

2021 North County Indicators





Agenda

Part 1 :: Overview of North County Indicators

What are the North County Indicators and why do they matter?

Part 2 :: State of North County

How has North County been impacted by the pandemic?

Part 3 :: What's Next for North County

What are the issues and opportunities for the region?

Part 1

An Overview of the North County Indicators (NCI)



What are the North County Indicators (NCI)?

NCI is a quantitative and holistic set of metrics that describe North County's economy.

North County Indicators have evolved from 2013 into 47 metrics and 76 datasets that represent five key components of the North County Economy;

- People
- Economy
- Innovation
- Place
- Education

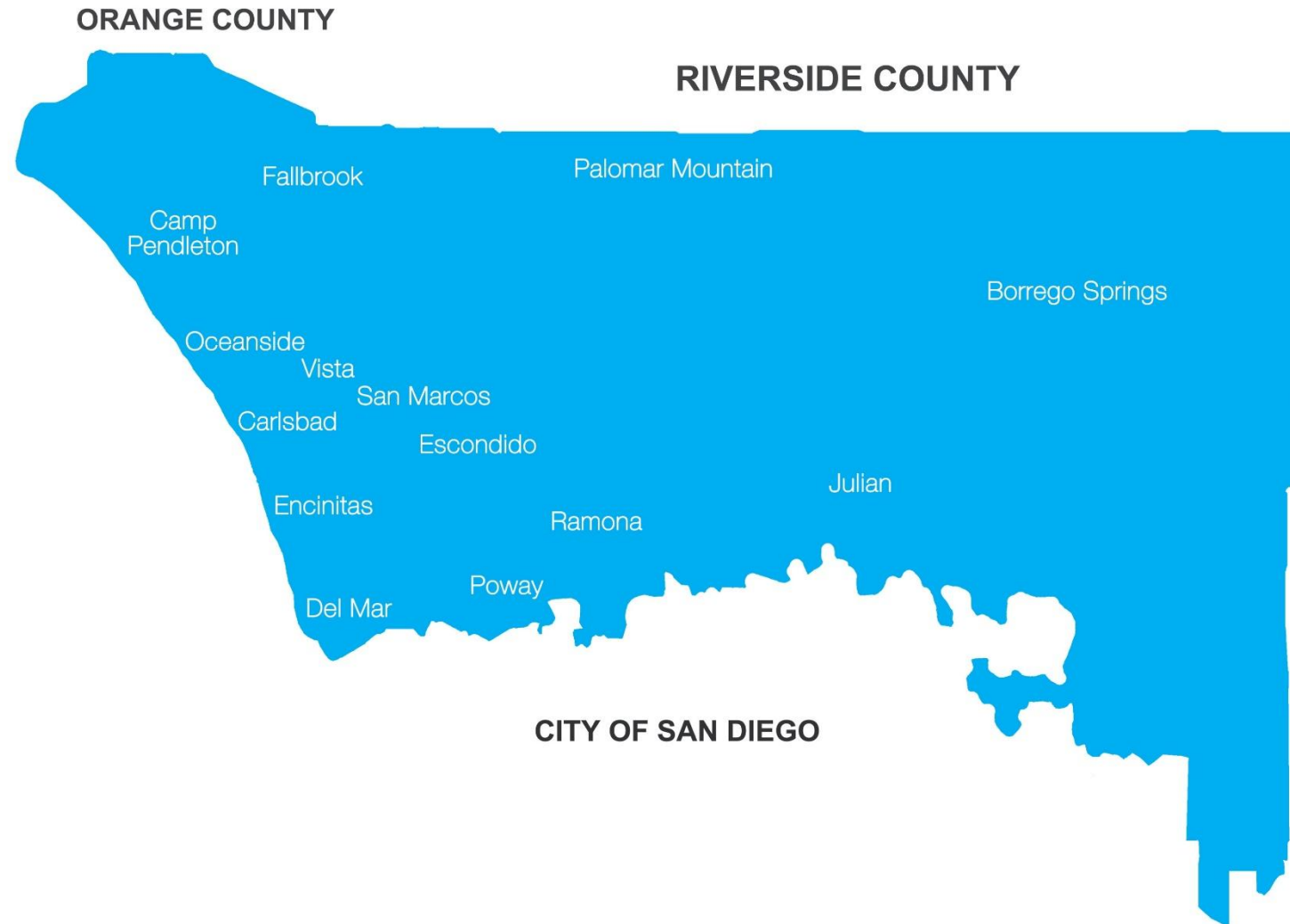


Why North County Indicators (NCI)?

1. A resource and reference guide for North County's economy.
2. A tool to track changes and describe how North County is evolving.
3. An asset to identify strengths, challenges and opportunities for regional economic development.
4. Provide a baseline of data and evidence to start a community dialogue.

Map of North County

San Diego's North County, which includes 9 cities and considerable unincorporated areas within the County





Five Key Components

| | |
|------------|---|
| People | The People indicators provide an understanding North County's evolving population, demographics, and household income. |
| Economy | These Economy indicators provide a comprehensive picture of the region's employment, industry clusters, and wages. |
| Innovation | The Innovation indicators track business births and deaths, R&D investments, and venture capital funding. |
| Education | These Education indicators highlight the population's educational attainment and K-12 metrics ranging from CAASP scores to dropout rates. |
| Place | These Place indicators provide data on North County's housing, transportation, commercial real estate, and water usage. |

