

## EDC's Traded Clusters: 2022 Update.

Every year, San Diego Regional EDC Research Bureau updates high-level data for our region's [key industries](#). Industry data are updated every June and include total number of jobs, average wages, and total establishments.

These industry data are reflected in EDC's new [Traded Clusters Dashboard](#), an interactive tool that explores employment concentrations and changes over time across the San Diego region.

Data are sourced through the Bureau of Labor Statistics' [Quarterly Census of Employment and Wages \(QCEW\)](#) survey. Each quarter, the QCEW survey collects employer data on employment and wages, covering more than 95 percent of U.S. jobs. The survey does not capture self-employment. QCEW uses North American Industry Classification System (NAICS) codes to record data by industry. Data are released six months after the close of the recorded quarter. Complete annual data is not available until June of the following year.

### Notable changes in 2022

In our 2022 update, we noticed significant employment fluctuations in two industries. Retail jobs fell 16.5 percent while government jobs rose 25 percent from December of 2021 to January of 2022, and both sustained that level throughout the year. You can explore this in our Traded Clusters Dashboard, under the 'Industry growth' tab. However, no significant events such as mass layoffs or company closures occurred in the region that could have affected employment to this magnitude.

These sudden fluctuations were likely caused by technical updates associated with the introduction of new industry definitions and/or annual revisions. This affects the reporting of the data at the back end, causing the allocation of jobs to shift across industries or geographies.

### Technical notes

The [Annual Refiling Survey](#) is conducted on a three-year cycle to ensure the maintenance of accurate records so each establishment is associated with the correct NAICS industry code and geography. Establishments might be geographically reclassified because of economic events or administrative changes. For example, economic change would come from an establishment relocating its operations; an administrative change would come from an establishment correcting its county designation. The updated establishment records are introduced in the first quarter of the following year.

It is important to note that NAICS codes are reviewed every five years to determine if there are any necessary changes. EDC's industry definitions are revisited and updated according to the latest NAICS codes. QCEW data are recorded in the most recent version of NAICS. In 2022, the NAICS codes were updated again and will be used through 2026. For more information on NAICS code changes and the updating process, please refer to the [NAICS association website](#). After a careful assessment, it

was determined that none of the 2022 NAICS updates affected the reporting of our industry definitions.

EDC's industries are defined by groupings of NAICS codes. Industry definitions by NAICS were assessed by the EDC Research Bureau by evaluating the composition of each key industry in the economic context of the region. Our Traded Clusters schema consists of four traded industry clusters—local, innovation, military, and tourism—and 15 industries. Unclassified industries are not captured due to being a statistically insignificant number. To request the list of NAICS for a certain industry, please reach out to [research@sandiegobusinness.org](mailto:research@sandiegobusinness.org).

