

2019

City of Carlsbad Business Report



May 2019

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EXECUTIVE SUMMARY

In early 2019, the City of Carlsbad's Economic Development Division commissioned BW Research to complete a business climate survey and update Carlsbad's local business and industry cluster profiles. This survey of Carlsbad businesses is comparable to previous survey efforts completed by BW Research for the City of Carlsbad in 2012, 2014, and 2017. As part of the current research, just under four hundred businesses with at least one location in Carlsbad participated in the 2019 survey effort.

BW Research offers the following key findings from the 2019 research of Carlsbad businesses;

Four out of five respondents indicated Carlsbad was an Excellent or Good Place to do Business.

The overall business climate metrics for Carlsbad are largely positive. Just over eight out of every ten (81%) responding businesses indicated Carlsbad was an excellent or good place to do business and less than five percent indicated it was a poor (3%) or very poor (1%) place to do business. A similar portion of responding businesses (81%) indicated that Carlsbad's business climate is getting better (30%) or staying the same (51%). Just under one in ten respondents (9%) indicated it was getting worse.

The 2019 survey results also demonstrated that firms that have been in Carlsbad for more than 10 years are more than three times as likely to indicate that Carlsbad's business climate was getting worse, compared to firms that have been in Carlsbad for fewer than three years. Firms that have been in Carlsbad for fewer than three years indicated, by a 10 to 1 ratio, that Carlsbad's business climate is getting better vs. getting worse.

Talent is both a competitive advantage and a challenge for Carlsbad Businesses.

Carlsbad businesses indicated that finding qualified entry to mid-level employees was a challenge across most business categories. This is likely a symptom of the high costs of living in Carlsbad; almost one in four (22%) respondents stated that their most significant challenge in finding qualified job applicants was the high cost of housing and living in the area. Another 6% cited higher wage demands than they are able to pay.

Finding and/or recruiting employees was particularly challenging for businesses in Retail or Wholesale Trade and Professional or Business Services, as they have felt increased pressure from regulations and an inability to find qualified entry to mid-level talent at wages the firm can manage. Conversely, the generally higher-paying industries, such as those that are export-oriented, have higher satisfaction rates regarding hiring, particularly for recruiting "high skill

talent”. The survey results also show a higher portion of survey respondents indicating proximity to skilled workers and talent (8.9% in 2019 vs. 6.7% in 2017) as the primary reason for locating in Carlsbad. These results indicate that access to talent and a skilled workforce are both a challenge, an opportunity, and likely an issue of increasing importance to Carlsbad’s business community.

Entrepreneurial Activity in Carlsbad

The 2019 business survey results indicated an overall increase in entrepreneurial activity. In 2017, 4% of responding firms had at least one location in Carlsbad for fewer than three years. In 2019, 15% of responding firms had at least one location in Carlsbad for fewer than three years. The current survey results also showed that these same firms that have had a location in Carlsbad for fewer than three years are considerably more likely to be optimistic about the direction of Carlsbad’s business climate compared to firms that have been located in Carlsbad for more than 10 years. These indicators provide an initial, but limited, measure of the health and vitality of entrepreneurial activity in Carlsbad.

Moving forward, the City of Carlsbad could consider developing an annual or biennial analysis of entrepreneurial activity in the city. This analysis would provide a more robust assessment of the size, industry, and economic activity of new firms in Carlsbad. This analysis could also include a measure of business birth and death rates over time and by industry, as well as examining the flow of early investments, innovations, and related activity in the entrepreneurial space.

The Diversity of Carlsbad’s Business Ecosystem

There are numerous ways of segmenting Carlsbad’s business community, whether by looking at industry clusters, a firm’s customer base, the size of the firm, or how long they have been located in Carlsbad. What is worth noting, is that Carlsbad’s business community is relatively diverse among most of these different segmentations. For example;

- Almost one in five (19%) business respondents indicated that their primary customers are international and outside the United States, about one-third (35%) indicated their primary customers are in the US, but outside California, and about half (53%) indicated their primary customers are local within Carlsbad or North County.¹
- Over one-quarter (28%) of businesses are focused on serving other businesses, 42% are focused on serving consumers directly, and another 29% indicated they serve both consumers and businesses.

¹ It is worth noting that this question in the survey allowed respondents to provide more than one response, so total responses added up to over 100%.

- Of the respondent firms, 28% are in export-oriented and innovative industries, 15% are in tourism and hospitality, and 60% are population and local business serving industries (ranging from healthcare to construction to professional and business services).²

This is important to note because economic development strategies in Carlsbad need to account for this diversity and also recognize that what may be effective for certain segments of Carlsbad's business community will not likely have a consistent impact, positive or negative, across the business ecosystem. The business diversity in Carlsbad could also provide a valuable hedge against an industry-specific downturn and increases overall economic resiliency.

Quality of Life Remains a Foundational Advantage for Carlsbad's Business Community

One of the first questions in the survey asked respondents to identify the main reasons their company is located in Carlsbad. The top three responses were;

1. Founders lived here (43%)
2. Proximity to customers, collaborators, and vendors (35%)
3. Quality of life in Carlsbad (33%)

These three responses were selected three times more often than any other response categories. Of the primary three, one states directly it is about quality of life. Another, "Founders lived here" is at least indirectly built upon a high quality of life and the ability to draw business entrepreneurs and founders to want to live in the area. Lastly, even proximity to customers, collaborators, and vendors likely has some indirect relationship with the Carlsbad's quality of life.

Quality of life in Carlsbad is a driving factor for why firms are in the city. Export-oriented and innovative firms have higher percentages of respondents saying their reason is because founders lived here and proximity to skilled workers/workforce. Firms in tourism and hospitality are more likely to indicate they spun-off another company that was already here, but ultimately the quality of life in and around the city played a key role in why many businesses decided Carlsbad would be their home.

² For industry group definitions, please see page 15.

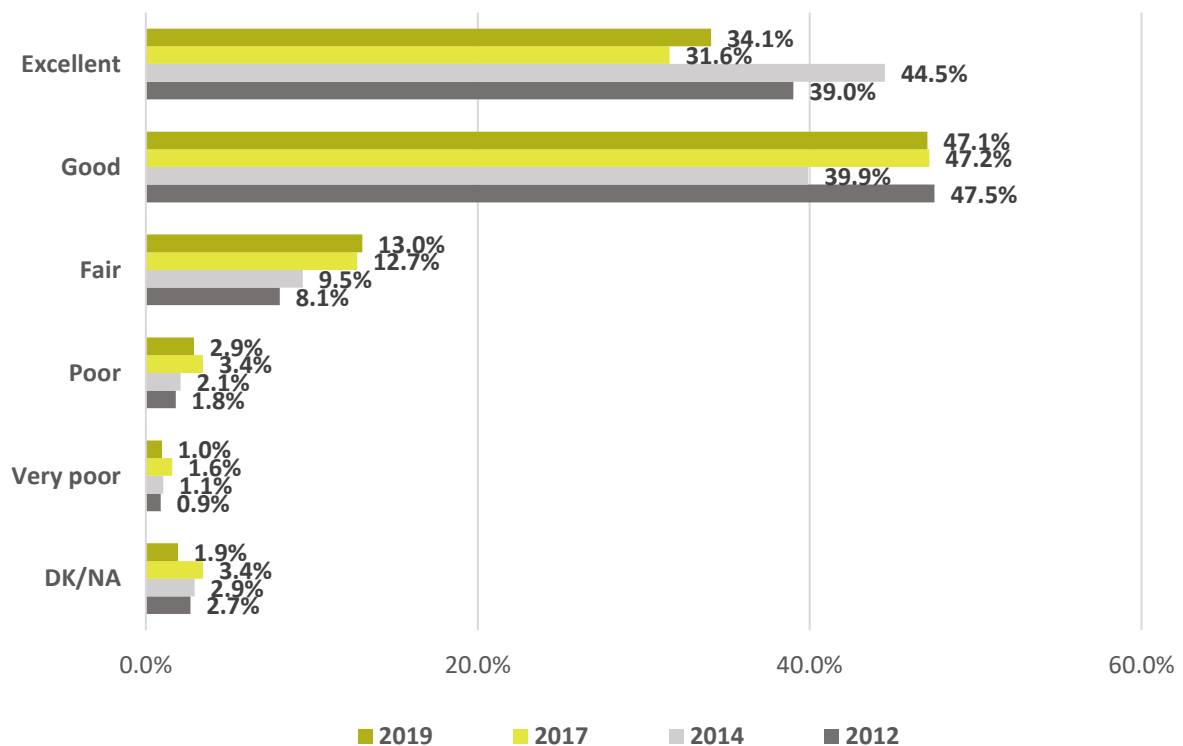
OVERALL INDICATORS FOR THE BUSINESS COMMUNITY

Carlsbad has an estimated 5,353 businesses³ generating over \$24.2 billion in overall sales in 2018.⁴ These firms employ about 82,000 workers that receive average annual earnings⁵ of \$77,688. The number of jobs in Carlsbad has increased by about 2.8% between 2016 and 2018, which is about the same employment growth rate experienced by California over the same time period.⁶

Carlsbad as a Place to do Business

Just over four out of five respondents indicated Carlsbad was an “excellent” (34%) or “good” (47%) place to do business. The findings from the 2019 survey suggest Carlsbad’s overall business climate has improved slightly since 2017 but has not reached the highs experienced in 2012 and 2014. Only 4% of respondents stated that Carlsbad was a “poor” or “very poor” place to do business (Figure 1).

Figure 1. How respondents rated Carlsbad as a place to do business



³ DatabaseUSA.com.

⁴ Emsi 2019.1 QCEW and Non-QCEW

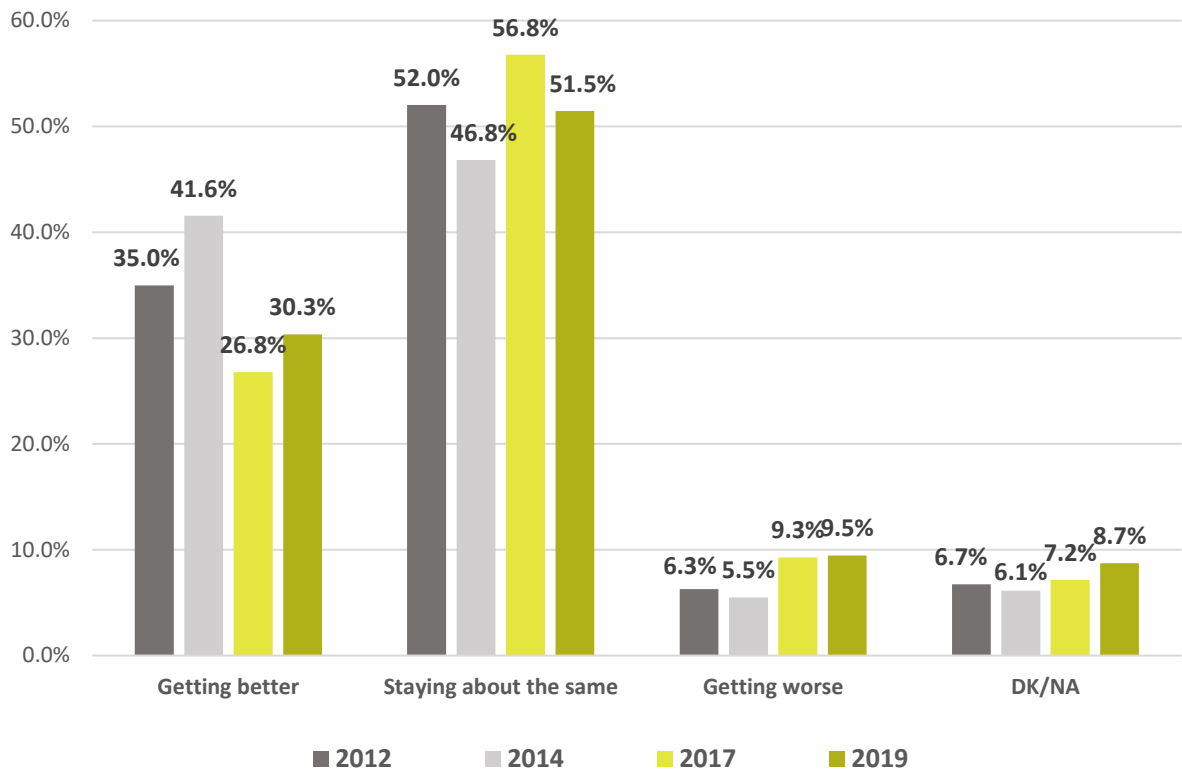
⁵ Annual earnings include wages, salaries, profits, benefits, and other compensation

⁶ Emsi 2019.1 QCEW and Non-QCEW

Direction of Carlsbad’s Business Climate

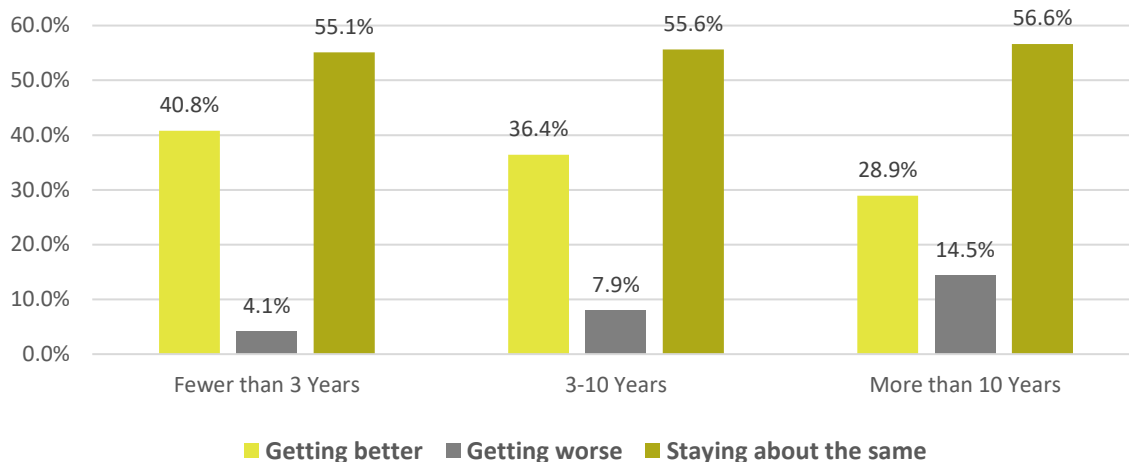
About 30% of respondents in 2019 felt that the business climate in Carlsbad was getting better. Another 51% felt that the business climate was staying the same and 9% felt that the business climate was getting worse. This means that for every Carlsbad business stakeholder who feels the business climate is getting worse, there are more than three Carlsbad business stakeholders who feel that Carlsbad’s business climate is getting better (Figure 2).

Figure 2. Respondents’ perceptions of changes of business climate



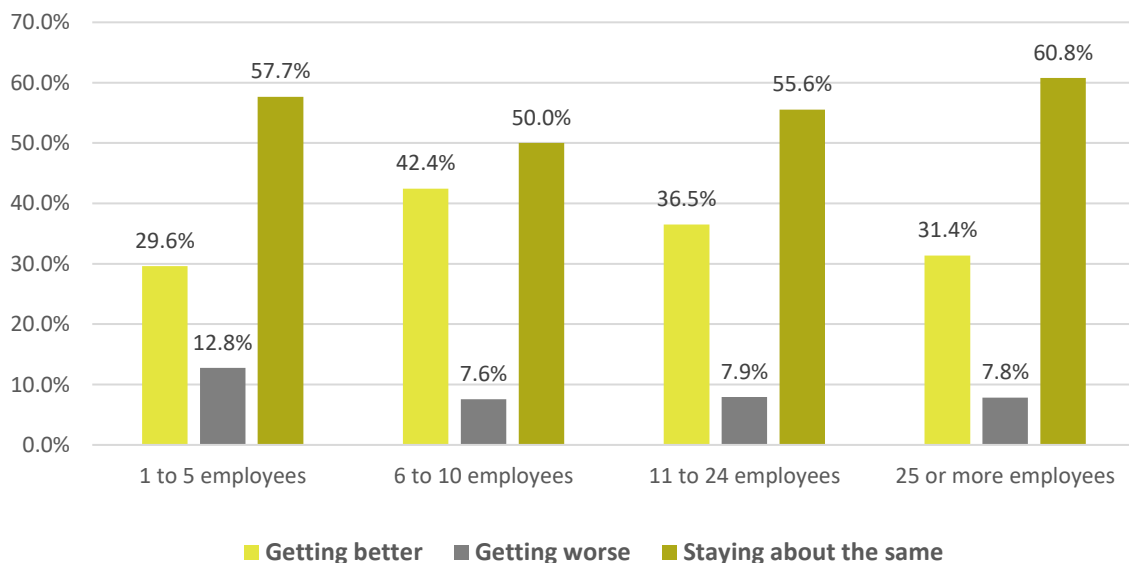
Carlsbad firms that have been in Carlsbad for 10 or fewer years were more likely to say that the business climate in Carlsbad getting better or staying the same compared to those businesses that have been in Carlsbad more than 10 years (Figure 3).

