diego County, they were not a decision-maker, anyone that did not select their business type, *and* their industry *and* did not complete any questions after that

Survey distribution process:

- + EDC, UCSD Extension, and partner organization databases: Email from each organization with direct link

Questionnaire development, programming, and fieldwork management:

- + UCSD Extension drafted the questionnaire, programmed the online survey interface, and managed the fieldwork/distribution with help from EDC team

Advisory Committee

Ann Berchtold	MIG Design
Christina Biber	City of San Diego
Bastiaan Bouma	AIA San Diego
Kirby Brady	City of San Diego
John Eger	SDSU Creative Economy Initiative
Jonathon Glus	City of San Diego
James Halliday	A Reason to Survive (ARTS)
Jane Hare	San Diego Media Pros
Lee Ann Kim	Pacific Arts Movement
Georgia Kovacs	UCSD Extension
Barbara Cosio Moreno	San Diego Theatres
Angelo Outlaw	ALGA San Diego
Susanna Peredo Swap	Vanguard Culture
Mario Sanguinet	Arts Professional
Brandy Shimabukuro	City of San Diego
Russ Sperling	San Diego Unified School District

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Produced March 2020