Part 2

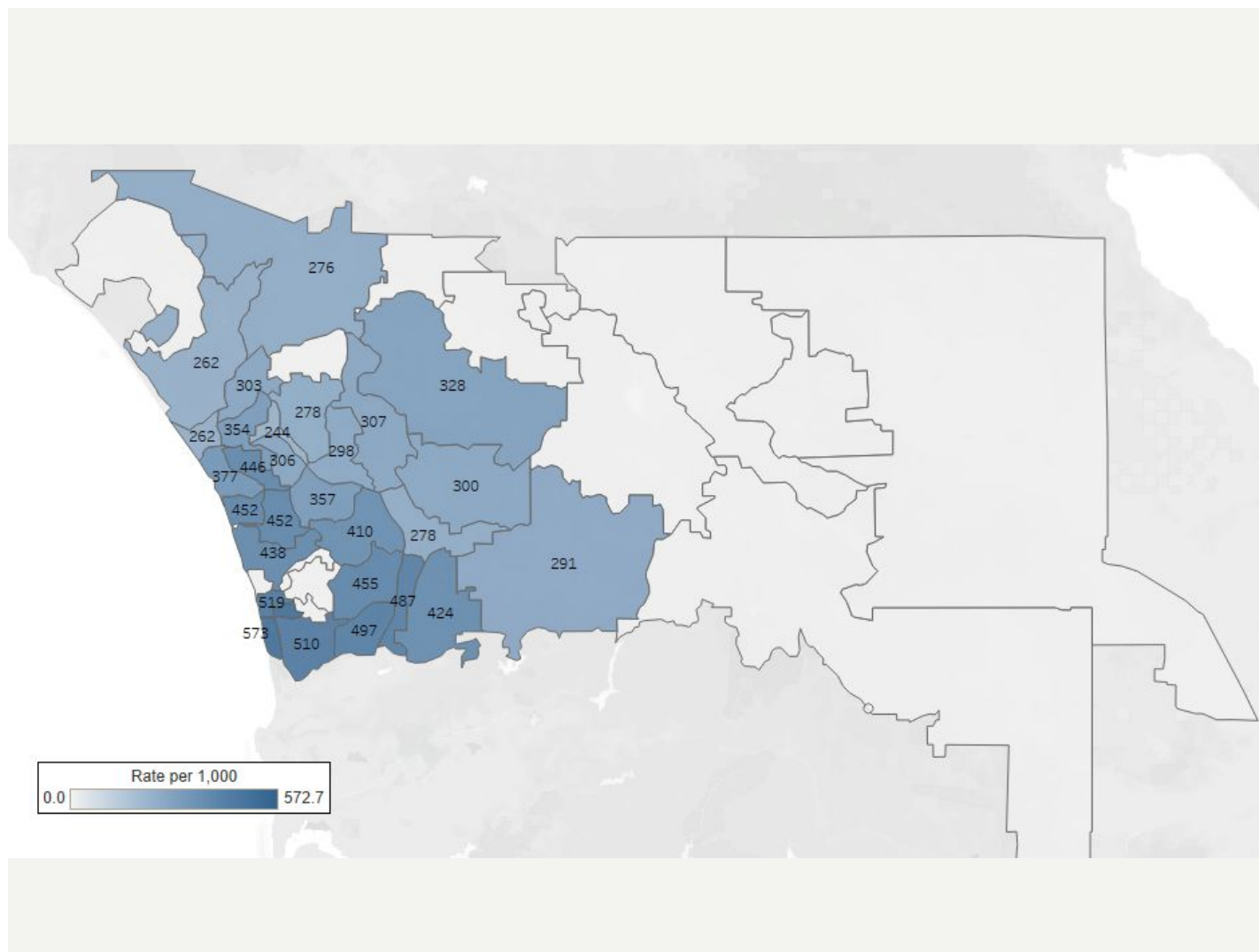
State of North County

North County's Vaccination Rate

- As of April 4th, the number of North County residents aged 16 or over that had received at least one dose of the COVID-19 vaccine was 37.2% of the entire population.
- The vaccination rate for residents aged 16 or over in the rest of San Diego County was approximately 38.8%.
- Overall, California's vaccination rate is 32.9%

North County Vaccination Rates

*gray zip codes unreported due to population size



North County's Economy

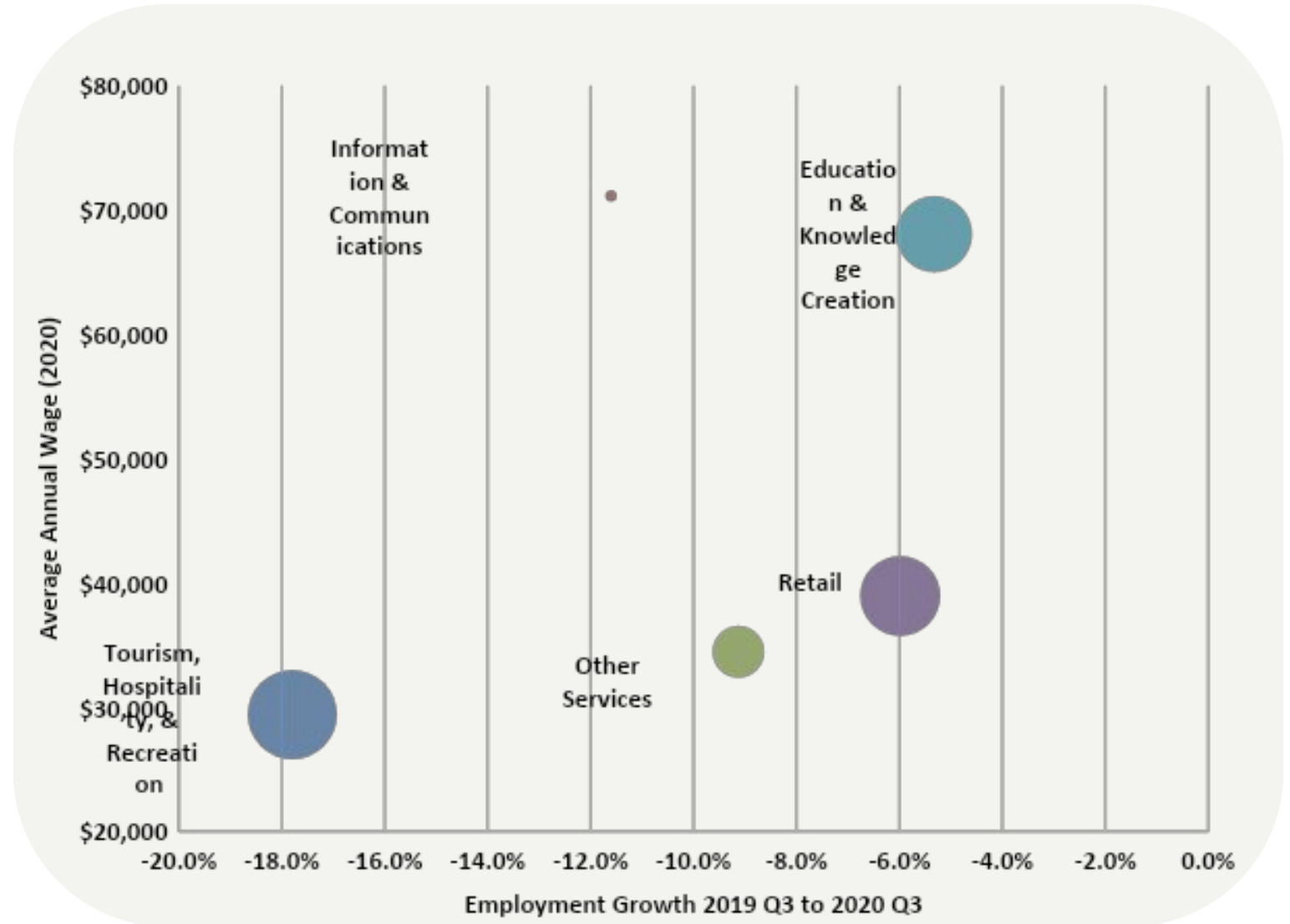
- The COVID-19 pandemic contributed to the loss of more than 24,000 jobs in the region between 2019 (q3) and 2020 (q3).
- North County's percentage job loss (-4.8%) was higher than California (-4.3%) over the same time period Orange County (-5.4%) and Los Angeles County (-4.9%) fared worse.
- North County's unemployment rate (7.4%) is lower than the rest of San Diego County (8.4%).