Figure 3. Respondents’ perceptions of change in business climate by firm age



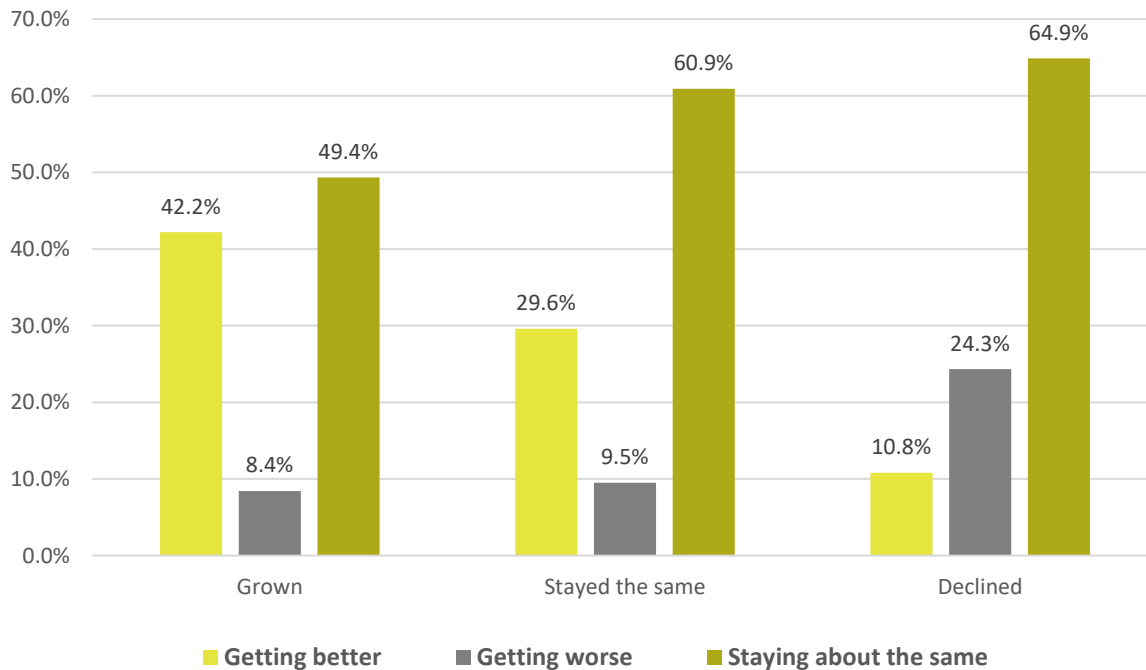
Firms with between one and five employees at their business location have a higher percentage of respondents who felt that Carlsbad’s business climate was getting worse (Figure 4). Thirteen percent of respondent firms with one to five employees felt that the business climate was getting worse, while only 8% of respondents of larger firms (firms with 25 or more employees at their Carlsbad location(s)) felt this way.

Figure 4. Opinion of Carlsbad’s Business Climate by Firm Size



Almost one in four (24%) firms that experienced an employment decline stated that Carlsbad was getting worse as a place to do business. That percentage was only 8% and 9%, respectively, among firms that grew or retained the same in number of employees (Figure 5). This trend suggests that firms that experienced a recent loss of employees have greater pessimism surrounding the direction of Carlsbad’s business climate.

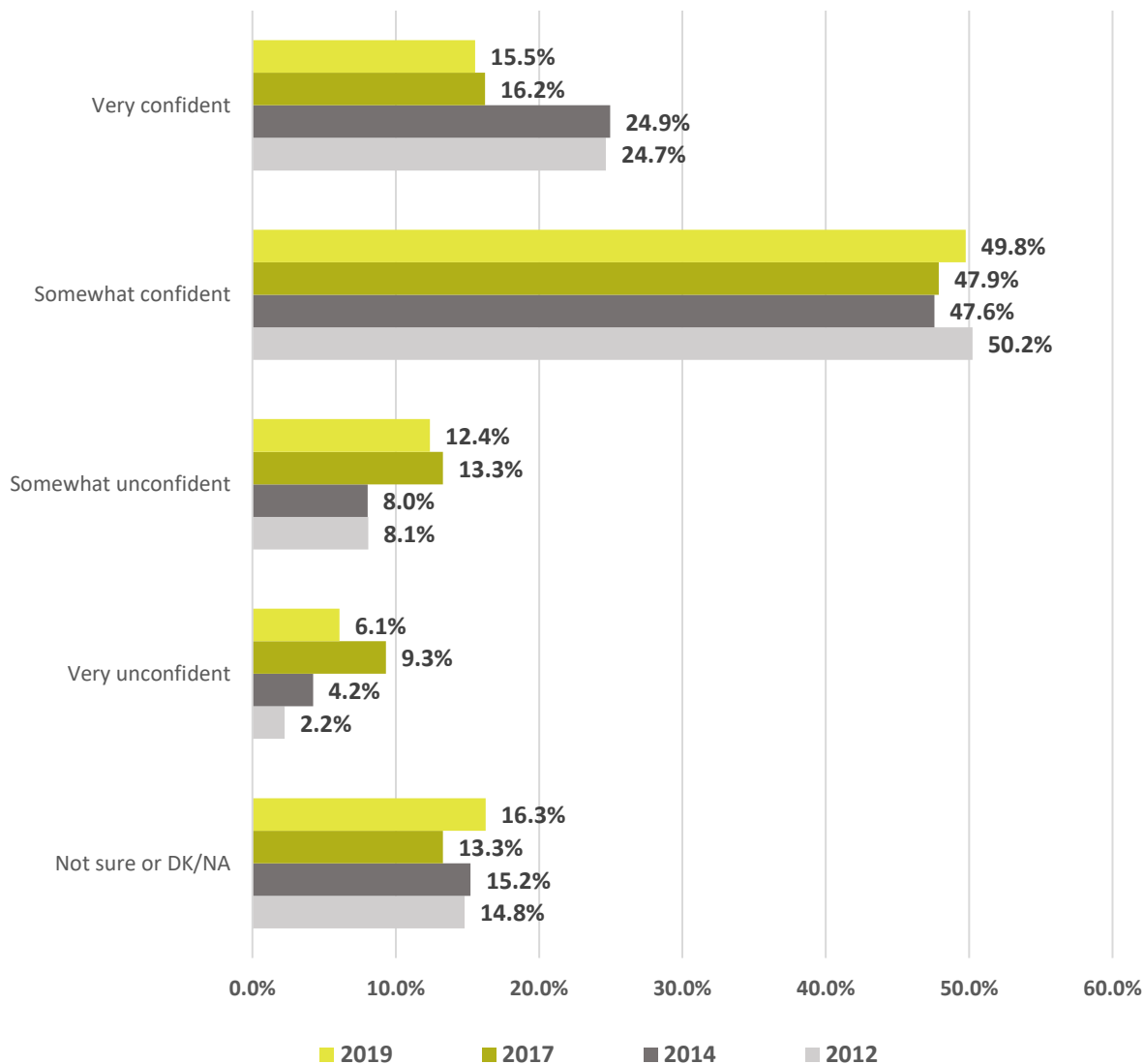
Figure 5. Opinion of Carlsbad as a Place to do Business by Employment Change in Past Three Years



Confidence in the City of Carlsbad

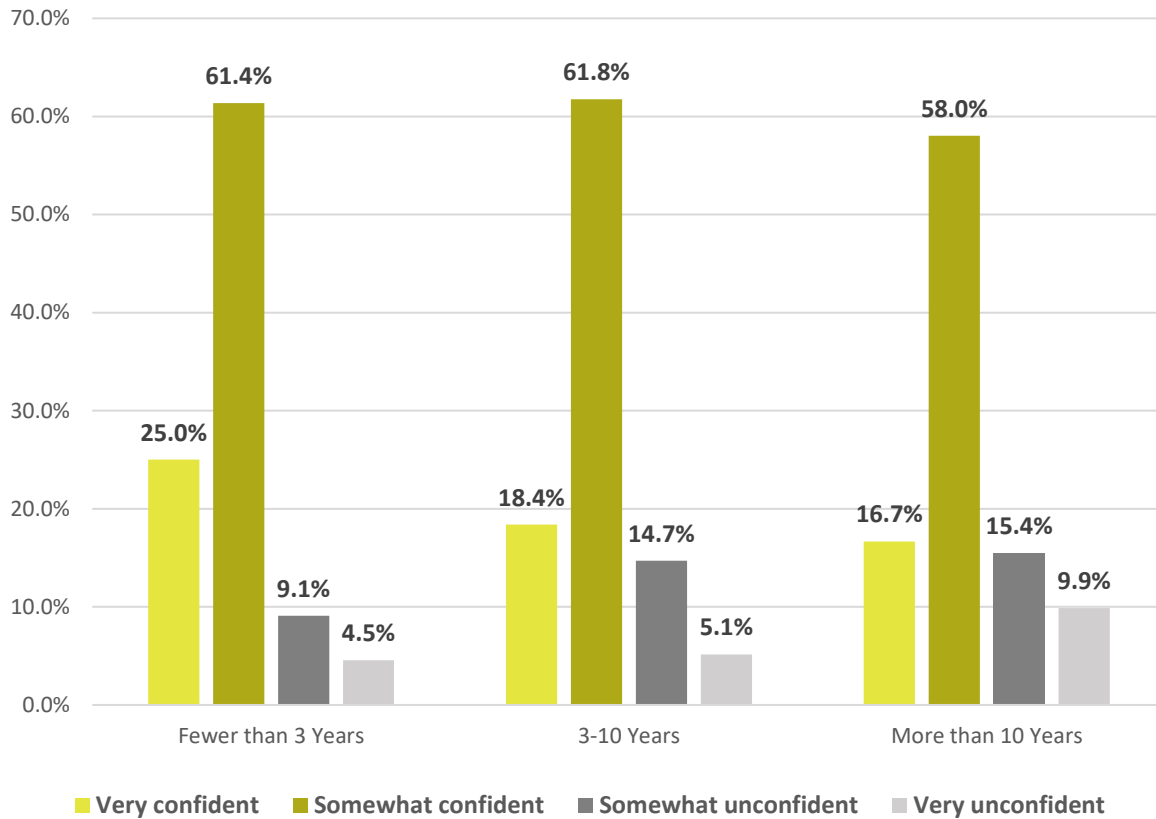
About two-thirds of business (65%) respondents felt “very confident” or “somewhat confident” in the City’s ability to positively affect the local business climate. Furthermore, this year’s survey revealed lower levels of non-confidence. While nearly 23% reported that they are “somewhat unconfident” or “very unconfident” in 2017, that number decreased to 18% in 2019 (Figure 6).

Figure 6. Confidence in the City of Carlsbad to positively affect local business climate



Similar to confidence in business climate, confidence in the City of Carlsbad to positively affect local business climate appears to decrease as the number of years the business has been in Carlsbad increases. Generally, firms that have been in Carlsbad longer are more likely to be unconfident in the City of Carlsbad to positively affect the local business climate (Figure 7).

Figure 7. Confidence in the City of Carlsbad to positively affect local business climate by firm age

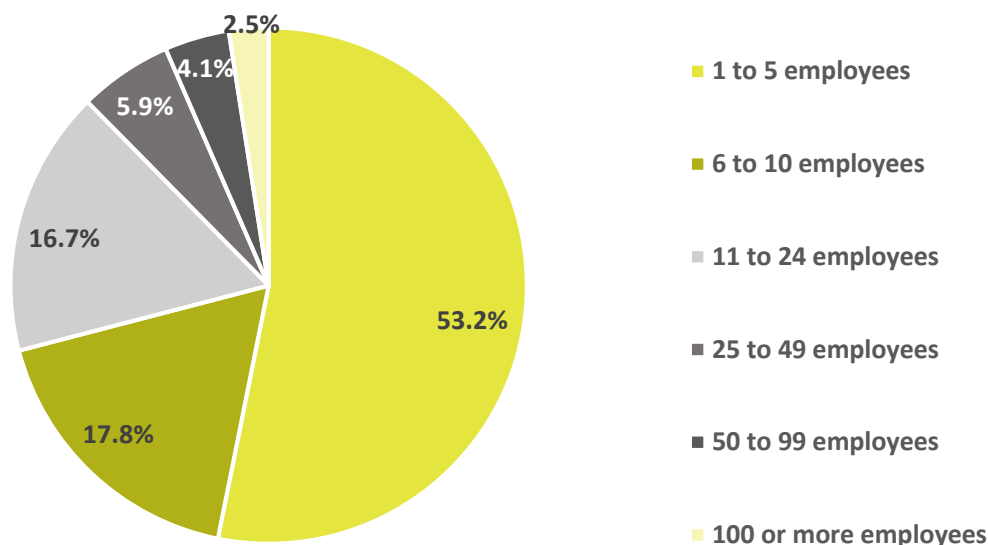


OPPORTUNITY & ASSESSMENT IN CARLSBAD’S BUSINESS COMMUNITY

Profile of Respondent Firms

The 2019 survey captured a range of businesses that reflects the larger population of businesses in Carlsbad. Fifty-three percent of all respondent firms have between one and five employees (Figure 8), which is somewhat less than the 62% that make up the Carlsbad business universe.⁷ Firms with 25 or more employees were intentionally oversampled as they account for much of the economic activity within Carlsbad despite representing a smaller portion of the city’s businesses.

Figure 8. Firm sizes of respondents

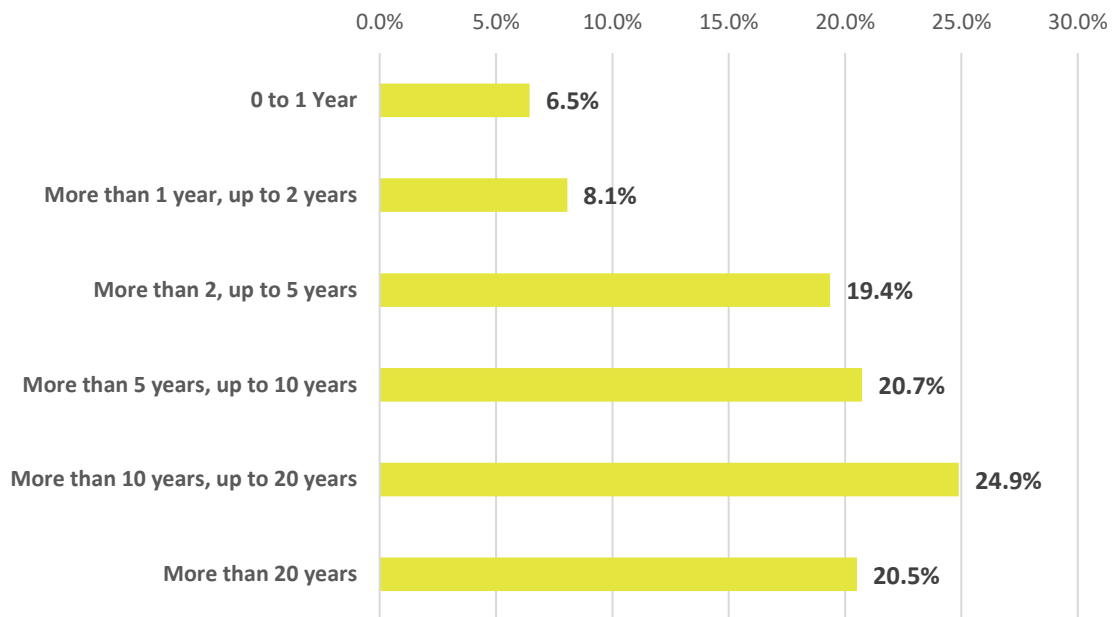


Most responding firms have been in business in Carlsbad for five years or more. About a third (34%) of firms have been in business in Carlsbad for five years or fewer (Figure 9). These

⁷ This is based on first quarter 2019 BW Research Carlsbad business list and does not include businesses with 0 employees.

numbers differ from the 2017 survey, where only 20% of firms that responded have been in business in Carlsbad for five years or fewer.

