

FUTURE OF GROWTH IN SAN DIEGO:

THE ECONOMIC CASE FOR INCLUSION

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SAN DIEGO
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SAN DIEGO'S ECONOMIC IMPERATIVE FOR INCLUSION

The growth of San Diego's innovation economy has made the region better educated and more prosperous than most other metros. However, this economic transformation presents new challenges for future growth. Changing skill requirements, a nationwide battle for talent, and a soaring cost of living are combining to form an unequivocal threat to our regional competitiveness.

37%

HIGH SCHOOLERS GO ON TO COMPLETE COLLEGE

Hispanics represent nearly half of the future talent pipeline but are statistically the least prepared for high-skilled, in-demand jobs.

26%

SMALL BUSINESS JOBS ARE QUALITY JOBS

Businesses with fewer than 100 employees employ 59% of the workforce but often struggle to pay middle-income wages.

53%

HOUSEHOLDS CANNOT AFFORD TYPICAL COST OF LIVING

The majority of households in the region have incomes that do not meet the typical costs of living.

LEFT UNADDRESSED, SAN DIEGO WILL NO LONGER BE AN ATTRACTIVE PLACE TO LIVE OR DO BUSINESS

San Diego depends on a highly-educated workforce. However, talent shortages are likely to grow as demand for new skills accelerates and demographic gaps in educational attainment persist. The lack of quality jobs and a high cost of living further impact talent attraction and retention. For the region to remain competitive, an inclusive economic development strategy is needed.



BUILD A STRONG LOCAL TALENT PIPELINE



EQUIP SMALL BUSINESSES TO COMPETE



ADDRESS THE AFFORDABILITY CRISIS

SMART ECONOMIC DEVELOPMENT IS INCLUSIVE ECONOMIC DEVELOPMENT

A coalition of diverse stakeholders – from academia, local government, non-profits, and the private sector – established measureable goals for inclusive growth. The goals will guide a regional economic development strategy that is demand-driven, employer-led, and outcome-based.

REGIONAL GOALS FOR INCLUSIVE GROWTH

20K

SKILLED WORKERS PER YEAR
BY 2030

» Even more than recruitment and retention, the development of local talent is critical to maintaining regional competitiveness. Preparing today's black and Hispanic youth is essential, as they represent more than half of the future workforce. This means building programs that impact today's middle schoolers.

50K

QUALITY SMALL BUSINESS
JOBS BY 2030

» While skill development is essential, people cannot find opportunity if none exists. Job growth alone is not enough; investing in the creation of quality jobs is needed. This means more diverse founders and supporting existing small businesses in opportunity industries that are poised for high growth and have a higher concentration of quality jobs.

75K

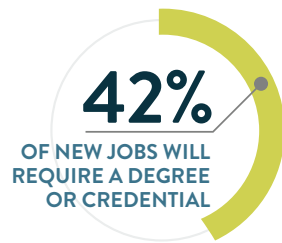
NEWLY THRIVING HOUSEHOLDS
BY 2030

» A high cost of living is driving talent out of the region. To grow incomes, investments must be made in developing more skilled workers and creating more quality jobs. However, more housing, more transportation options, and more childcare are needed.