North County's High Concentration Clusters

Leading Industry Clusters

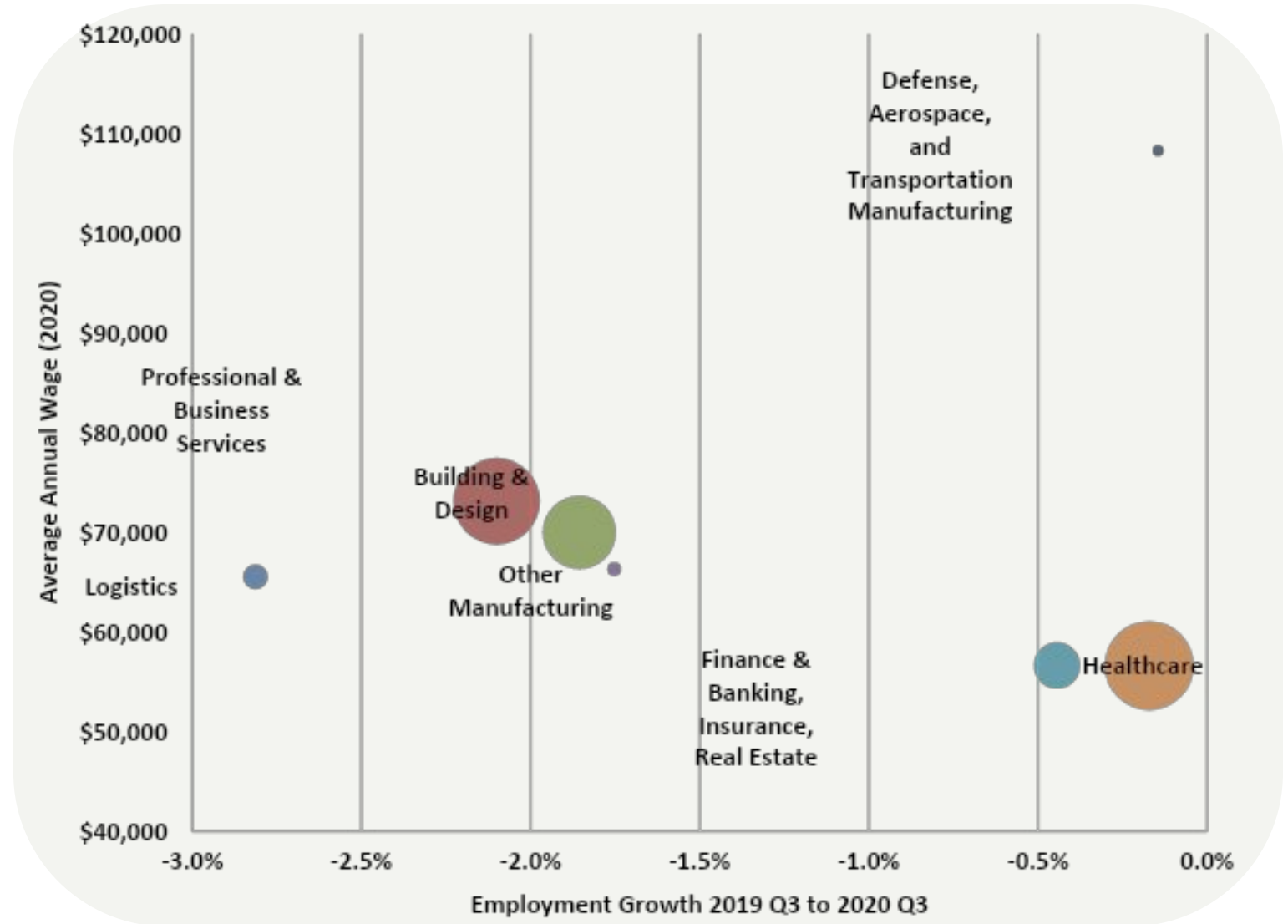
- High wage & high Concentration industries include:
Biotechnology & Biomedical Devices, Defense, Aerospace, Transportation, & Manufacturing (DATM), & Information & Communication Technologies (ICT)
- Lower wage & high Concentration industries include:
Agriculture & Food and Tourism, Hospitality & Recreation

Economy: Hardest Hit Industry Clusters



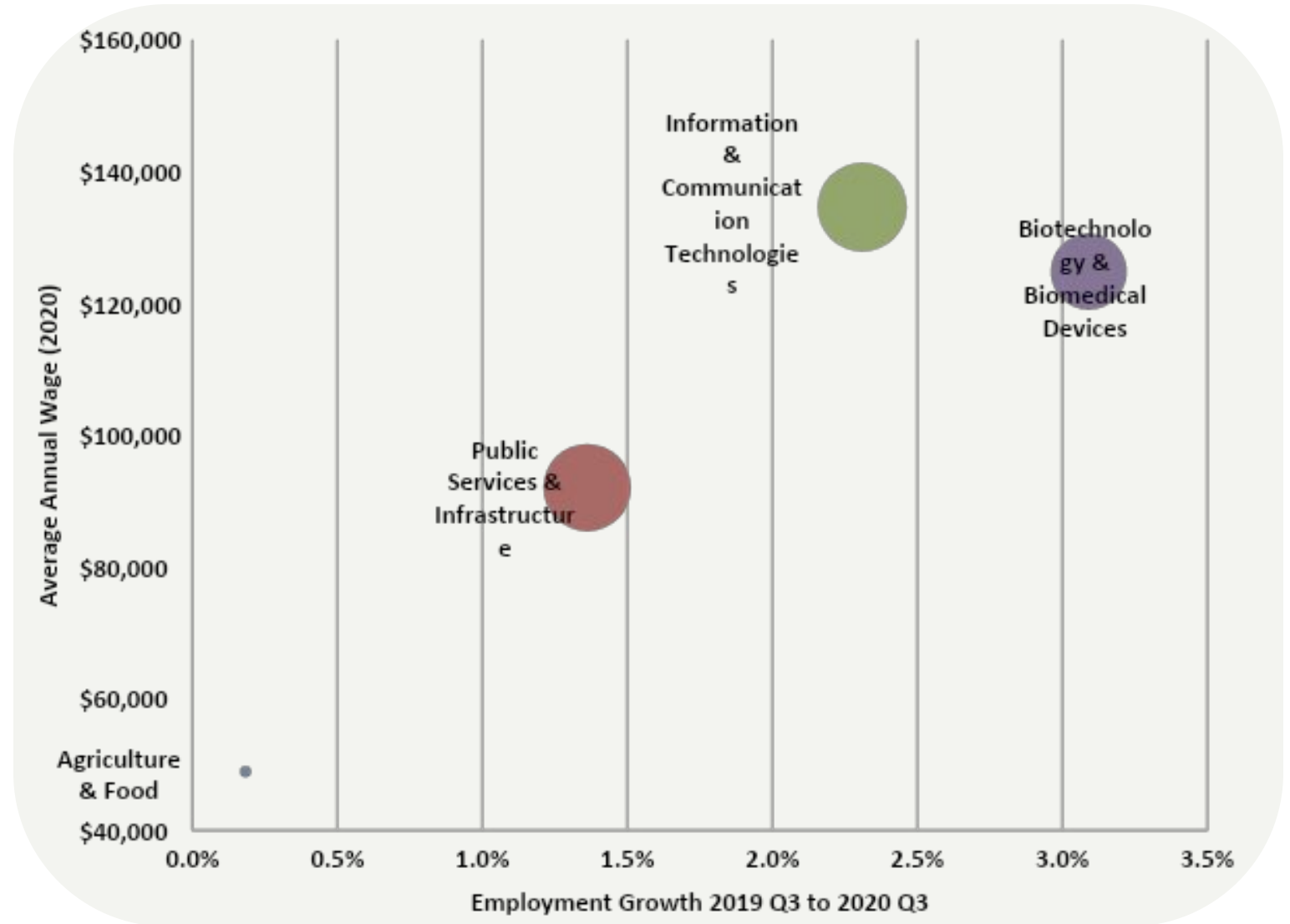
**Size of bubble is relative to the number of jobs in 2020*

