

SAN DIEGO COUNTY'S SPORTS AND ACTIVE LIFESTYLE INDUSTRY CLUSTER



AN ECONOMIC IMPACT AND WORKFORCE NEEDS ASSESSMENT

OCTOBER 2013

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San Diego Workforce Partnership

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San Diego Regional Economic Development Corporation
San Diego Sport Innovators



SAN DIEGO REGION'S SPORTS AND ACTIVE LIFESTYLE INDUSTRY SETS A RAPID PACE FOR GROWTH

3-5%

Sports & Active Lifestyle Businesses

vs.

1-2%

Entire San Diego County

EMPLOYMENT GROWTH 2012-2013

UNDERSTANDING A DYNAMIC CLUSTER

Not only are San Diego's diverse natural assets, including beaches, mountains and deserts, an ideal setting for participating in sports and living an active lifestyle, they provide a valuable testing ground for developing sports-related products and services. Many companies started in San Diego or moved to the region to capitalize on the amenities and the existing community. But just how important is this industry cluster to San Diego's economy and workforce?

San Diego County's Sports and Active Lifestyle (SAL) Industry Cluster report analyzes and focuses on firms that provide products and/or services that allow or assist people in the participation of sports and an active lifestyle. While supporting industries such as healthcare and rehabilitation, tourism and recreation, recreational infrastructure (public sector), and professional sports and gaming create a valuable foundation for the SAL industry cluster, these supporting industries were not included in this study's parameters.

SAN DIEGO'S SPORTS AND ACTIVE LIFESTYLE INDUSTRY CLUSTER:

...is driven by startup activity and business relocation.

...has the second largest number of jobs in the nation for sporting and athletic goods manufacturing.

...hires locally: San Diego employers reported that they rarely or never hire from outside; **75 percent** of the time hires are made within the region.

...is robust: **43 percent of the 1,200 businesses** have been established since 2008 and have grown despite the recession.

...has payrolls totaling **\$793.4 million**.

...accounted for **1.3 percent** of San Diego's 2011 economy, which is equivalent to hosting four Super Bowls every year.

QUICK FACTS

San Diego's Sports and Active Lifestyle industry cluster includes:

More than **1,200 BUSINESSES** and approximately **23,000 EMPLOYEES**

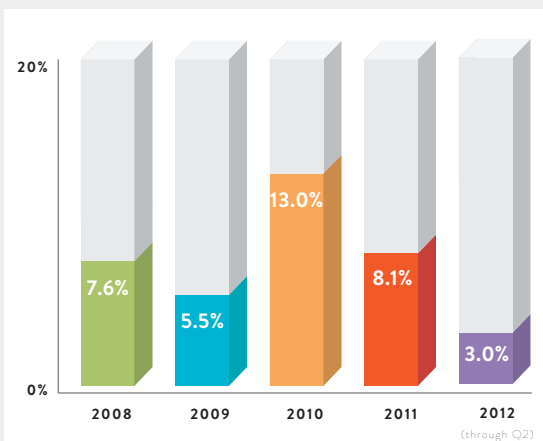
\$1.35 BILLION direct economic impact

\$2.24 BILLION total economic impact with indirect and induced effects

32,407 jobs dependent upon sports, active lifestyle and recreation related activities

700 NEW JOBS added between 2012-2013

Percentage of SAL Growth in Establishments, 2008-2012 (Q2):





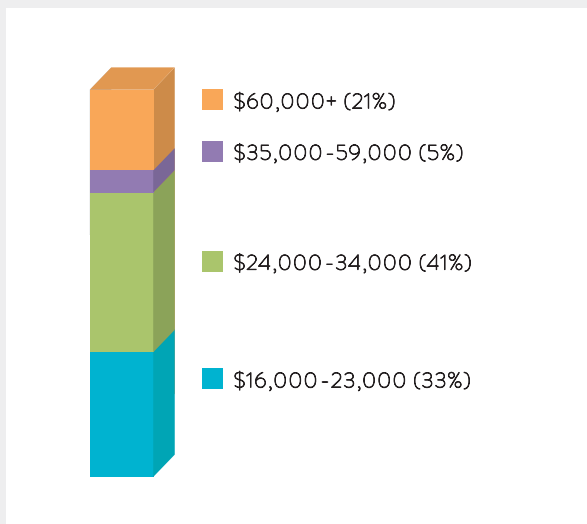
**SPORTS
AND ACTIVE
LIFESTYLE
ECONOMIC
IMPACT**

**= HOSTING FOUR SUPER
BOWLS EVERY YEAR.**

EMPLOYER RESPONSES

- **60 percent** of employers agreed San Diego is an “ideal” “excellent” or “good” location to start and/or grow SAL businesses.
- **80 percent** of employers agreed with the statement: “San Diego’s natural assets...provide a valuable testing ground for developing sports-related products and services.”
- Employer concerns: product shipping and logistics; and talent and ability to find workers.
- Employers are generally willing to train for industry-specific or technical skills, but expect applicants to be proficient with nontechnical work readiness skills—applicants need to be able to communicate with customers and colleagues.

Average Wage Distribution for SAL Cluster, San Diego County (2011)



Importance of Entry-Level Skills, Experience and Training



HOW CAN WE HELP SPORTS AND ACTIVE LIFESTYLE BUSINESSES THRIVE?

1. Highlight San Diego’s natural assets
2. Develop strong workplace readiness or non-technical training modules
3. Focus on entrepreneurship and support emerging business leaders
4. Include technology and mathematics in training curriculum for product development and design
5. Test and remediate algebra and English skills
6. Focus on logistics and invest in ports and airports that are critical in reducing costs and shipping time
7. Strengthen ties with Mexican businesses for manufacturing partnerships

FOR A COPY OF THE COMPLETE REPORT, PLEASE VISIT ONE OF THE FOLLOWING SITES:

SAN DIEGO WORKFORCE PARTNERSHIP

workforce.org

SAN DIEGO REGIONAL ECONOMIC DEVELOPMENT CORPORATION

sandiegobusiness.org

SAN DIEGO SPORT INNOVATORS

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