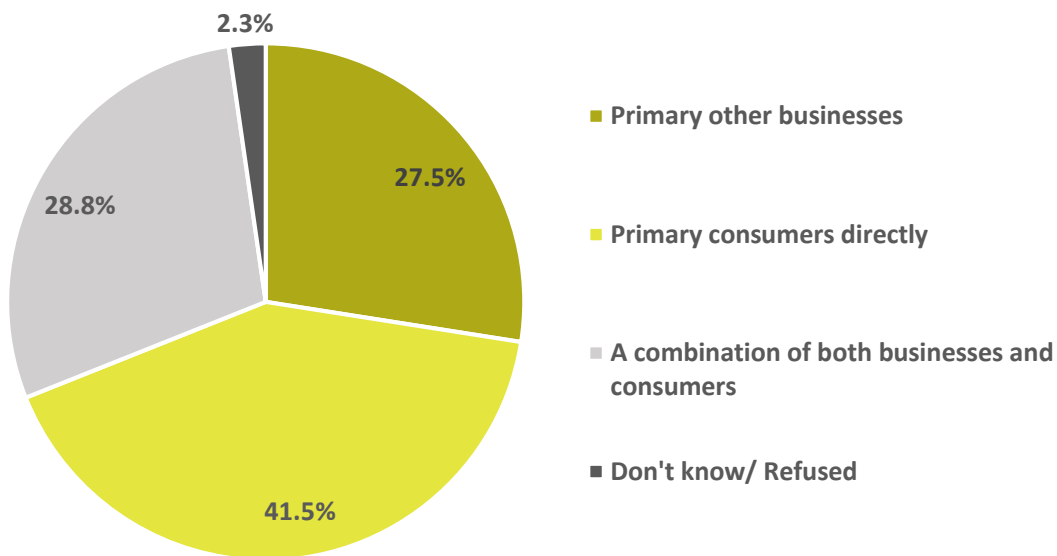
Figure 9. Number of years companies have had a location in Carlsbad.



About three and a half percent of respondents indicated they had more than one location in Carlsbad and about 10% indicated they have a location in Carlsbad and at least one other location in the nearby cities of Oceanside, Vista, San Marcos, or Escondido. Of the responding firms that have been in Carlsbad for a year or less (7%) when the survey was taken, about a third relocated from another location, a third of respondents added an additional location, and just under a third started their business in Carlsbad.

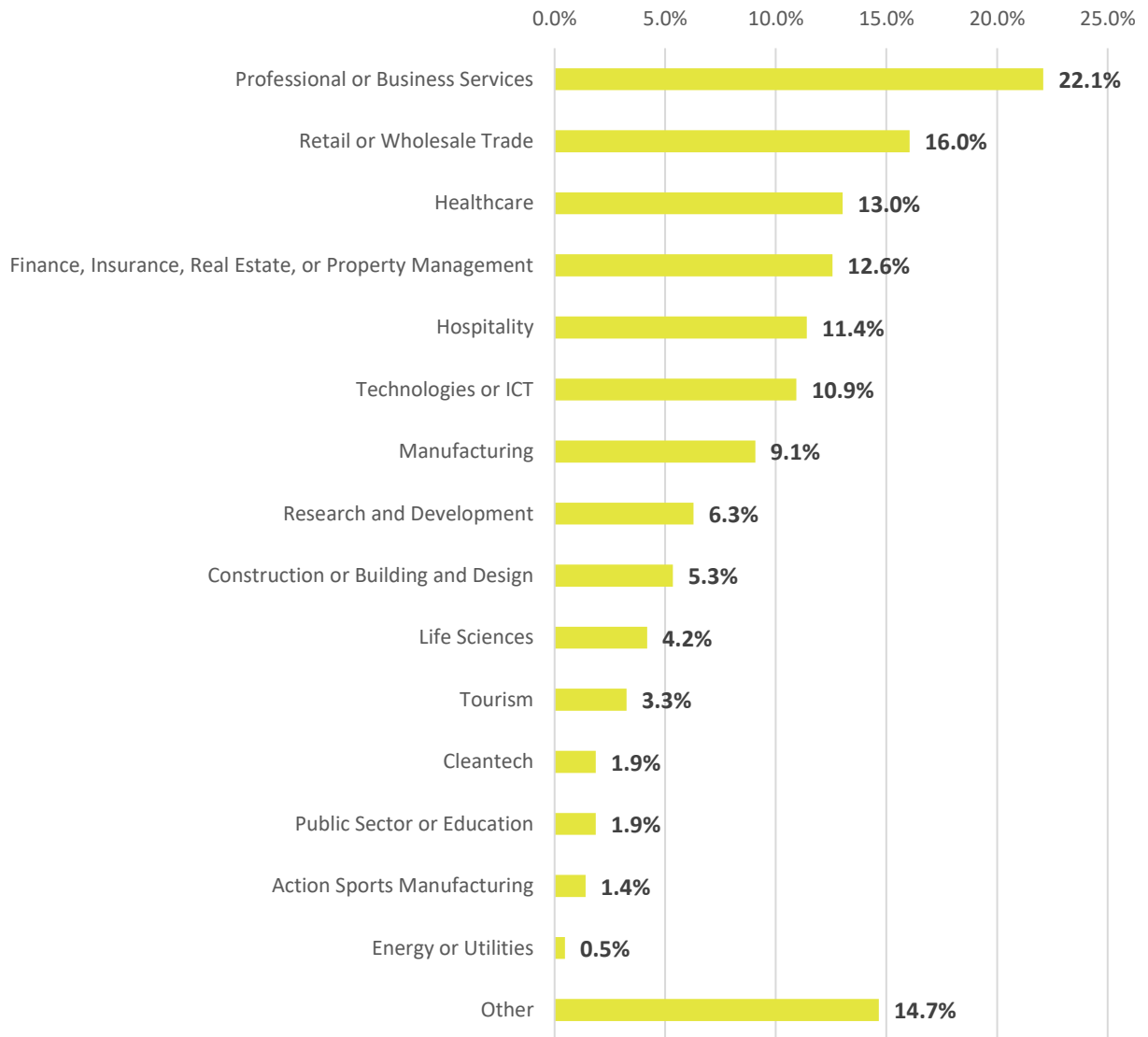
About four-in-ten respondent businesses (42%) primarily focus on consumers directly. Just under three-in-ten firms primarily work with other businesses (28%). A slightly larger proportion work with a combination of other businesses and consumers (29%) (Figure 10).

Figure 10. Primary Focus of Business



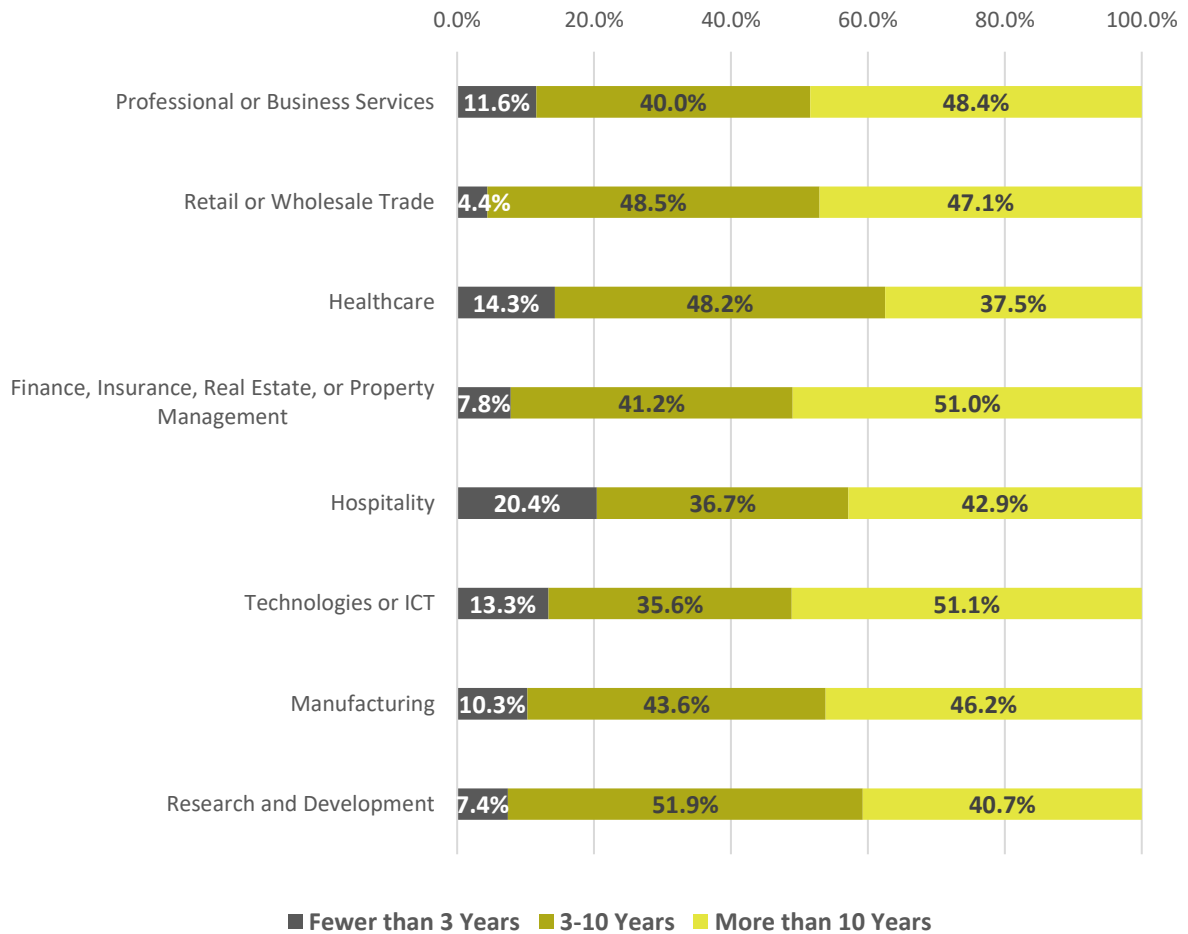
Not surprisingly, the three largest industries represented in the survey are Professional or Business Services, Retail or Wholesale Trade, and Healthcare. These three industries accounted for more than half (51%) of all respondent firms (Figure 11). Relative to the 2017 survey, the 2019 survey set represents minor increases in the percentage of Technologies or ICT, Research and Development, Manufacturing, and Hospitality firms surveyed.

Figure 11. Main industries represented by surveyed companies



Industries like Hospitality, Healthcare, and ICT have relatively higher percentages of firms who have been in Carlsbad for fewer than three years, suggesting new businesses have opened in those industries in recent years. Conversely, only 4% of respondents in Retail or Wholesale Trade have been in Carlsbad for fewer than three years, suggesting there have been relatively fewer recent entrants into this industry in Carlsbad (Figure 12).

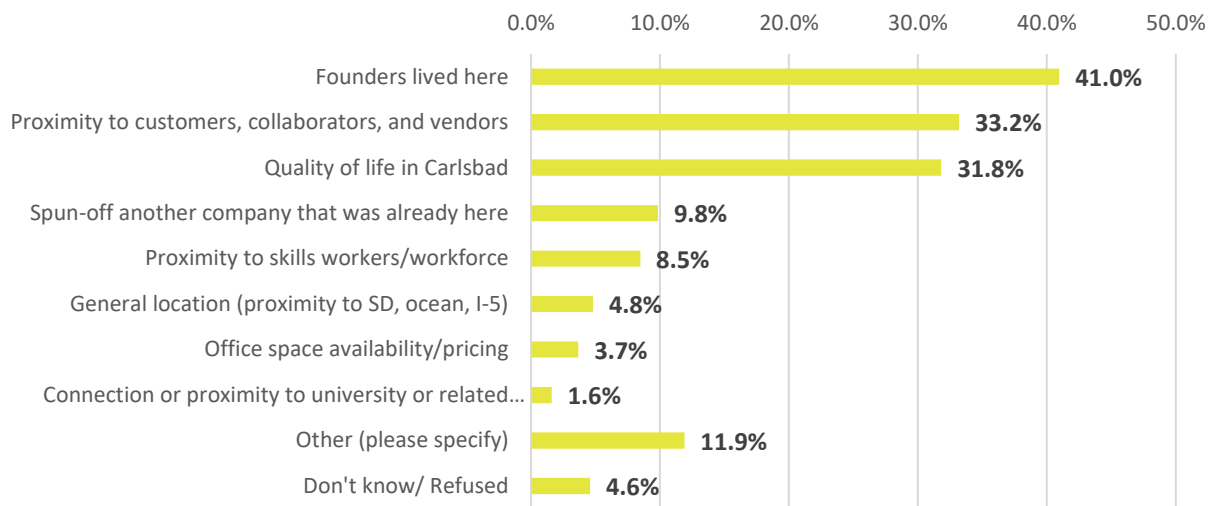
Figure 12. Eight most-common industries by firm age



Reasons for Firm Location in Carlsbad

As was the case in the 2017 business survey results, quality of life-related reasons were among the most popular for why a company was located in Carlsbad. Almost three-quarters (73%) of respondents said their location was due to either founders living in Carlsbad and/or the quality of life in Carlsbad (Figure 13).