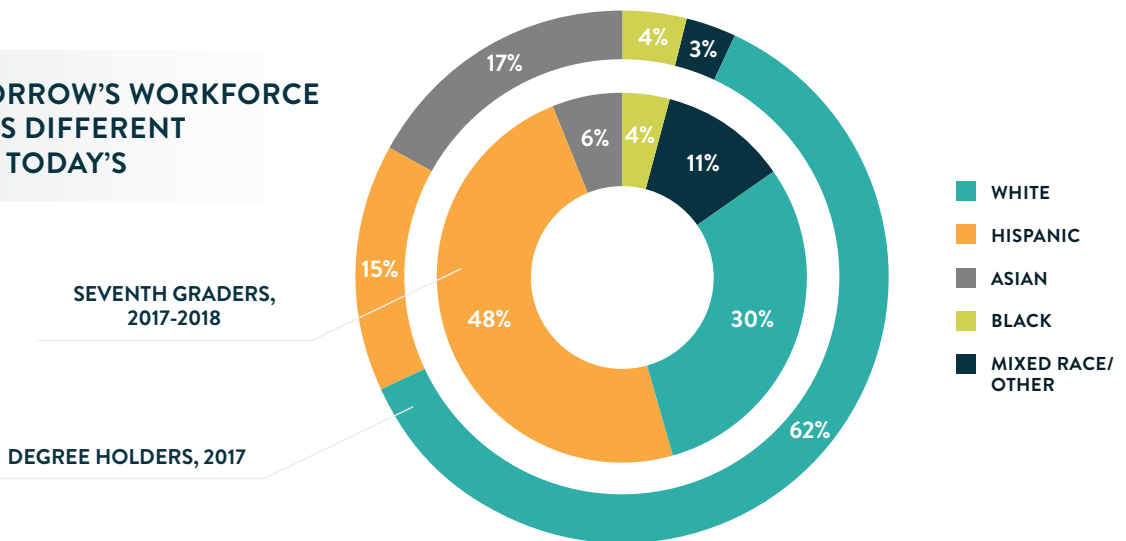


BUILD A STRONG LOCAL TALENT PIPELINE

Rapid technological and demographic changes are likely to grow existing talent shortages. Hispanics are the region's fastest growing population and statistically the least prepared for high-skilled, high-wage jobs – only 16% hold a bachelor's degree or higher. The proportion of jobs requiring some form of post-secondary education is only expected to rise. In order to meet the demands of San Diego's future economy, the region must **double the local production of skilled workers to 20,000 annual degree or credential completions by 2030.**

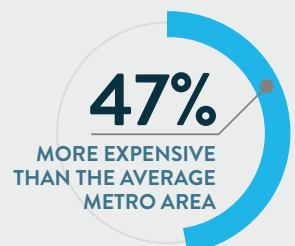
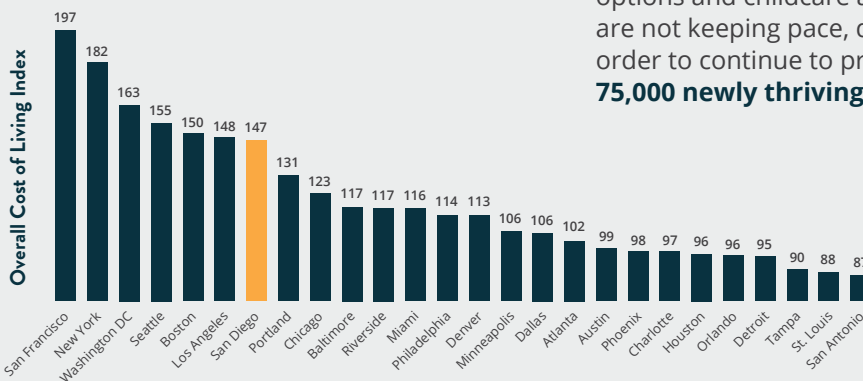


TOMORROW'S WORKFORCE LOOKS DIFFERENT THAN TODAY'S



ADDRESS THE AFFORDABILITY CRISIS

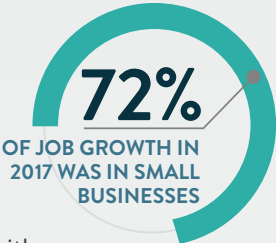
Ensuring San Diego is an attractive and affordable place for talent and business is critical to maintaining its regional competitiveness. However, 53% of households in the region are not thriving, meaning their incomes do not meet the typical costs of living. While the cost of housing is the primary driver, a lack of transportation options and childcare are also major contributors. Wages are not keeping pace, driving talent out of the region. In order to continue to prospering, the region must **create 75,000 newly thriving households by 2030.**



