Metro Economic Outlook: San Diego

High tech, health care and military operations are the anchors for the San Diego region’s economy, and the success of those industries has helped drive down the local unemployment rate in recent years.

However, the need for highly-skilled workers to staff the payrolls in those sectors has created some heavy competition for talent in the San Diego area, said Tina Ngo Bartel, director of research with the San Diego Workforce Partnership (SDWP), a non-profit that funds job training and conducts research on the local economy.

Demand for those workers has also resulted in “wage wars” between companies, particularly those who belong to STEM (science, technology, engineering and mathematics) industries, Ngo Bartel said.

“It’s happening quite a bit in life sciences, information technology and aerospace,” she said. “Aerospace in particular is having a lot of difficulty. Their workforce is aging, and the positions need security clearances, plus plenty of experience. It’s putting some employers at risk.”

Demand for top aerospace talent isn’t expected to go away soon. Production of unmanned aerial vehicles (UAV), sometimes referred to as drones, is responsible for nearly $2.3 billion in direct and related economic activity locally, according to a report commissioned by the San Diego North Chamber of Commerce.

The UAV industry also supports more than 7,000 local jobs, and global demand for UAVs is expected to reach $12 billion by 2019, according to the chamber’s report.
The San Diego metropolitan area covers San Diego County and includes the cities of Carlsbad, San Marcos and Chula Vista.

The area’s “military/industrial complex” contributes $28 billion annually to the local economy and employs nearly 25 percent of the region’s labor force, according to a study by the nonprofit San Diego Military Advisory Council.

And one local program creates job opportunities specifically for veterans in the San Diego region. Workshops for Warriors, which serves post-9/11 veterans aged 22 to 35, provides training in machining, welding and related fields. It has placed 171 veterans in jobs since its inception in 2011.

“It’s a successful program that has backing from the private sector,” Ngo Bartel said. “They focus on very specialized skill sets. There aren’t many kids coming out of high school that are taking these types of jobs, so this program addresses those needs.”

High tech, tourism and the “sports and active lifestyle” sector are also significant contributors to the San Diego region’s fiscal health. The sports/active lifestyle industry alone has a $1.3 billion annual impact on the local economy, Ngo Bartel said.

Some of San Diego’s major private sector employers include technology development and communications company Qualcomm, government contractor and scientific interest SAIC, and NASSCO, a division of General Dynamics that designs and manufactures vessels for the U.S. Navy.
### Employee Benefits Data

**Employers offering consumer-driven health plans**

Employers in the San Diego metro area offer consumer-driven health plans at the same rate as the national level.

![Graph showing percentage of employers offering consumer-driven health plans](#)

**Employers offering domestic partner benefits**

They are substantially more likely to offer domestic partner benefits, by a 42 percent margin above the national level.

![Graph showing percentage of employers offering domestic partner benefits](#)

Source: SHRM Health Care Benefits Database (2014)

### Retirement

**Employee 401(k) participation rate**

The rate of 401(k) participation in the San Diego metro area’s workforce is lower than the national level, by a margin of 9 percent.

![Graph showing percentage of employees participating in 401(k) plans](#)

The turnover rate in the San Diego metro area’s workforce is slightly higher than the national level, by a margin of 2 percent.

Median household income in the San Diego metro area is somewhat higher than the national level, by more than $9,000 annually.

Per capita income in the San Diego metro region is slightly higher than the national level, by more than $2,000 annually.
Top Management Salaries Data

Median salaries, top management

<table>
<thead>
<tr>
<th>Position</th>
<th>San Diego Metro</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Top legal executive</td>
<td>$282,700</td>
<td>$305,400</td>
</tr>
<tr>
<td>*Chief information officer</td>
<td>$287,500</td>
<td>$264,300</td>
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<tr>
<td>*Top HR executive</td>
<td>$272,000</td>
<td>$265,200</td>
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<tr>
<td>*Chief financial officer</td>
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<td>$344,400</td>
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<tr>
<td>Chief executive officer</td>
<td>$696,300</td>
<td>$618,400</td>
</tr>
</tbody>
</table>

Source: Towers Watson Data Services 2014 Survey Report on Top Management Compensation

Median salaries for top management positions in the San Diego metro area are typically higher than national levels.

*California state median data

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