Figure 13. Reasons for Carlsbad business locations⁸



Throughout this report, some findings across industries are reported in industry groups. The major industries identified in the survey were grouped based on their broader markets and customers. There are four groups;

Tourism and Hospitality (consisting of Tourism and Hospitality firms),

Export-oriented and Innovative Firms (includes Technologies or ICT, Manufacturing, Research and Development, Life Sciences, Action Sports Manufacturing, and Cleantech),

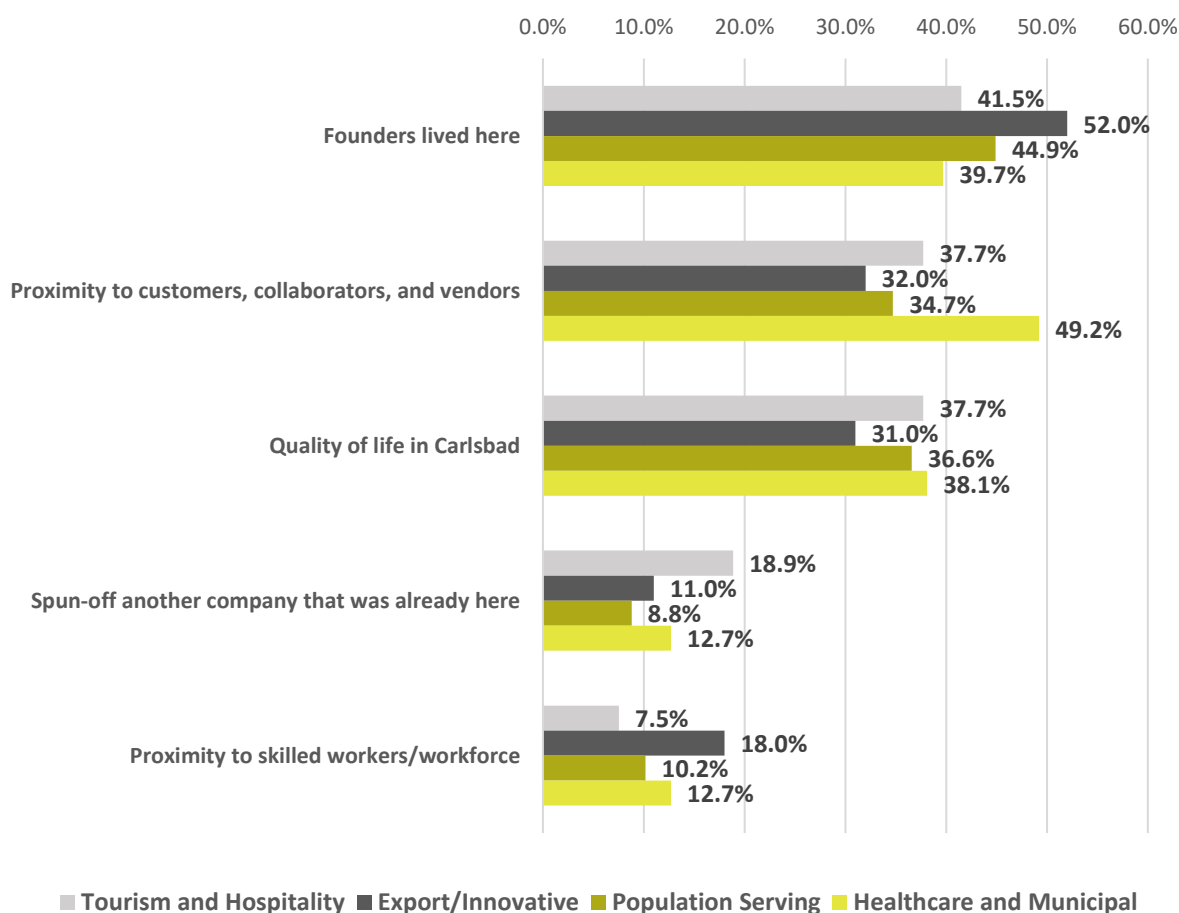
Population Serving (includes Professional or Business Services, Retail or Wholesale Trade, Finance, Insurance, Real Estate, or Property Management, and Construction or Building and Design), and

Healthcare and Municipal (includes Healthcare, Public Sector or Education, and Energy or Utilities).

⁸ Respondents could select multiple responses, so values sum to more than 100%

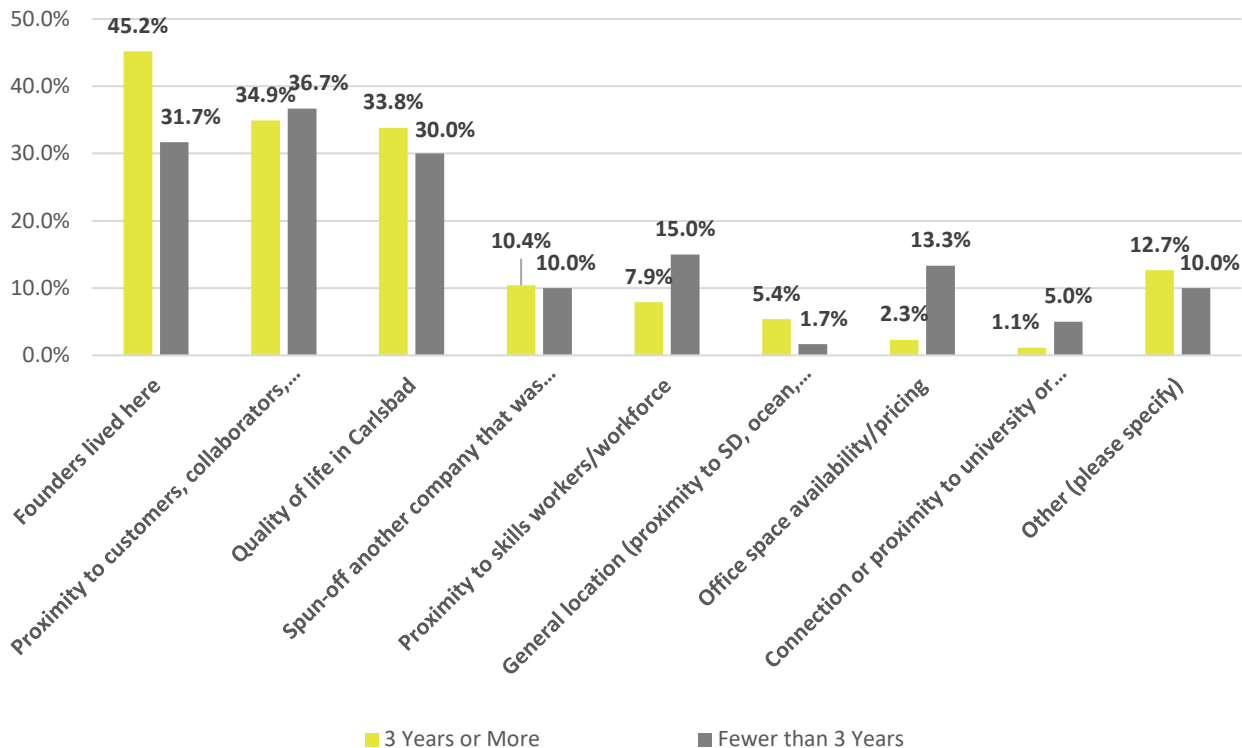
When reasons for locating in Carlsbad are examined by industry group, a couple patterns emerge. Export-oriented and Innovative industries reported relatively high percentages of firms that located in Carlsbad because of its “proximity to skilled workers” and because the “founders lived in [Carlsbad]”. This suggests that Carlsbad and the surrounding communities have been able to successfully attract high skill workers and entrepreneurs necessary for these industries. It is also notable that Tourism and Hospitality firms have a relatively high proportion of firms that are spun-off from another company that was already here (Figure 14). Many of these “spin-offs” are food and beverage establishments.

Figure 14. Reasons for Carlsbad Locations by Industry



Firms that have been in Carlsbad for fewer than three years more frequently cited the availability and low price of office space, as well as the proximity to skilled workers. Conversely, firms that have been in Carlsbad for three years or more, more frequently cited “founders living [in Carlsbad]” and “quality of life” (Figure 15). This suggests that new entrants to Carlsbad are increasingly attracted to not just the city’s quality of life, but it’s reputation as a hub for business and talent as well.

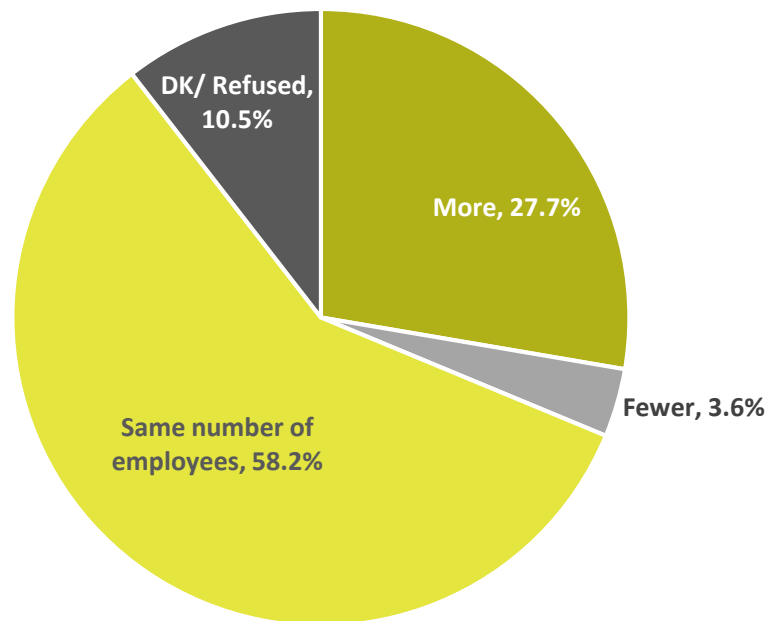
Figure 15. Reasons for Carlsbad business locations by age of firm



Firms' Expectations of Growth

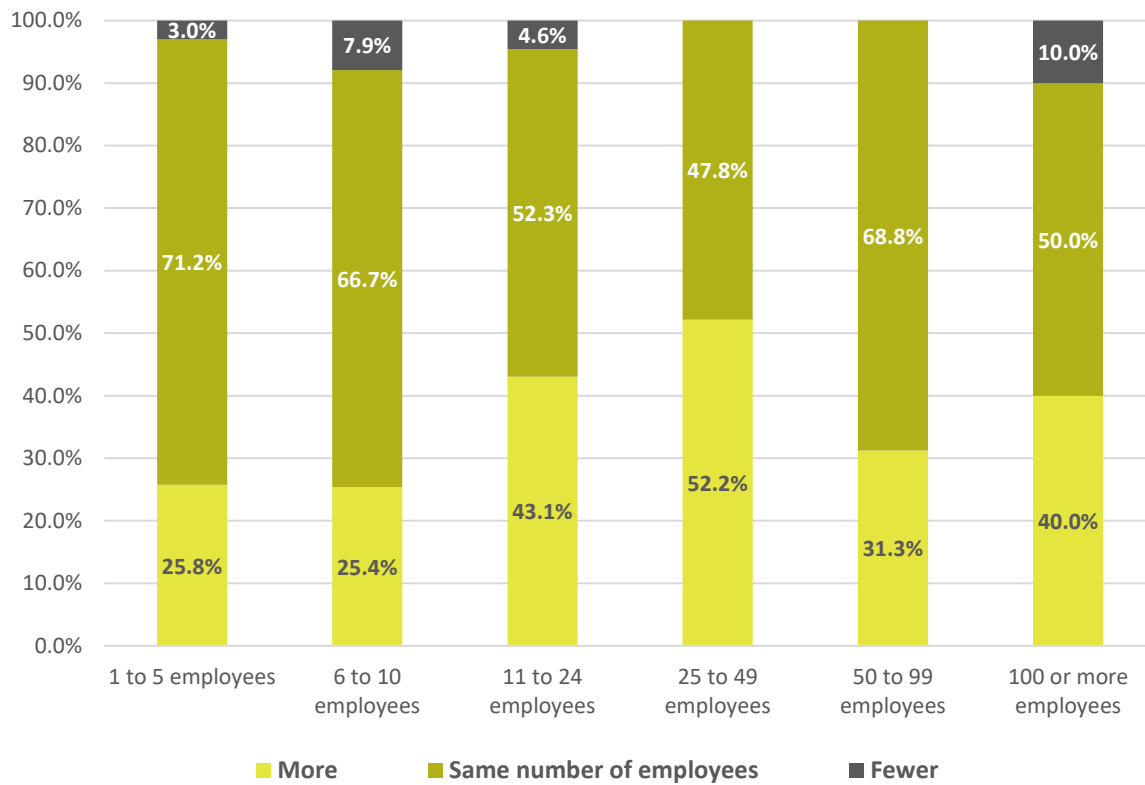
Most respondents felt that their firm would have the same number of employees 12 months from now. Approximately 28% of respondents felt that they would have more employees within a year and only 4% of respondents felt they would have fewer employees (Figure 16). These responses are more optimistic than those in 2017, when only 22% of respondents felt they would have more employees in the next 12 months.

Figure 16. Firms' expectations for number of employees 12 months from taking the survey



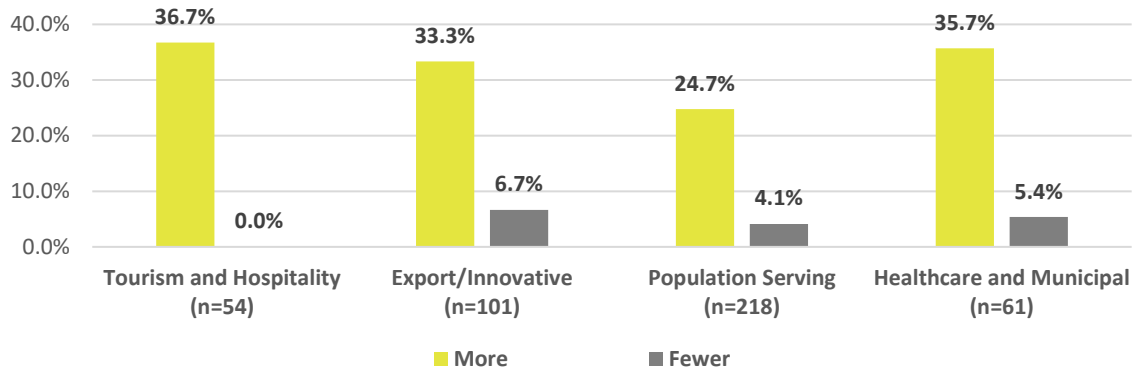
Larger firms generally have greater expectations for growth within the next 12 months. More than half of firms with between 25 and 49 employees felt that they would have more employees within the next 12 months (Figure 17).

Figure 17. Firms' growth expectations by number of employees



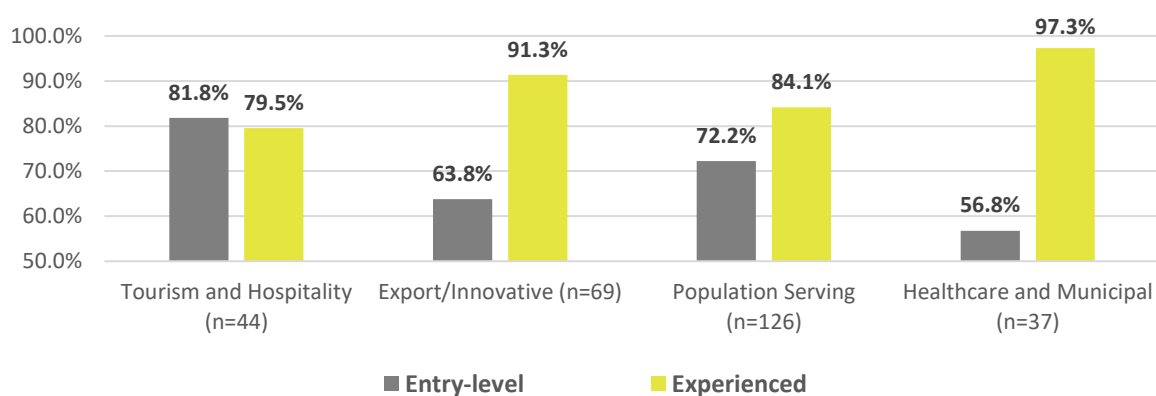
Employment expectations vary across industries. Population Serving firms have the lowest percentage of respondents expecting more employees within the next 12 months. Tourism and Hospitality is the only industry group in which no respondent firms felt they would have fewer employees within 12 months (Figure 18).

Figure 18. Change in employment expectations over the next 12 months by industry grouping⁹



Across all industries, experienced workers generally seem to be in the highest expected demand. Of the firms who expect to add workers in the next 12 months, at least 80% of them expect to hire experienced workers. Some differences between expected hiring types are considerable; nearly twice as many Healthcare & Municipal industry group firms expect to hire experienced workers than entry-level ones. The exception to this trend is the Tourism and Hospitality industry group, of which nearly the same percentage of firms expect to hire both entry-level and experienced workers. (Figure 19).