Economy: Moderately Impacted Industry Clusters



**Size of bubble is relative to the number of jobs in 2020*

Economy: Growth Industry Clusters



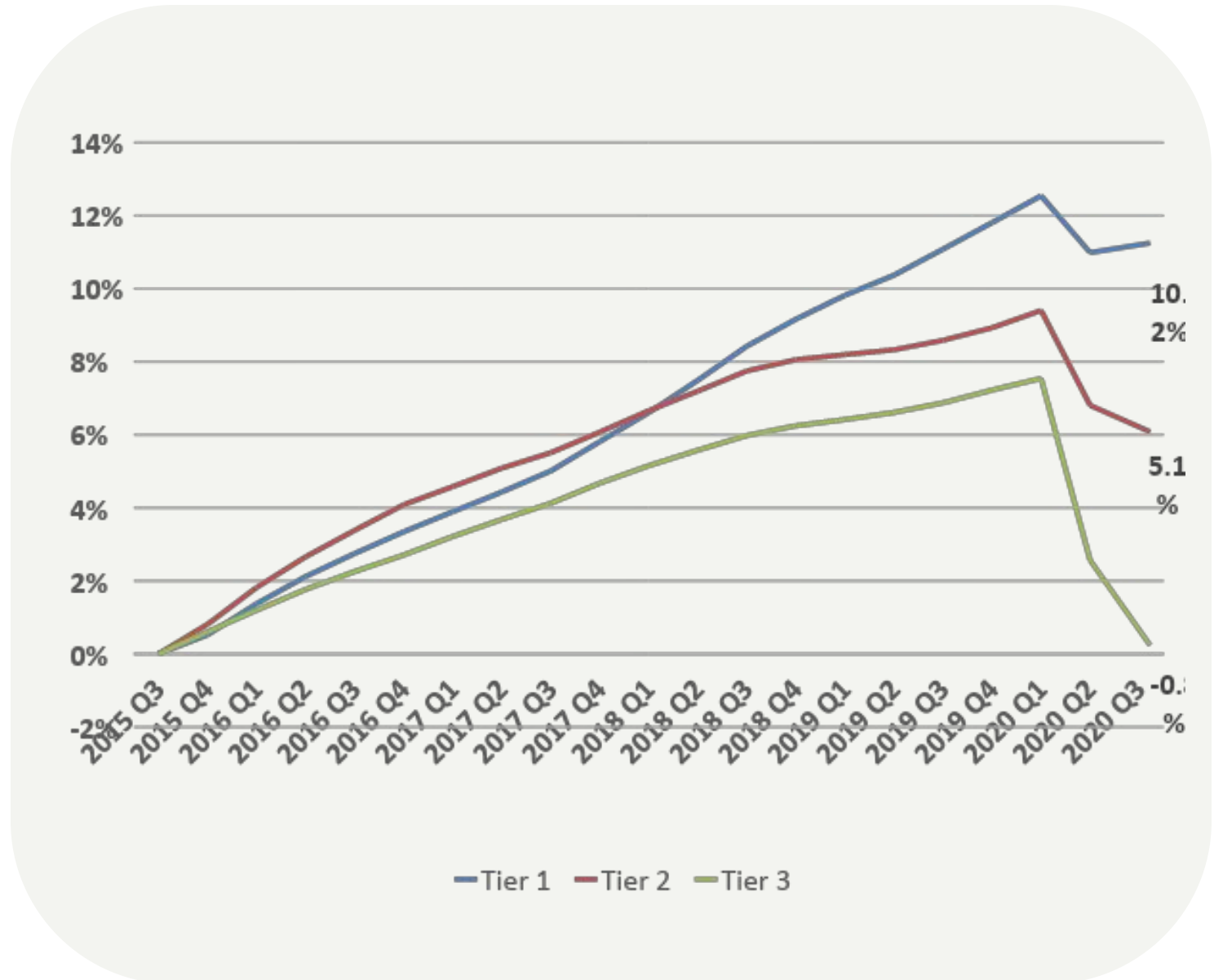
**Size of bubble is relative to the number of jobs in 2020*

North County's Job Quality

Tiered Employment

- Tier 1 jobs (higher-wage positions that have median earnings of ~\$90k) have grown by 10% from 2015 through 2020 (23% of North County Jobs)
- Tier 2 jobs (middle-wage positions that have median earnings of ~\$50k) in North County has grown 5% (24% of North County Jobs)
- Tier 3 jobs (lower-wage positions that have median earnings of ~\$30k) have declined by 1% over the same time period (53% of North County Jobs)

Economy: Job Growth by Quality 2015 - 2020



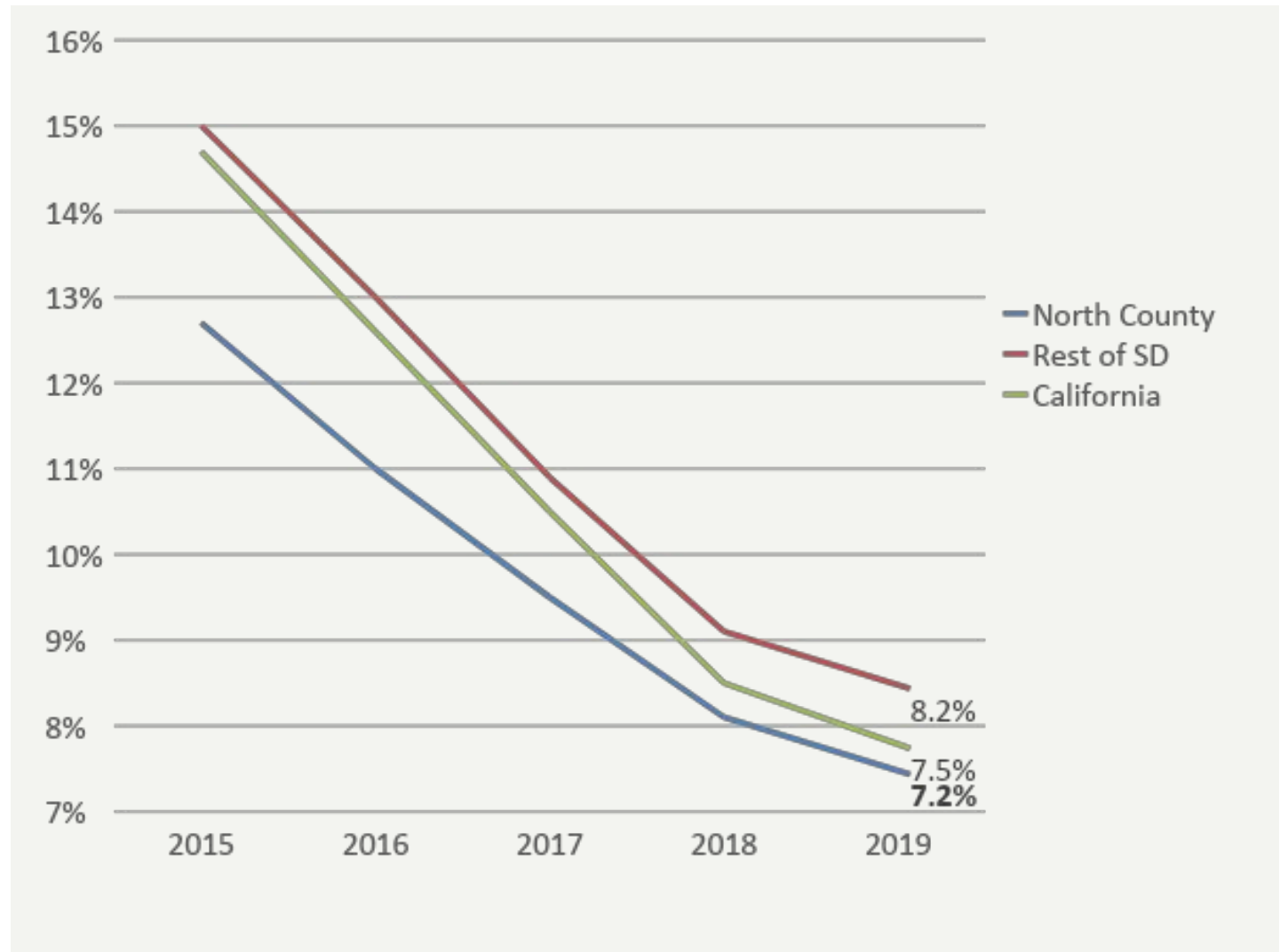


NCI: People

Key PEOPLE Indicators include;