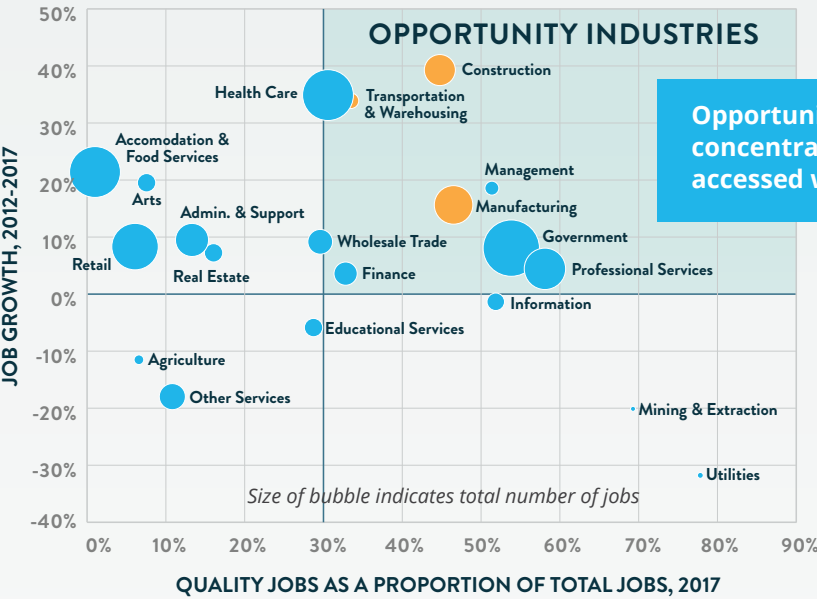
HIGH COST OF LIVING HINDERS COMPETITIVENESS



EQUIP SMALL BUSINESSES TO COMPETE



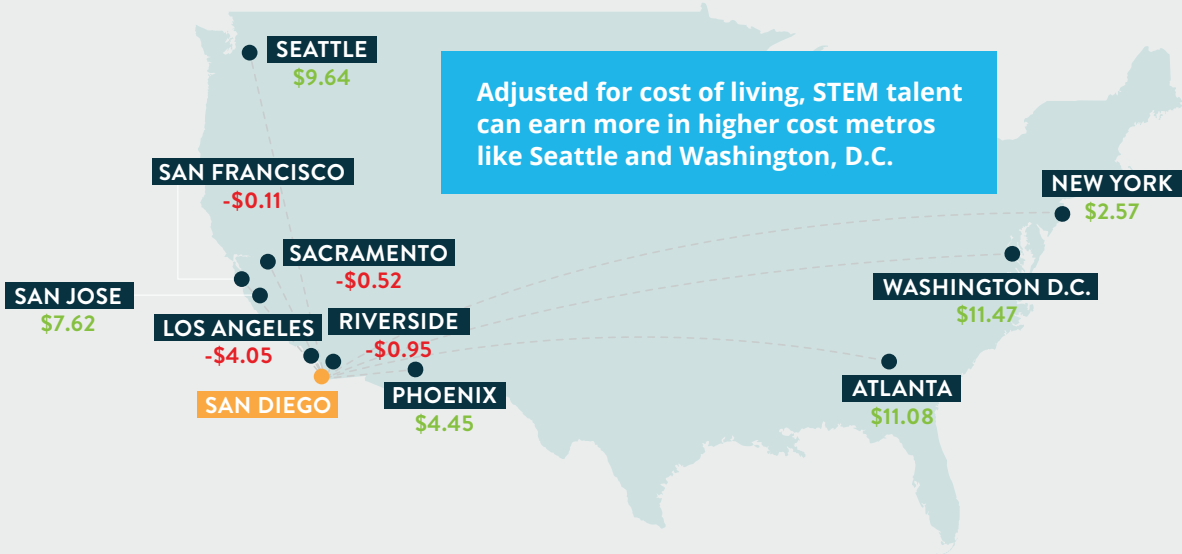
Most of the job growth in recent years has come from small businesses – those with fewer than 100 employees. However, most are not quality jobs that pay middle-income wages of at least \$40,500. Despite record inflows of venture capital, new business formation has slowed and business ownership remains low among women and people of color, especially in high-growth industries. In both the innovation and supporting industries, the region must **create 50,000 quality jobs within small businesses by 2030.**



Opportunity Industries have a higher concentration of quality jobs that can be accessed without a bachelor's degree.



TOP 10 DESTINATIONS FOR SAN DIEGO STEM GRADS & COST OF LIVING ADJUSTED WAGES





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For a series of interactive reports and to track the region's progress: visit inclusivesd.org

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