Figure 19. Types of expected hires by industry^{10 11}



⁹ Analysis excludes “Don’t know/ Refused” responses

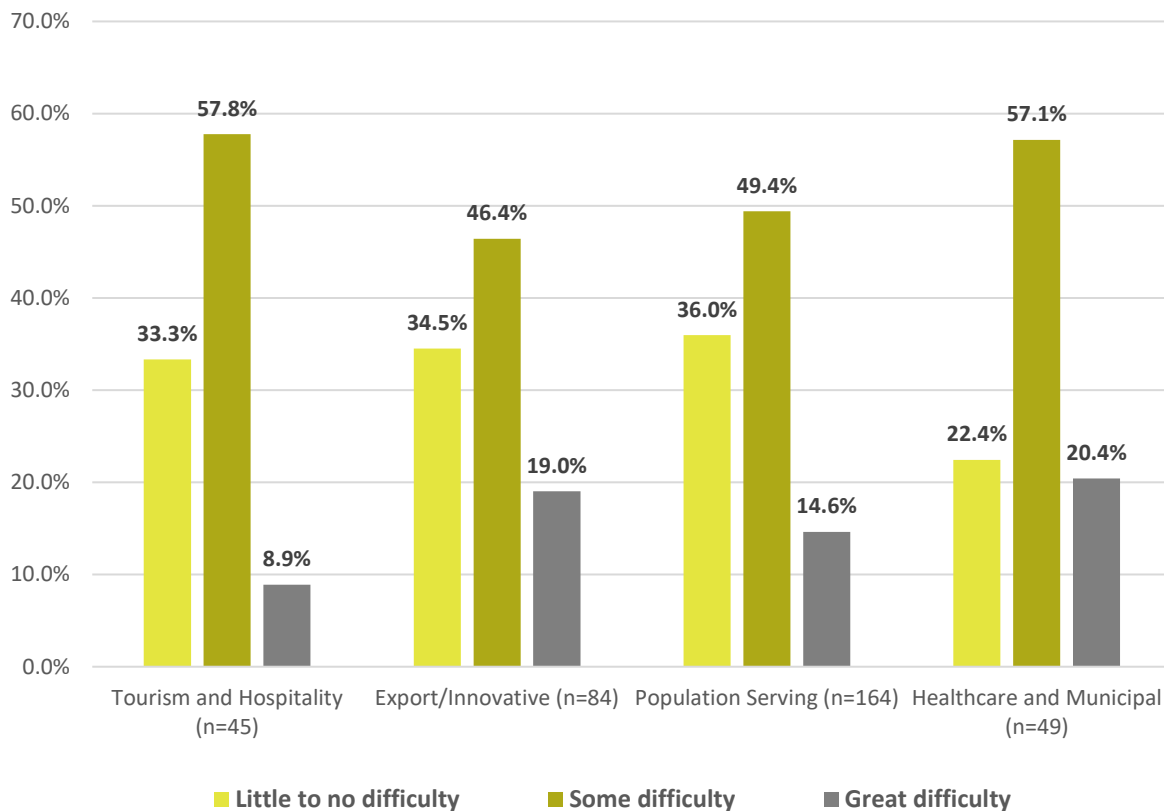
¹⁰ Values calculated by adding “a mix of both entry-level and experienced” to both entry-level and experienced values in each respective industry.

¹¹ Analysis excludes “Don’t know/ Refused” responses

Hiring Challenges

Respondents in the Healthcare & Municipal industry group reported the greatest percentage of hiring difficulty. Seventy-seven percent of firms reported at least some difficulty finding qualified applicants (Figure 20). Tourism and Hospitality firms have the lowest percentage of respondents that reported “great difficulty”.

Figure 20. Hiring difficulty by industry¹²

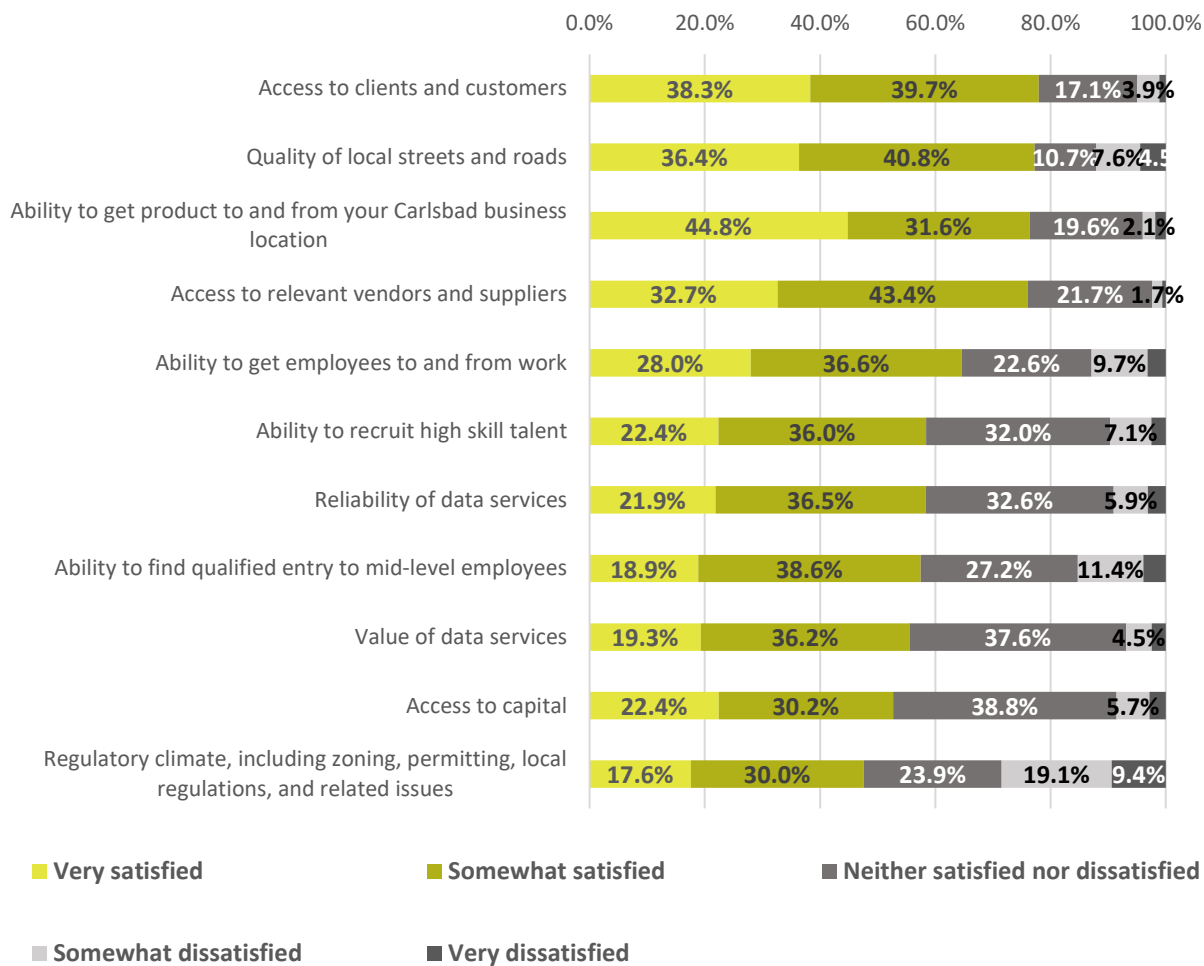


¹² Analysis excludes “Don’t know/ Refused” responses

Satisfaction with Carlsbad’s Business Climate

Carlsbad’s businesses indicated they were more satisfied than dissatisfied with each of the attributes tested as part of the business climate. Attributes like “access to clients and customers”, “quality of local streets”, and “ability to get product to and from your Carlsbad business location” received the highest satisfaction levels in both 2019 and 2017 surveys. Categories such as “regulatory climate...”, “access to capital”, and “ability to find qualified entry to mid-level employees” remained among the least-satisfactory attributes (Figure 21).

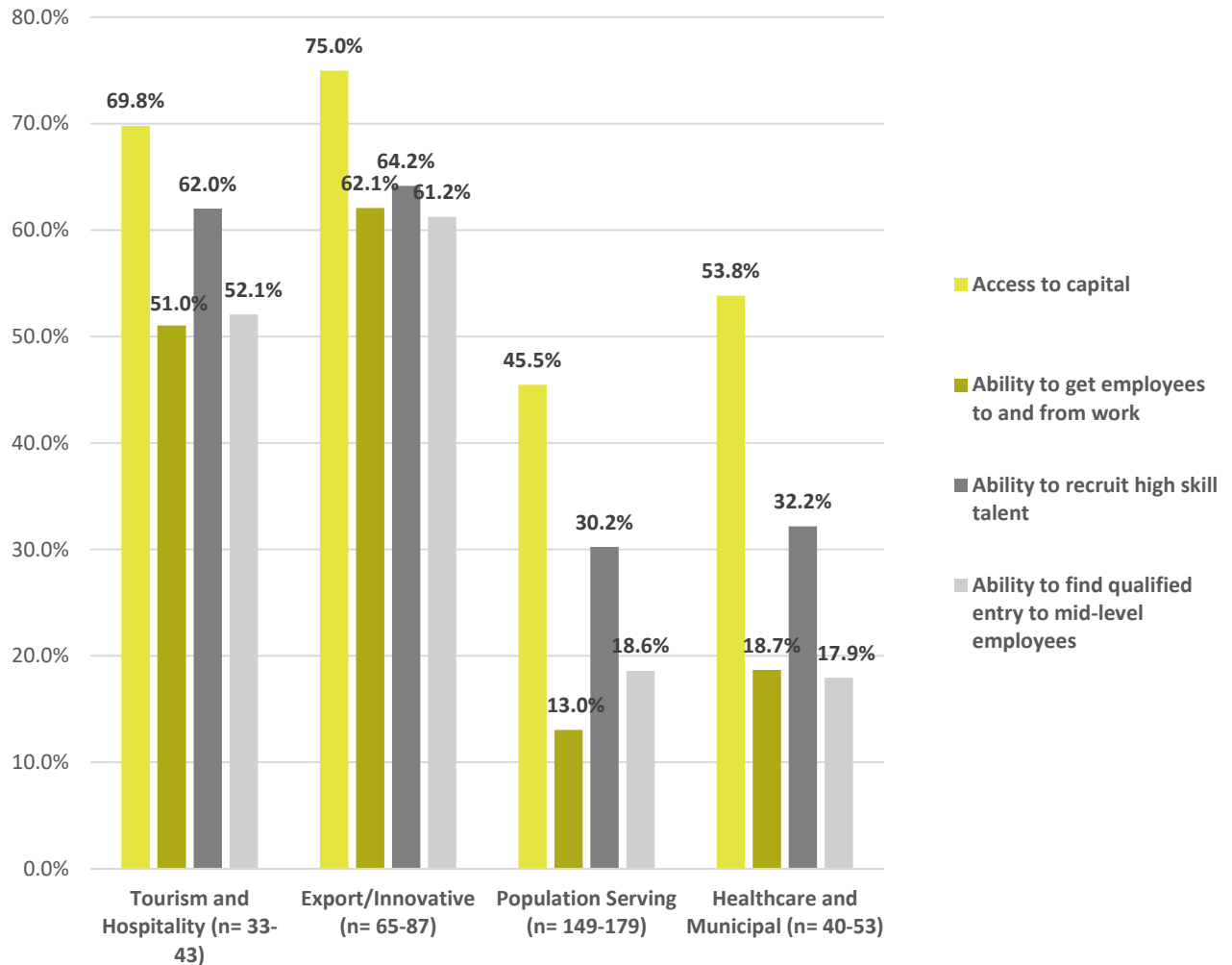
Figure 21. Satisfaction with attributes of Carlsbad’s business climate¹³



¹³ Due to relatively high percentages of respondents who chose “Don’t know/ Refused” for these answers, those responses were eliminated from this analysis.

Firms in Tourism and Hospitality as well as firms in the Export-oriented and/or Innovative industry group generally have higher satisfaction rates for aspects of the business climate displayed in Figure 22 than firms in Population Serving and Healthcare & Municipal industry groups. Satisfaction rates are also higher with firms’ “ability to recruit high skill talent” than their “ability to find qualified entry to mid-level employees” across all industry groups examined (Figure 22).

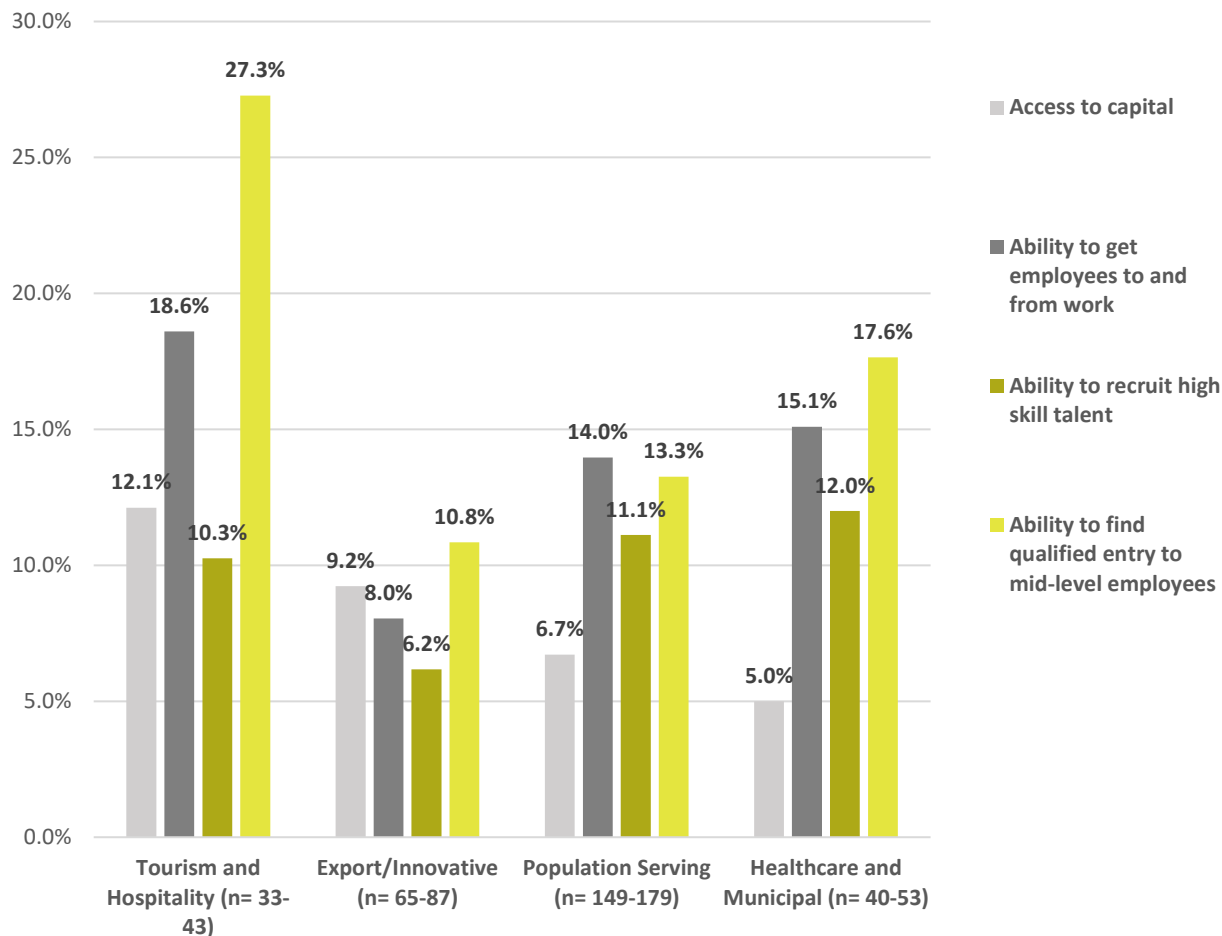
Figure 22. Satisfaction rates for business climate aspects by industry¹⁴



¹⁴ Analysis excludes “Don’t know/ Refused” responses and combines Very Satisfied with Somewhat Satisfied

Firms’ “ability to find qualified entry to mid-level employees” received the highest rates of dissatisfaction across all industry groups, except among firms that were categorized as Population Serving. Dissatisfaction for this component of the business climate was particularly high among firms in Tourism and Hospitality, where over one quarter (27%) of respondents stated they were either somewhat or very dissatisfied (Figure 23).