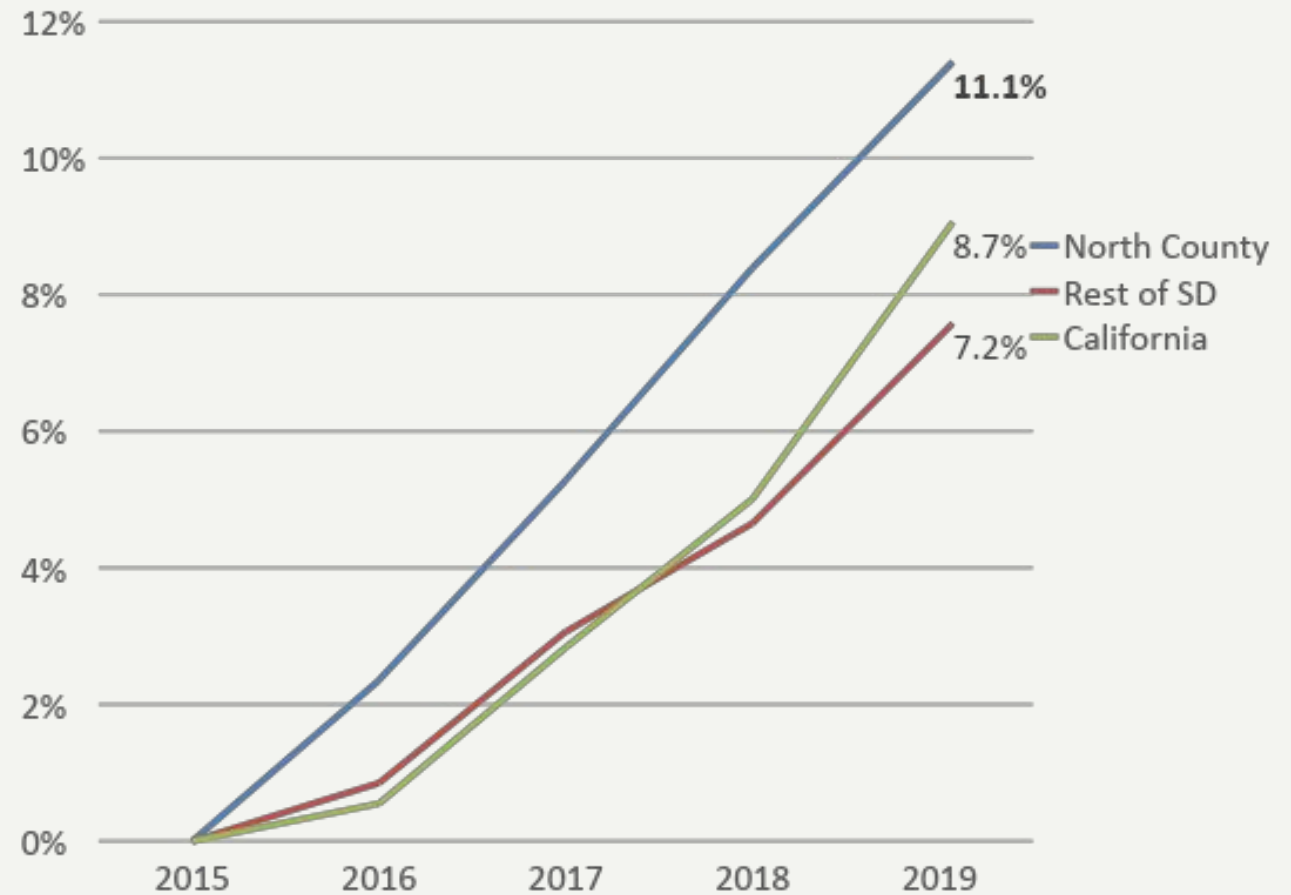
- 1. North County's resident demographic profile**
- 2. North County's percentage of residents with healthcare insurance**
- 3. North County's median household income**