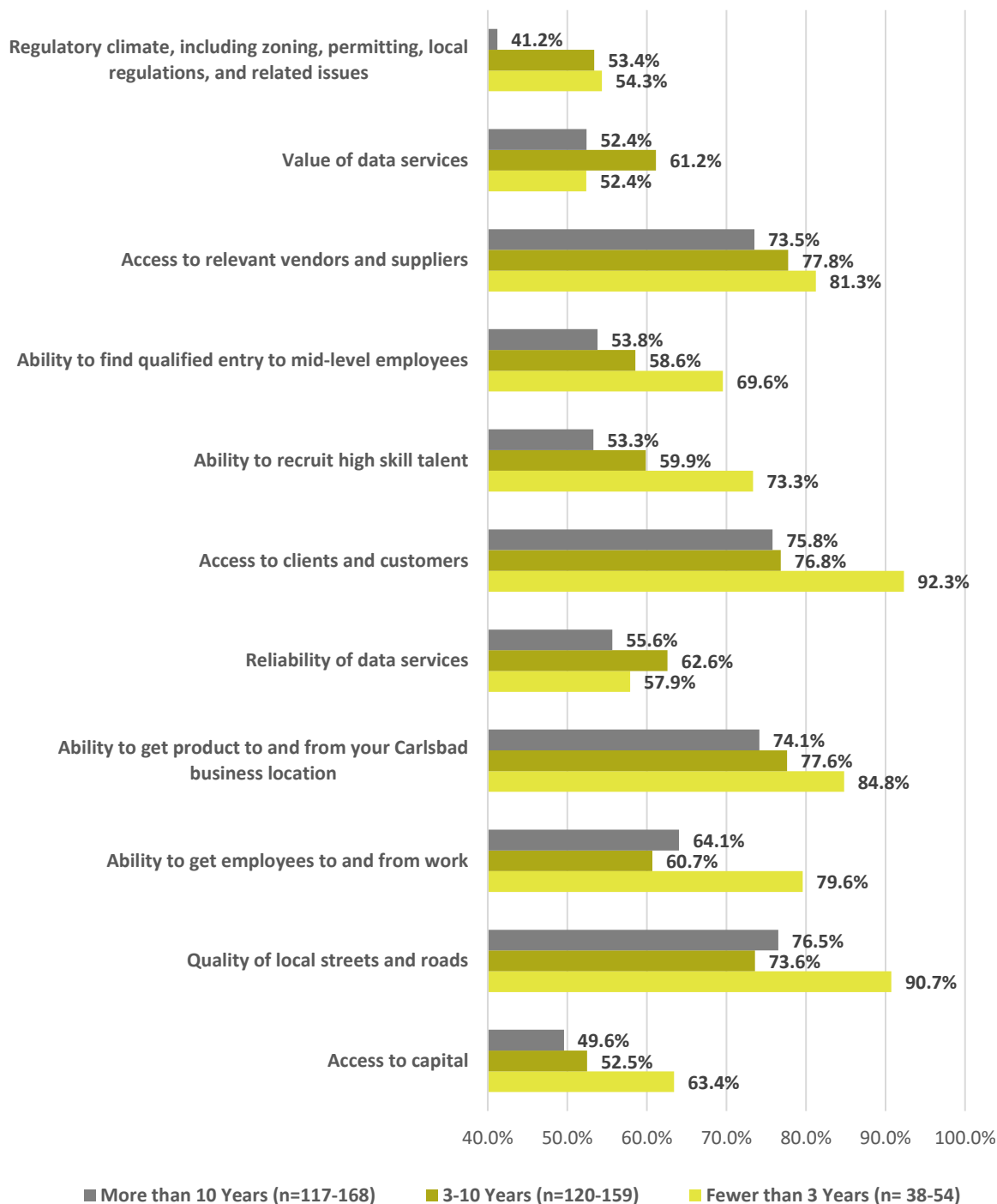
Figure 23. Dissatisfaction rates for business climate aspects by industry¹⁵



¹⁵ Analysis excludes “Don’t know/ Refused” responses

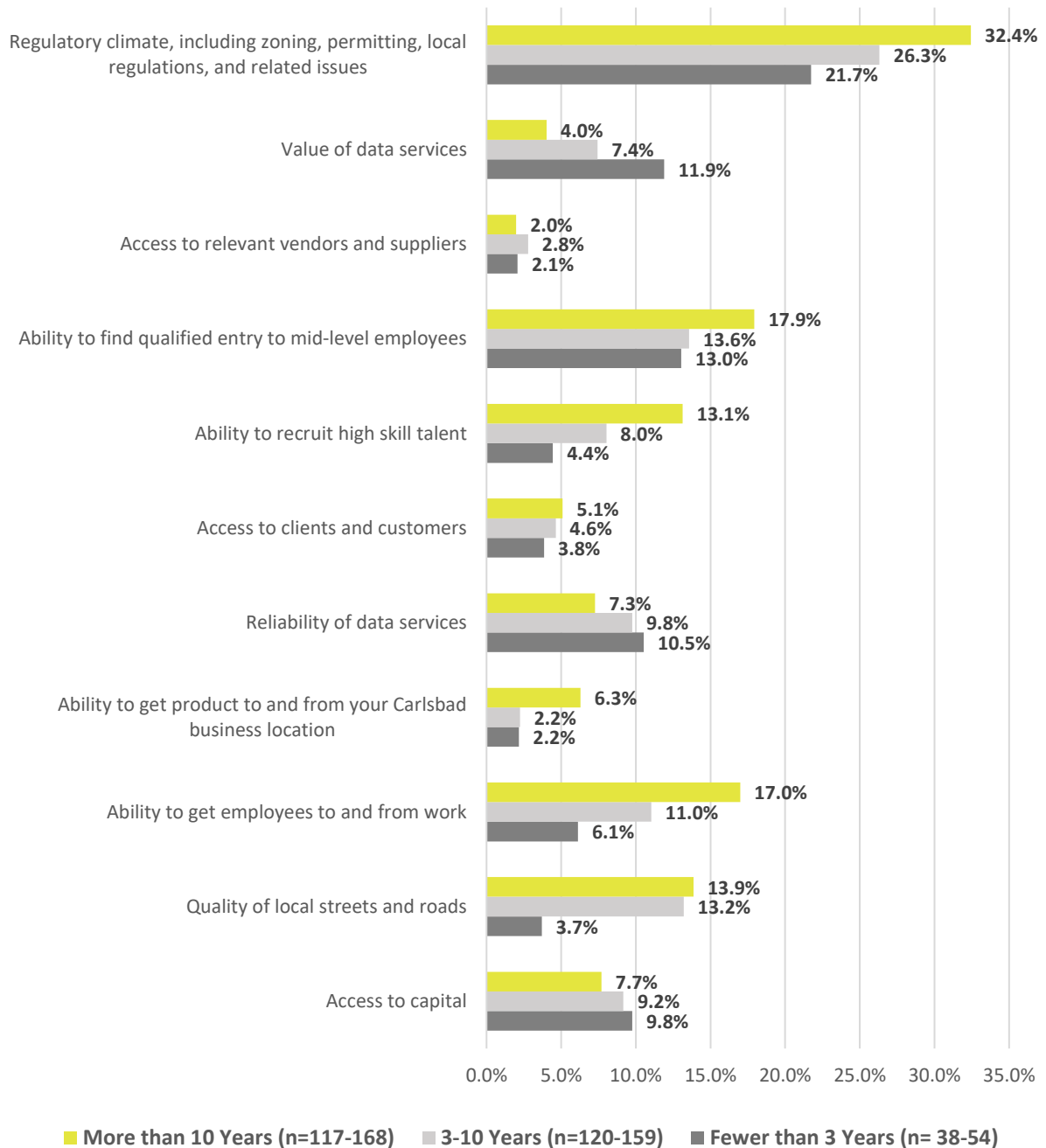
Figure 24 highlights the trend that firms that are newer to Carlsbad generally have more positive perceptions of the different components of the city’s business climate.

Figure 24. Satisfaction with Business Climate Aspects of Carlsbad by Length of Residency



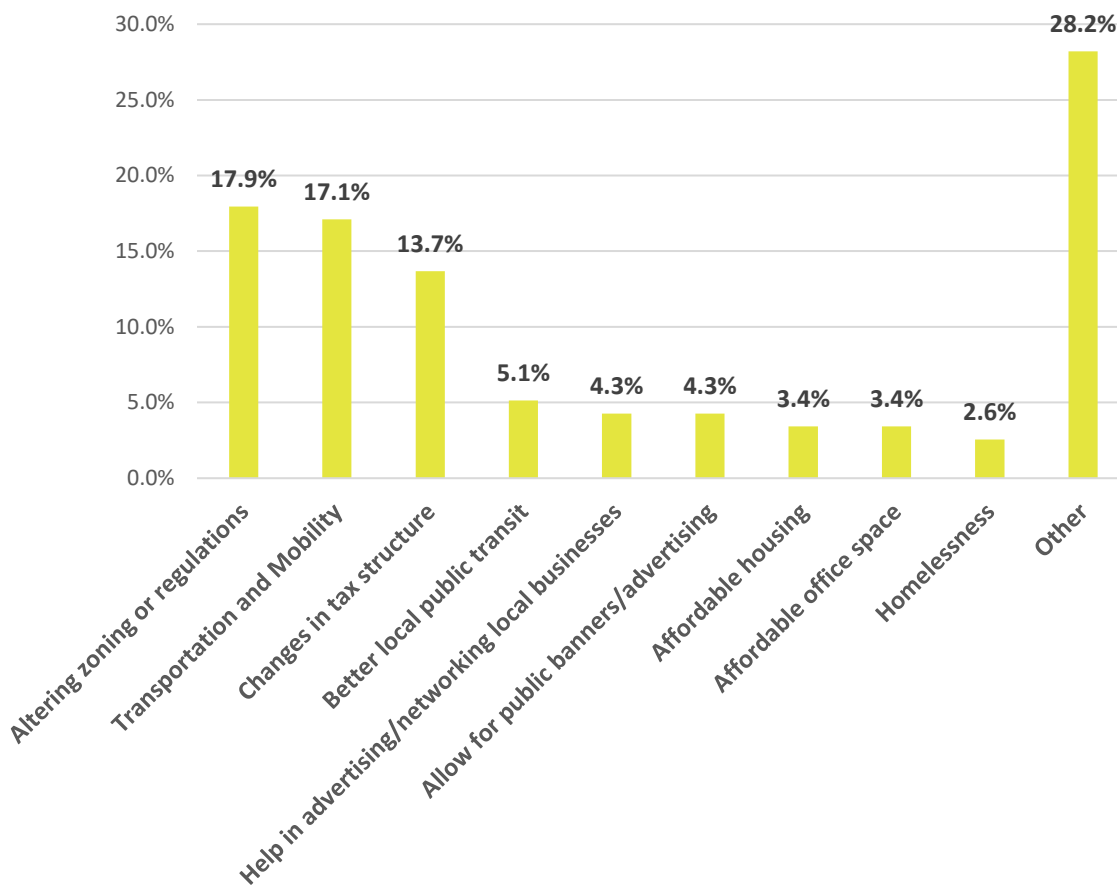
The aspects of Carlsbad’s business climate that draw the greatest dissatisfaction from longer-term Carlsbad businesses are regulatory climate, ability to find qualified entry to mid-level employees, and ability to get employees to and from work (Figure 25).

Figure 25. Dissatisfaction with Business Climate Aspects of Carlsbad by Length of Residency



One of the final questions of the business survey, in an open-ended format, asked respondents if there was anything they would like the City to address that had not been discussed earlier within the survey. A little over half (52%) of respondents cited the 10 issues summarized in Figure 26. The most frequent issues cited were changes to zoning rules or other regulations and issues related to transportation and mobility in and around Carlsbad (Figure 26).

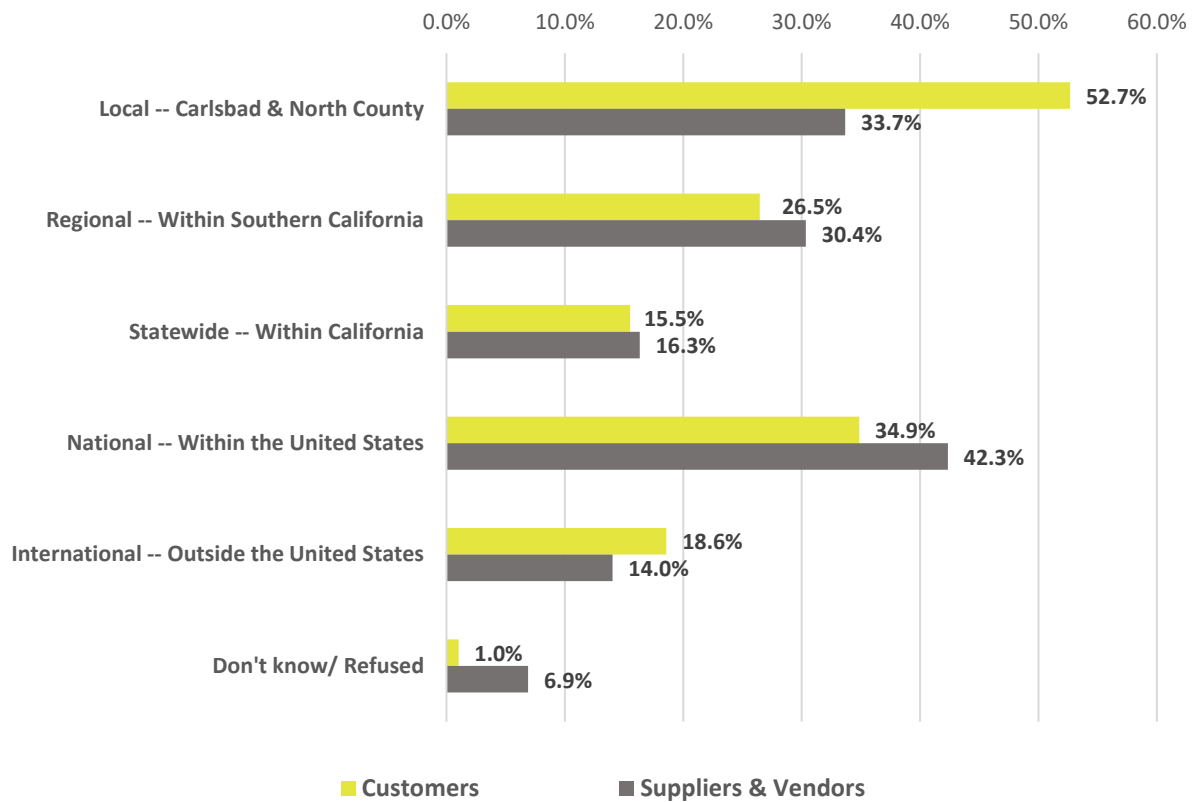
Figure 26. Issues respondents would like to see the City of Carlsbad address – open ended response



Respondent Firms' Geographic Location of Customers and Suppliers

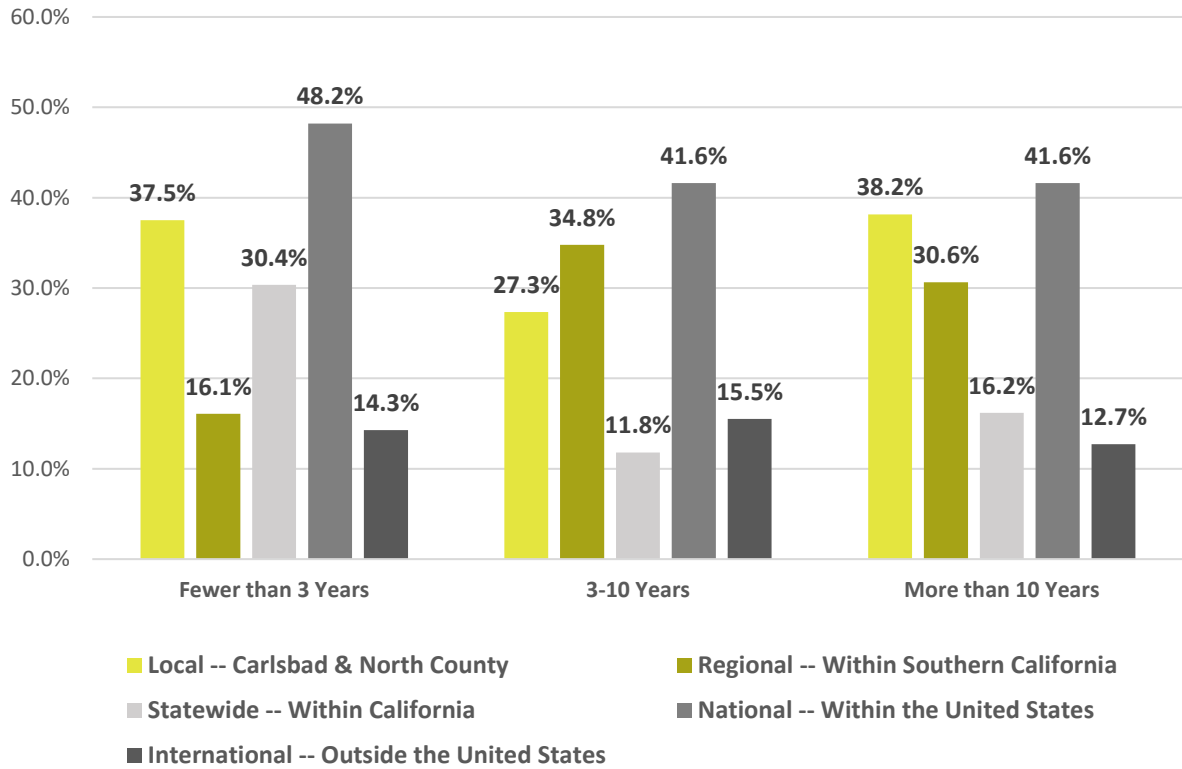
Just over half (53%) of respondent firms have primarily local customers, though about 35% reported primarily national customers. Similarly, about four out of ten respondents (42%) stated their suppliers and vendors are national, while about a third (34%) reported local suppliers and vendors (Figure 27). It should be noted that respondents could identify more than one primary customer and/or supplier area, therefore results will add up to more than 100%.

Figure 27. Geographic locations of suppliers and customers



The amount of time a firm has been in Carlsbad also appears to play a role in the geographic area of the suppliers they work with. More than 30% of firms that have been in Carlsbad for fewer than three years stated that their suppliers and vendors are primarily statewide compared to 12% of firms in Carlsbad for 3 to 10 years and 16% of firms that have been in Carlsbad for more than 10 years. These newer firms also generally reported lower percentages of regional (Southern California) suppliers than older firms (Figure 28).

Figure 28. Geographic location of suppliers and vendors by firm age¹⁶



¹⁶ This analysis excludes “Don’t know/ Refused” responses

INDUSTRY CLUSTERS

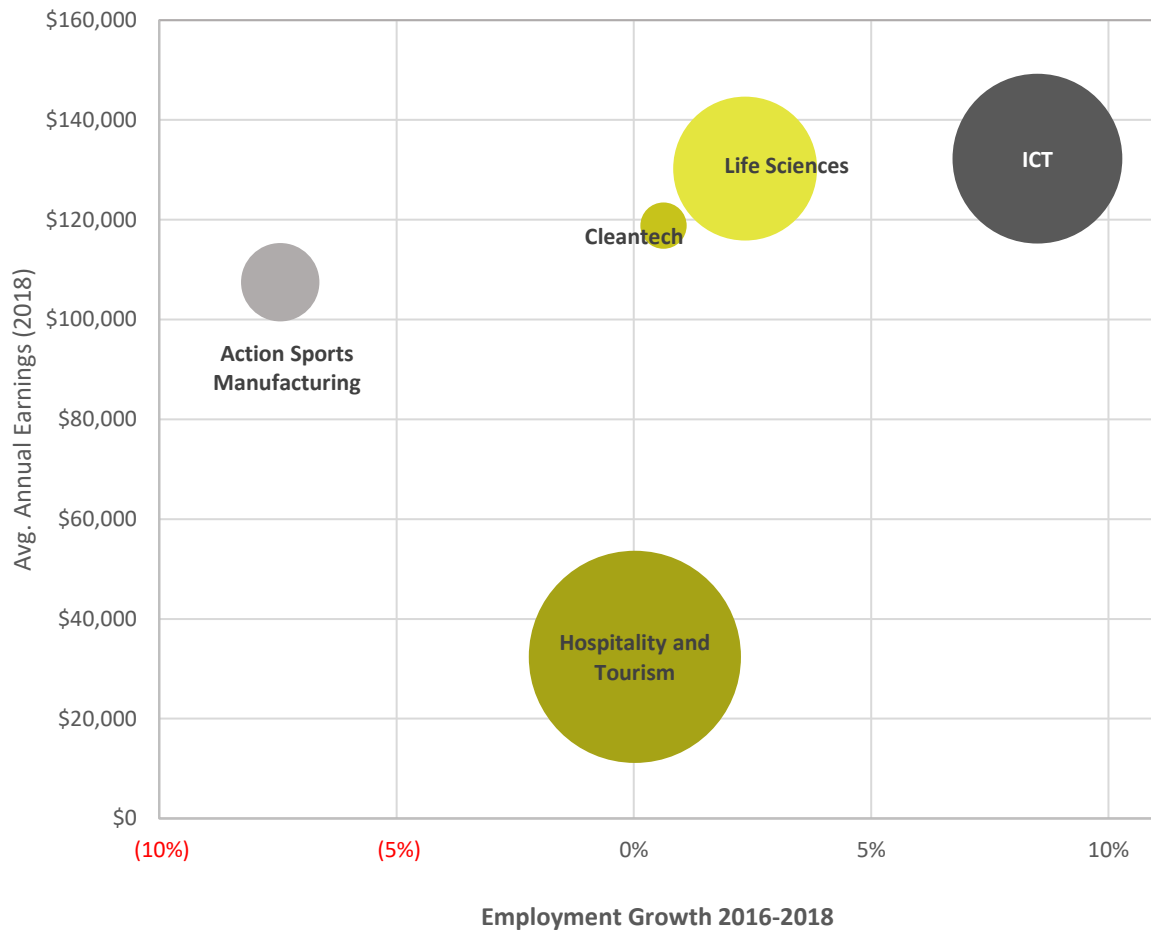
SANDAG focused on 13 industry clusters in its March 2016 report. Among those, six clusters¹⁷ were identified as the most relevant to the City of Carlsbad as they either already have a relatively high concentration of employment within Carlsbad or there is a potential to see considerable growth within the next three to ten years. The industry clusters relevant to the City of Carlsbad, include;

1. **Action Sports Manufacturing cluster** includes firms that are engaged in the design and production of golf clubs, surfboards, diving equipment, and other recreational goods as well as the apparel and accessories that are closely tied to these products.
2. **Life Sciences cluster** combines two of SANDAG's industry clusters, *Biomedical Devices and Products* which includes the research, design, and production of medical devices and *Biotechnology and Pharmaceuticals* which includes research and development related to biological technologies as well as the manufacturing of medicinal and diagnostic substances.
3. **Cleantech cluster** includes firms that are engaged in renewable energy (wind power, solar power, biomass, hydropower, biofuels), green transportation, electric motors, green chemistry, lighting, greywater, and many other appliances that are now more energy efficient.
4. **Hospitality & Tourism cluster** (SANDAG's *Entertainment & Hospitality*) includes hotels, transportation services, and restaurants, as well as entertainment attractions such as theme parks (LEGOLAND), golf courses, and country clubs.
5. **Information, Communications, & Technologies (ICT) cluster** includes cyber security, software and video game design, satellite communication, electronic device development, radio and wireless communication, and robotics.

It should be noted that each of the industry cluster definitions are generally consistent with SANDAG; a few minor revisions and additions were made after reviewing the database of employers with the City of Carlsbad. In addition, some NAICS are included in multiple industry clusters with proportions implemented to avoid double or triple job counting.

¹⁷ Life Sciences cluster combines two of SANDAG's industry clusters Biomedical Devices & Products and Biotechnology & Pharmaceuticals

Figure 29: City of Carlsbad Industry Clusters by Growth, Annual Wages, and Overall Employment^{18*}



*The size of each bubble is representative of the overall number of employees in Carlsbad for each industry cluster.

¹⁸ EMSI QCEW and non-QCEW Employment 2019.1

ACTION SPORTS MANUFACTURING

There are 16 Action Sports Manufacturing (ASM) firms¹⁹ in Carlsbad that employ about 1,888 individuals. Despite a 7.5% decline in ASM jobs between 2016-2018, the industry cluster is still very concentrated in the area—about 37 times greater than the national average. The industry also generated over \$736 million in sales in 2018, 98% of which were exports from Carlsbad. This demonstrates that the industry still plays a substantial role in bringing revenue and employment into Carlsbad.

Action Sports Manufacturing

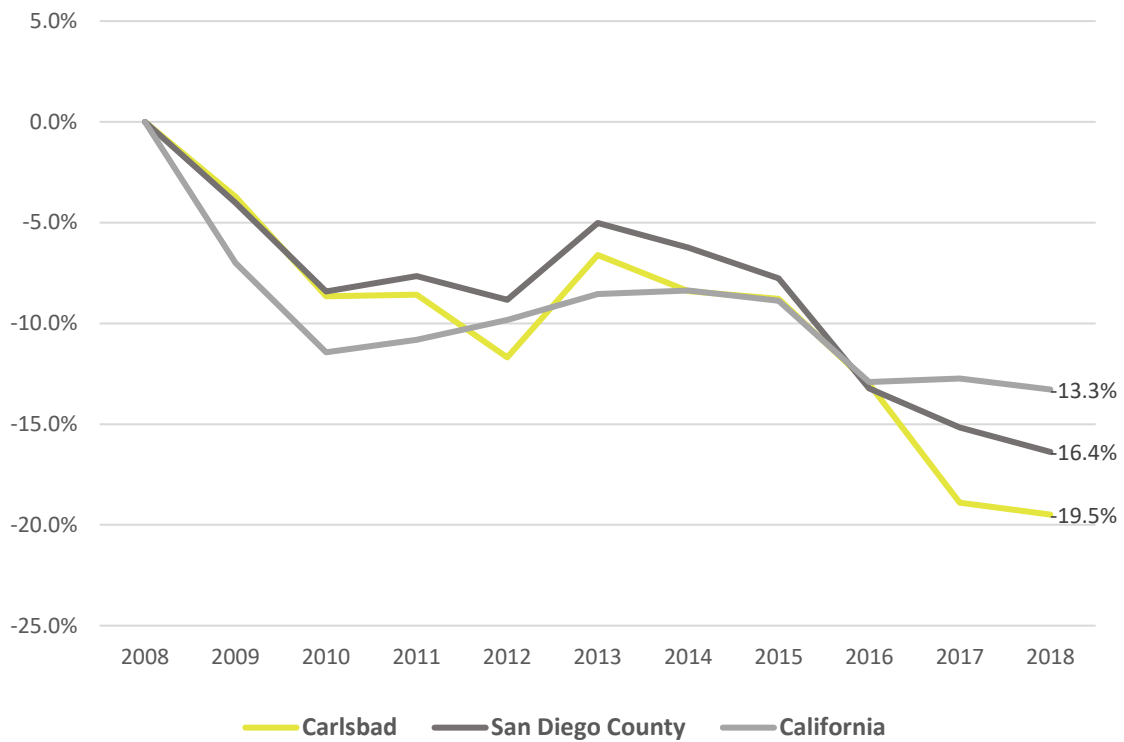
This cluster includes firms that are engaged in the design and production of recreational equipment, from golf clubs to surfboards, as well as the apparel and accessories that are closely tied to these products.

2018 Employment:	1,888
Current Establishments:	16
Change over the Last 2 Years:	A 7.5% employment decline from 2016 through 2018
Average Annual Earnings:	\$107,481
Industry Concentration:	Employment in Carlsbad is 37.44 times the national average

¹⁹ City of Carlsbad Business License List.

Action Sports Manufacturing employment has seen a steady decline in employment in Carlsbad and San Diego County, as well as California. While these declines likely exhibit the macroeconomic trends of increased outsourcing and automation, particularly in the manufacturing processes, Carlsbad remains a hub for Action Sports firms that design, test, and market action sports products.

Figure 30: Action Sports Manufacturing Employment % Change Over Time²⁰



²⁰ EMSI QCEW and non-QCEW Employment 2019.1

LIFE SCIENCES

For our purposes, two of SANDAG’s clusters – Biomedical Devices and Products & Biotechnology and Pharmaceuticals – have been combined into one industry cluster—Life Sciences—in Carlsbad. Carlsbad has increasingly become an appealing option for small and large Life Sciences firms alike; there are now 111 life science firms in Carlsbad—nearly half of which employ between one and nine individuals. This suggests that Carlsbad has been successful in attracting life science-related startups and small companies as well as large, established firms. The industry is also 13 times more concentrated in Carlsbad than the national average. The industry also generated nearly \$3 billion in sales and offered average earnings of \$130,258 per year in 2018.

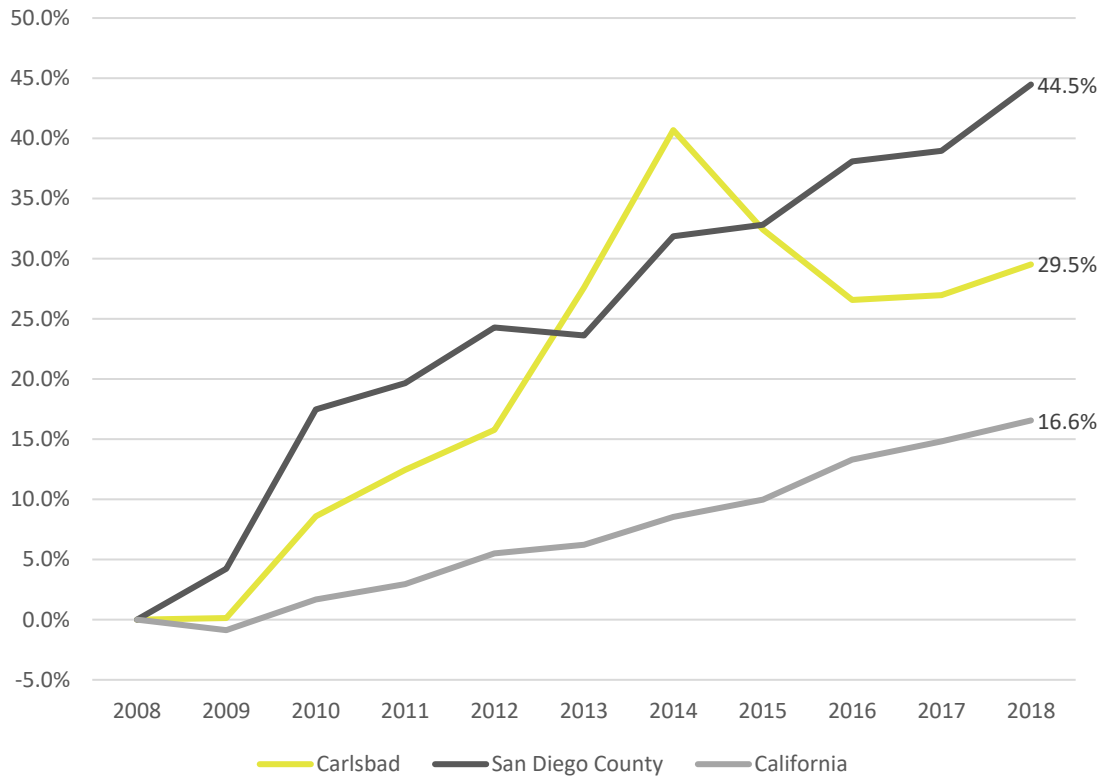
Life Sciences

This cluster combines two of SANDAG’s industry clusters, *Biomedical Devices and Products* which includes the research, design, and production of medical devices and *Biotechnology and Pharmaceuticals* which includes research and development related to biological technologies as well as the manufacturing of medicinal and diagnostic substances.

2018 Employment:	6,366
Current Establishments:	111
Change over the Last 2 Years:	A 2.4% increase in employment from 2016 to 2018
Average Annual Earnings:	\$130,258
Industry Concentration:	Employment in Carlsbad is 13.6 times the national average

Life Sciences employment in Carlsbad increased by about 29.5% between 2008-2018 and grew by 2.4% between 2016-2018. While Life Sciences employment in Carlsbad experienced greater growth than the statewide average, San Diego County’s Life Sciences employment increased 44.5% between 2008-2018 (Figure 31). It is clear that Carlsbad, as an extension of broader San Diego County, has become a central hub for Life Sciences.