People: The Healthcare Uninsured Rate has Declined Steadily Since 2015



People: Median Household Income Growth

*Adjusted for Inflation

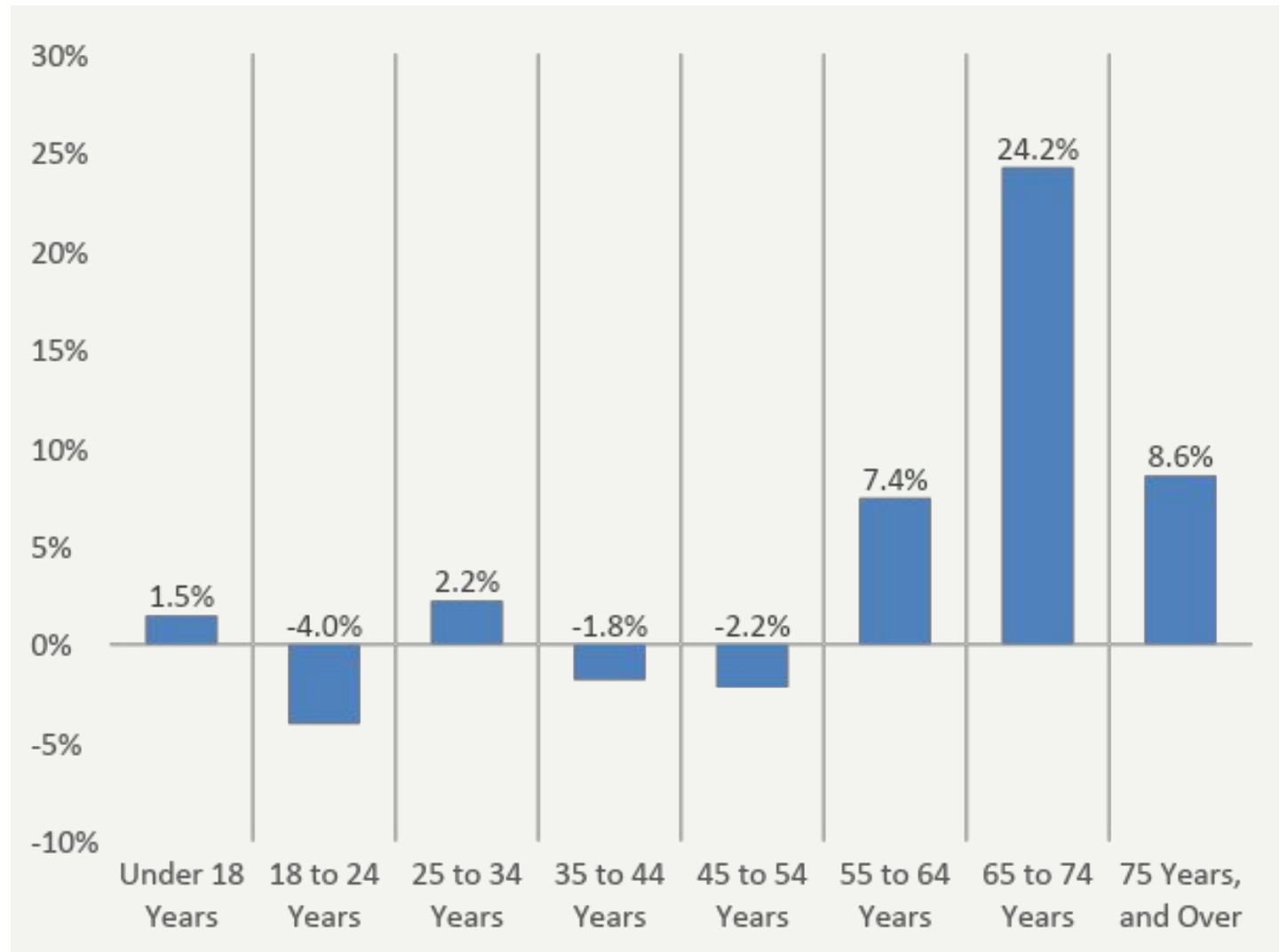


People: Household Incomes Increased in North County from 2015 to 2019

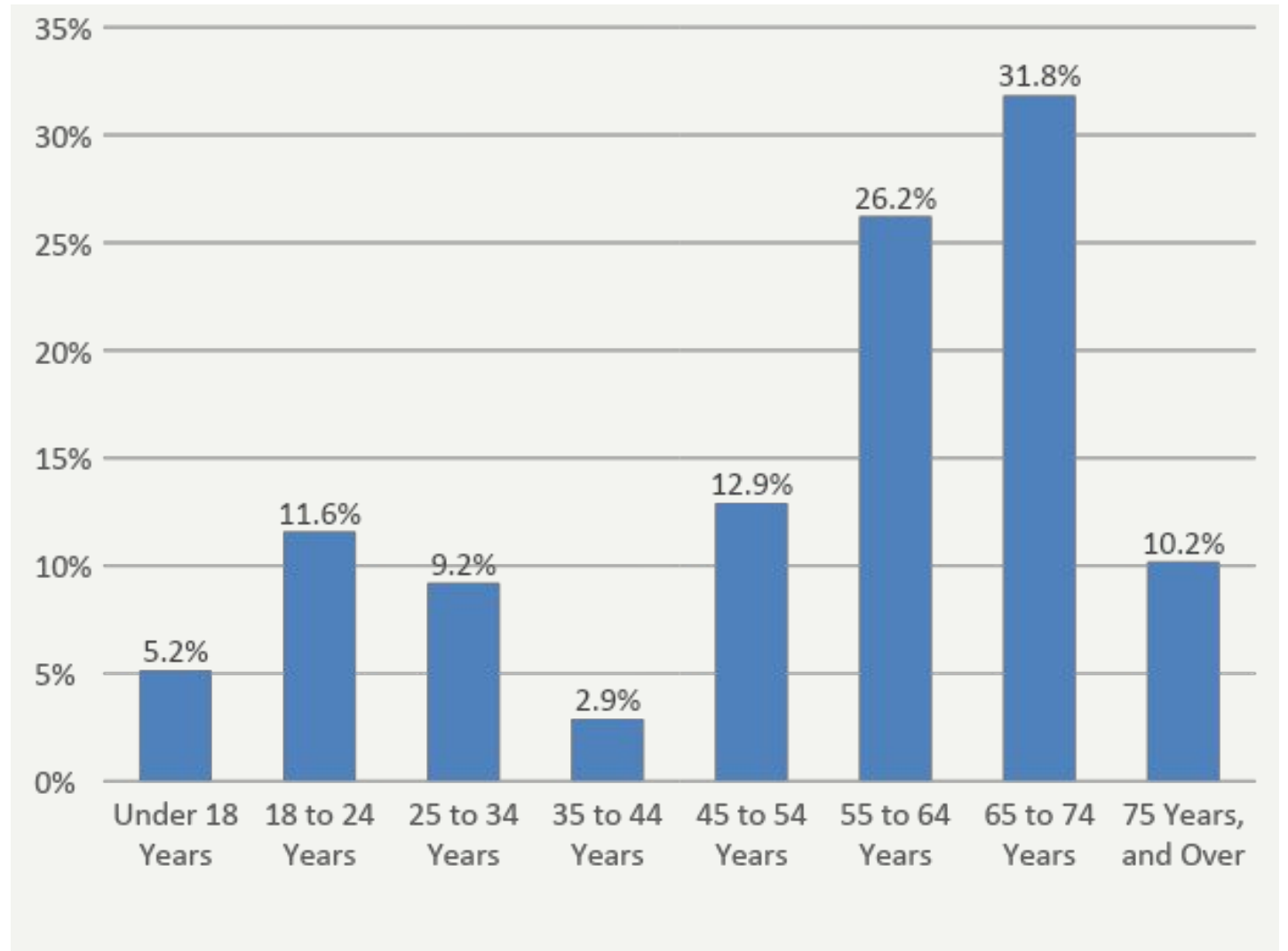
Median annual household incomes have increased by more than 23 percent in North County since 2015, faster than the Rest of San Diego County (19%), Orange County (18%), Los Angeles County (21%), and California as a whole (22%).

North County trails Santa Clara County (29%) in median household income growth since 2015.

People: Overall Population Change in North County 2015-2019



People: Hispanic or Latino Population Change in North County 2015-2019



People: Population Change in North County 2015-2019

- The population of 18 to 24 year olds in North County has declined by four percent since 2015, while the population of 65 to 74 year olds has increased by over 20,000 individuals, or 24 percent.
- The Hispanic or Latino population in North County has increased by more than 30,000 since 2015, nine percent growth.

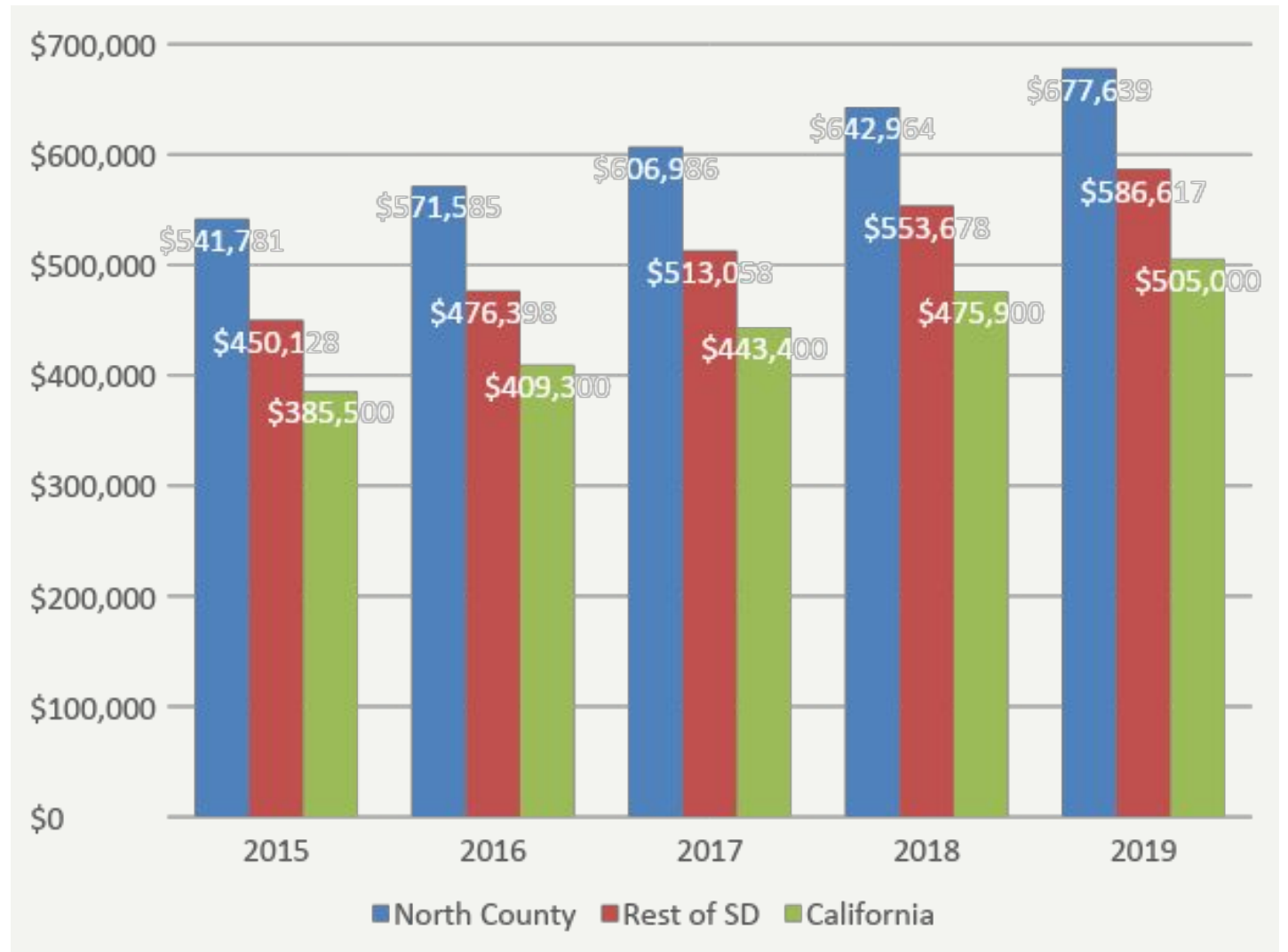


NCI: Place

Key PLACE Indicators Include;

- 1. North County's cost of housing & rentals**
- 2. North County's resident commute patterns and transportation preferences**
- 3. North County's resident water usage**

**Place:
Median Home
Prices in North
County have
Increased by
25% from 2015
to 2019**



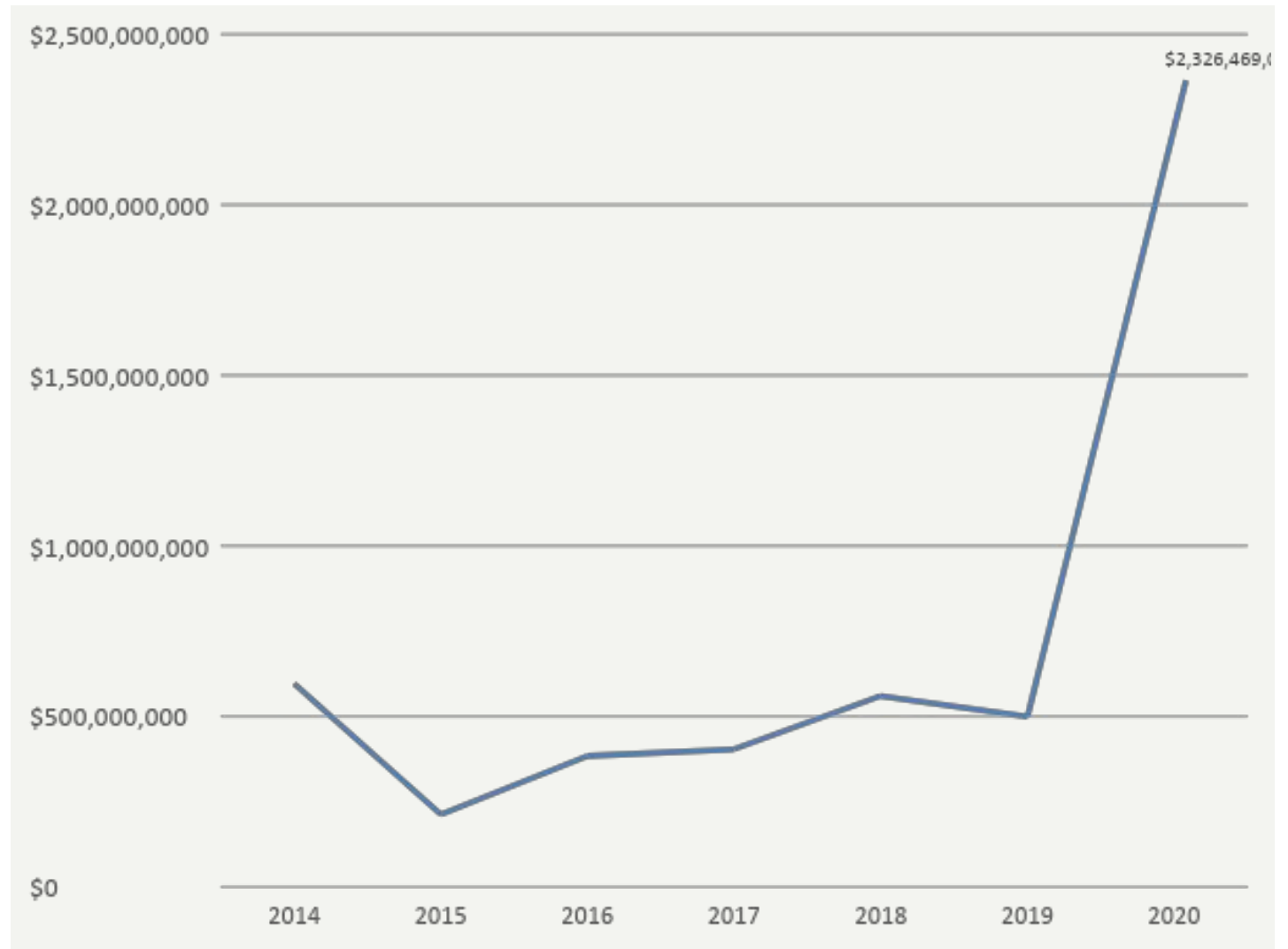


NCI: Innovation

Key INNOVATION Indicators Include;

- 1. North County's venture capital and early investments in regional businesses**
- 2. Business birth and death rates**
- 3. North County's activity in key Research & Development sectors**

Innovation: Growth in Venture Capital in North County 2014-2020



Part 3a

What's Next for North County (4 Question)

1

What are North County's Infrastructure needs and opportunities?

- Transportation
- Online access & bandwidth
- Healthcare
- Electrical grid
- Water

2

How do we support transitioning workers and students entering the job market?

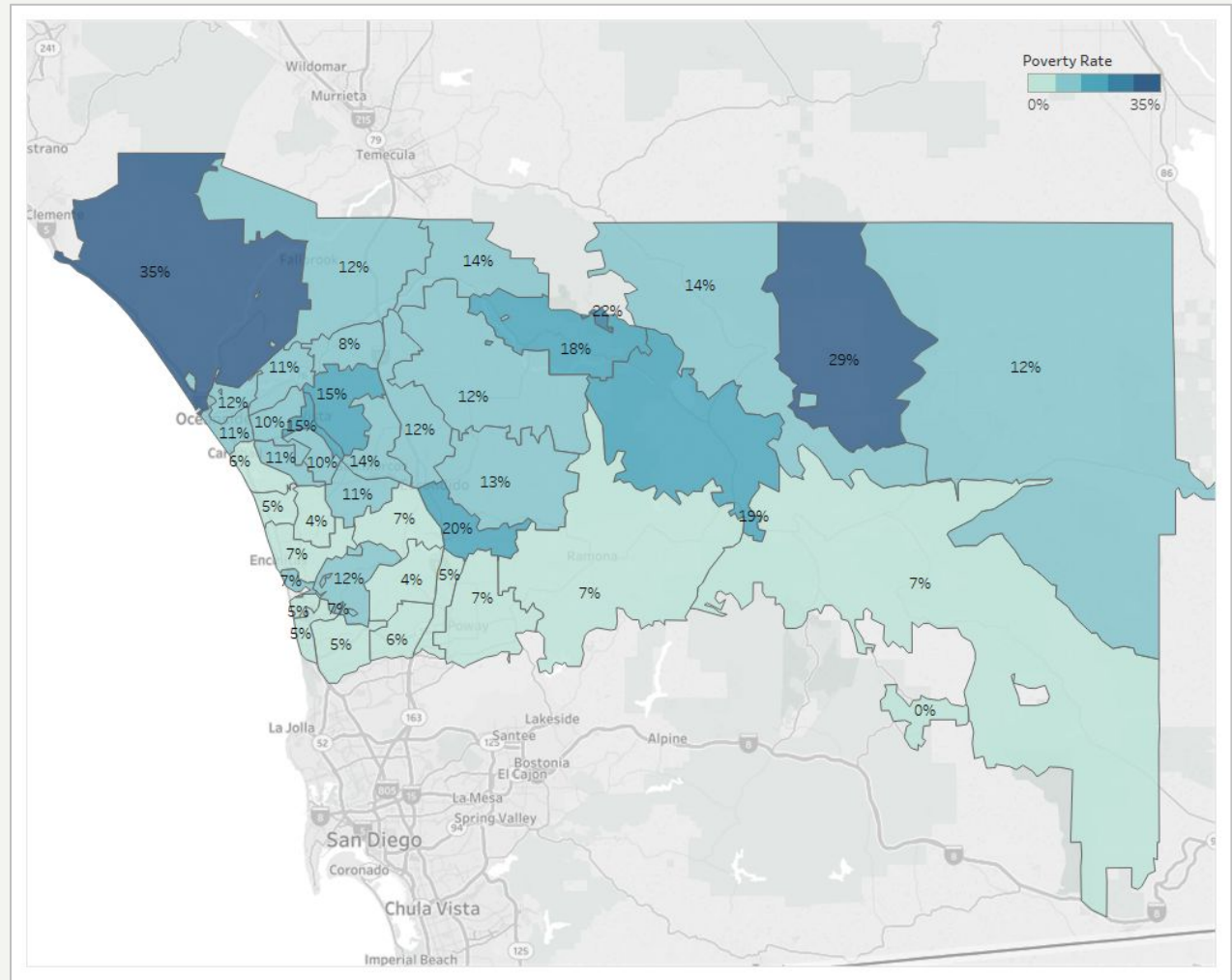
- How do we support those that need to get back to work now?
- How do we transition declining pathways to growing pathways?
- What are the new skills and abilities that need to be developed?

3

How do we support North County's employers and entrepreneurs particularly in volatile industries?

- Tourism & Hospitality
- Other services & those
- Emerging & Innovative Industries

Poverty Rate Among All Residents in North County



4

How do we create economic opportunity for those communities that have been hit hardest by the Pandemic?

- Education & Training
- Entry-level employment
- Advancement & Entrepreneurships

Part 3b

What's Next for North County (6 Strategies for the future)

1

Expand our regional capacity as a Research & Development hub for Science-Based Solutions

Continue to develop North County as a hub for solving emerging risk factors related to weather, drought, seismic activity & pandemics?

2

Identify opportunities for Emerging Supply Chains

Build upon and dive deeper into North County's manufacturing strength in;

1. Information & Communication Technologies
2. Defense, Aerospace & Transportation Manu.
3. Biotechnology & Biomedical Devices
4. Action Sports & related products & apparel

3

Examine & Invest in Regional Economic Resiliency

How can North County

- a) resist or minimize the economic impact of a “shock event”, and
- b) recover quickly from such an event?



Key Categories for Assessing Regionals Economic Resilience I

1. Industry Cluster Diversification

- Connectivity to a broad array of customers & diverse sources of income
- A real strength of North County's economy

2. Household-level Financial Stability

- Measured by household level debt-to-income ratio
- A mixed measure for North County with higher-than-average income, but considerable economic distress in many North County communities in a high-cost environment



Key Categories for Assessing Regionals Economic Resilience II

3. Economic agility, entrepreneurship, and innovation

- Ability to create new businesses, products and/or services in response to shocks or disruptions
- This could be a strength of North County but will require more data and analysis for a confident assessment.

4. Regional infrastructure & preparedness for volatile weather events, pandemics & seismic activity

Infrastructure Assessment should include;

- Healthcare
- Bandwidth
- Electrical Grid
- Transportation
- Water

4

Rebuild & Strengthen the Tourism & Hospitality Ecosystem

How can North County effectively respond to the considerable impact CV-19 has had on Tourism, Hospitality & Recreation (THR)?

Key Issues to Consider in Rebuilding Tourism & Hospitality

1. Provide training and support services for unemployed THR workers
2. Understand the industries key segments (attractions, accommodations, events & conferences, food & beverage, recreation & entertainment, transportation, & visitor services)
3. Assess the ability to generate revenue for City's through TOT & Visitor's Sales Tax
4. Develop strategies to support entrepreneurs and small businesses that are looking to grow & expand.
5. Also the THR cluster in North County under threat from rising sea levels and the impact that has on disappearing beaches

5

Invest in Education & Upskilling

How can North County protect one of its most valuable resources while supporting residents who will need to transition from one employment pathway to another?



Strategies for North County's Educational Ecosystem

1. Increase **local investment** in the region's high-performing K-12 system, a key component in attracting regional talent.
2. Facilitate collaboration between schools and districts as they support and provide additional resources for **teachers** adapting to new learning environments & strategies
3. Connect Universities, Colleges and K-12 with industry leaders to better understand the changing skills needed for the **new world of work**
4. **Support improved standardized testing** and prepare students to enter a global and competitive marketplace and not a closed and local one.

6

Increase Availability of Housing While Maintaining North County's High Quality of Life

How can North County meet its myriad of housing needs for the workforce, the homeless, and attracting entrepreneurs & talent while protecting North County's quality of life.

2021 North County Indicators





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