Figure 31: Life Sciences Employment % Change Over Time²¹



²¹ EMSI QCEW and non-QCEW Employment 2019.1

CLEANTECH

Twenty Cleantech firms²² in Carlsbad employed about 659 people in 2018. Employees in this industry cluster earned an average of \$118,827 per year and the industry generated more than \$168 million in sales in 2018, 85% of which were exported sales. Cleantech is also relatively abundant in Carlsbad; there are about 3.57 times more Cleantech employees in Carlsbad than the national average for a region of the same size. Between 2016-2018, Cleantech employment in Carlsbad increased a slight 0.6%.

Cleantech

This cluster includes firms that are engaged in renewable energy, energy efficiency, and energy storage.

2018 Employment: 659

Current Establishments: 20

Change over the Last 2 Years: A 0.6% increase in employment from 2016 to 2018

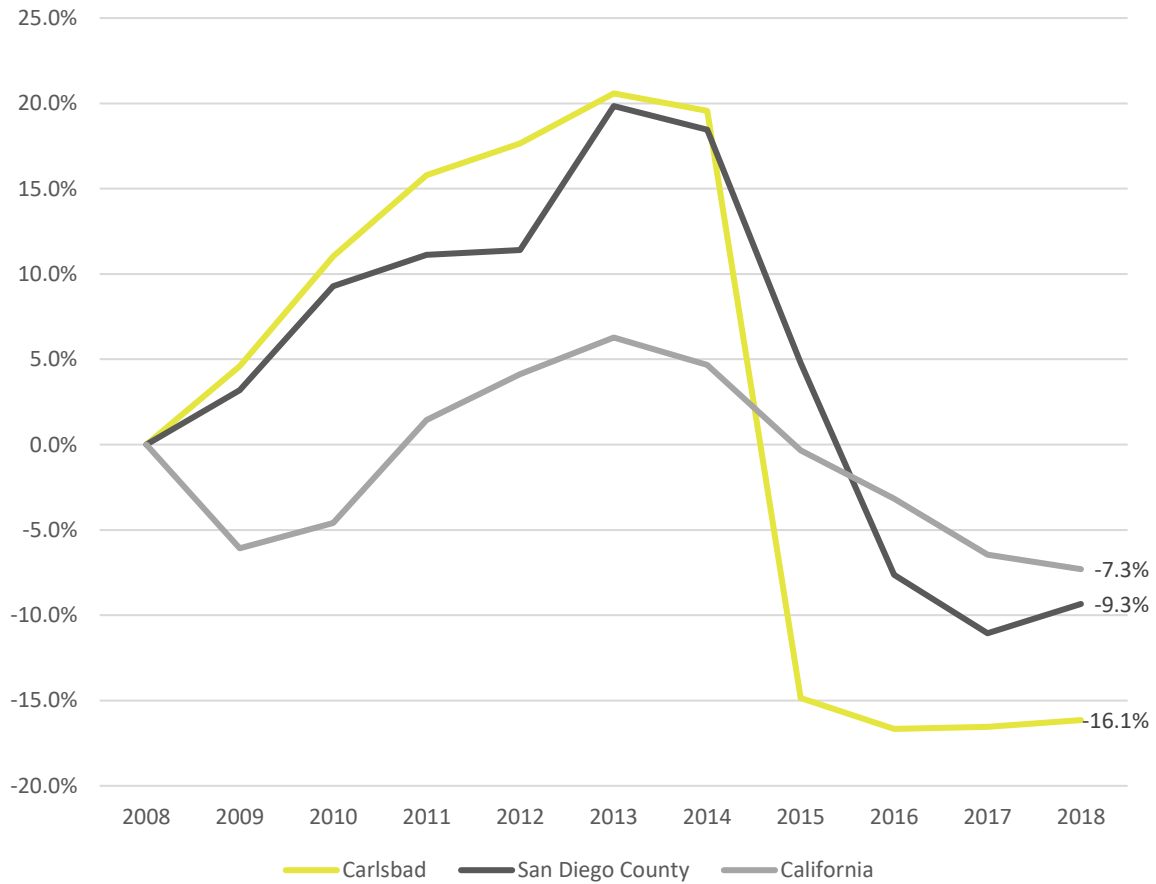
Average Annual Earnings: \$118,827

Industry Concentration: Employment in Carlsbad is 3.57 times the national average

²² City of Carlsbad Business License List.

From 2008-2018, Cleantech employment in Carlsbad declined by about 16% (Figure 32). Both San Diego County as well as the state of California saw declines over the same time period of 9% and 7% in Cleantech employment, respectively. This suggests that, while Carlsbad’s decline in Cleantech employment was more severe locally, the other comparison regions suffered declines as well.

Figure 32: Cleantech Employment % Change Over Time²³



²³ EMSI QCEW and non-QCEW Employment 2019.1

INFORMATION AND COMMUNICATIONS TECHNOLOGIES (ICT)

The Information and Communications Technologies (ICT) cluster represents a key industry cluster in Carlsbad with **258 firms**²⁴ and **8,862 jobs** in Carlsbad. ICT is also more than nine times more concentrated in Carlsbad than the national average. Despite its substantial size, ICT employment increased by a robust 8.5% between 2016-2018. This industry cluster also brings substantial economic activity to Carlsbad; in 2018, ICT firms generated over \$4.2 billion in sales and the average ICT employee earned \$132,250 per year.

Information & Communications Technologies

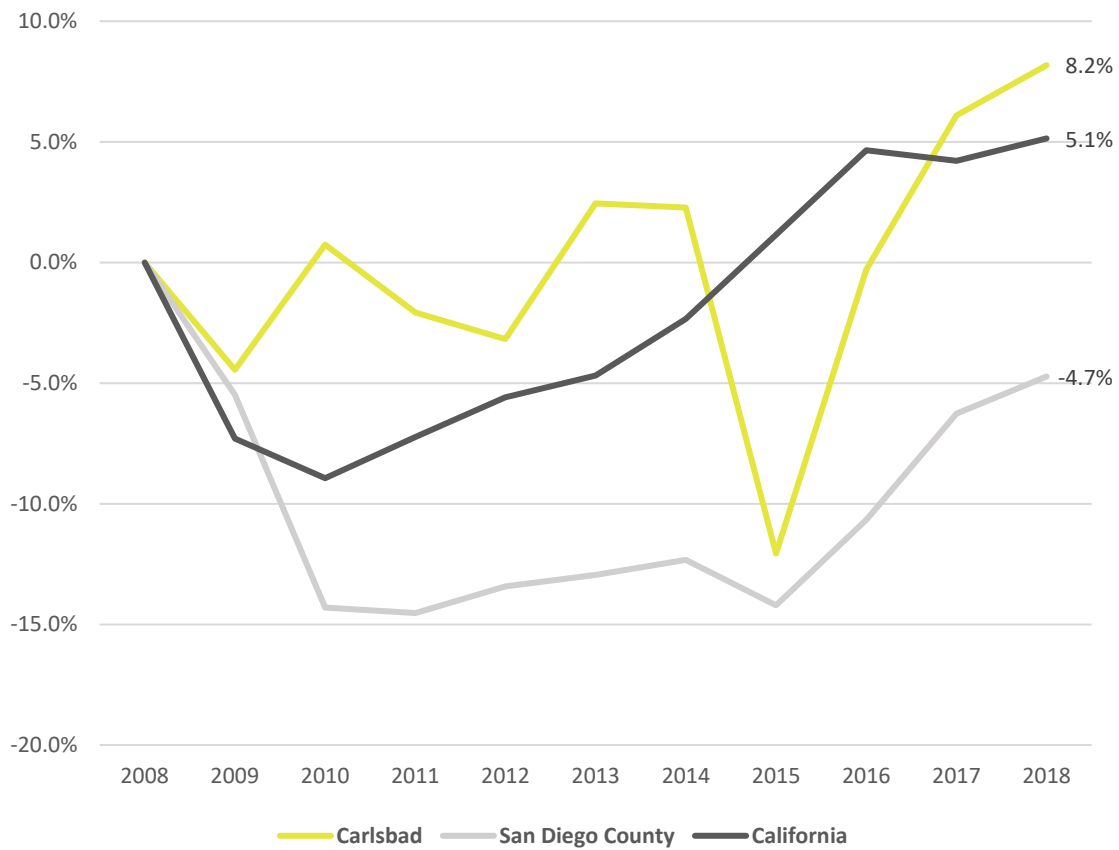
This cluster includes communications, computer and electronics, and software industries.

2018 Employment:	8,862
Current Establishments:	258
Change over the Last 2 Years:	8.5% increase in employment from 2016 to 2018
Average Annual Earnings:	\$132,250
Industry Concentration:	Employment in Carlsbad is 9.18 times the national average

²⁴ Data source: City of Carlsbad Business License List.

Information and Communications Technology (ICT) employment growth in Carlsbad has fluctuated. While 2015 saw a decline in ICT employment, 2016-2018 saw strong employment growth that ultimately led to an 8.2% increase in employment between 2008-2018. It is also worth noting that ICT employment growth in Carlsbad exceeded that of California as well as that of broader San Diego County. It is also notable that San Diego County's ICT employment actually declined from 2008 to 2018 (Figure 33).

Figure 33: ICT Employment % Change Over Time²⁵



²⁵ EMSI QCEW and non-QCEW Employment 2019.1

HOSPITALITY AND TOURISM

Carlsbad’s Hospitality and Tourism cluster provides the largest number of jobs of the five Carlsbad industry clusters that were examined in this section. Even though the industry cluster employs over 13,800 people, the concentration of employment is only 1.95 times that of the national average. The Hospitality and Tourism industry cluster in Carlsbad generated over \$1.5 billion in sales in 2018. Despite this large figure, the industry cluster pays low wages relative to the other industry clusters studied; workers earn on average \$32,391 per year.

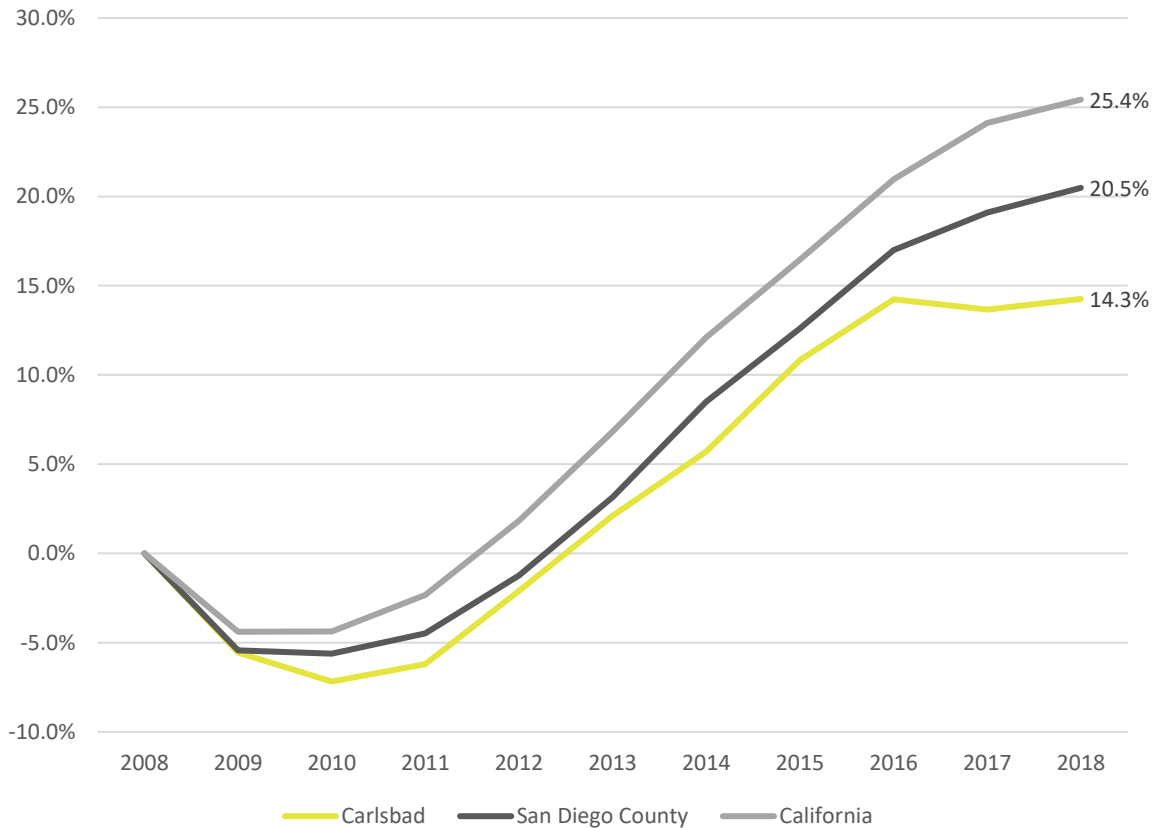
Hospitality & Tourism

This cluster includes hotels, transportation services, and restaurants, as well as entertainment attractions such as theme parks (LEGOLAND), golf courses, and country clubs.

2018 Employment:	13,840
Current Establishments:	378
Change over the Last 2 Years:	0.0% increase in employment from 2016 to 2018
Average Annual Earnings:	\$32,391
Industry Concentration:	Employment in Carlsbad is 1.95 times the national average

As seen in Figure 34 below, over the past 10 years Carlsbad, San Diego County, and California have seen similar trends in Hospitality and Tourism jobs with steady and robust growth since 2010, though it appears that employment in the industry cluster has plateaued in Carlsbad since 2016. Given the number of jobs the industry cluster provides, it is clear that Hospitality and Tourism will continue to play a substantial role in Carlsbad’s economy.

Figure 34: Hospitality and Tourism Employment % Change Over Time²⁶

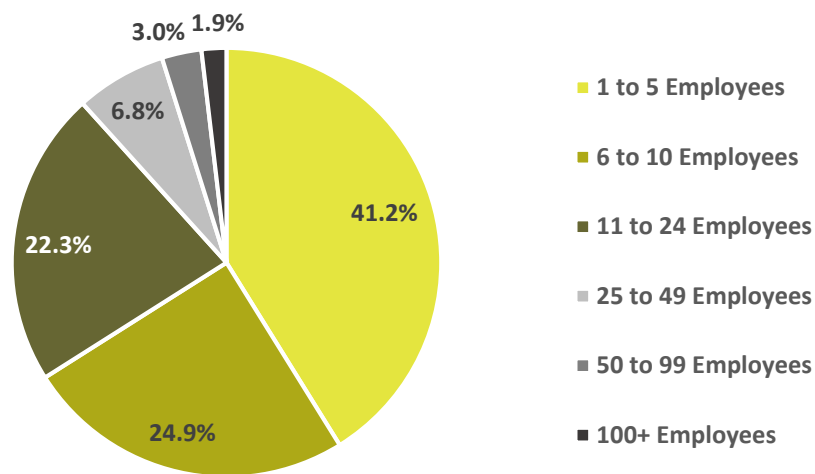


²⁶ EMSI QCEW and non-QCEW Employment 2019.1

APPENDIX A: SECONDARY DATA ON UNIVERSE OF CARLSBAD BUSINESSES

About four-in-ten businesses have between one and five employees. A quarter of all businesses employ between 6 and 10 individuals, and another 22% employ between 11 to 24 individuals (Figure 35).

Figure 35. Secondary Data – City of Carlsbad Size of Businesses²⁷



²⁷ DatabaseUSA.com is a different data source which uses a different methodology to evaluate regional businesses than InfoUSA, which was used in the 2017 Report.

APPENDIX B: SURVEY METHODOLOGY

Data compiled for this report were drawn from both primary and secondary data sources. The table below provides a brief overview of the methodology utilized for the project.

Table 1: Overview of Project Methodology

Method	A mailed letter followed by a Telephone and Online Survey of Carlsbad Businesses
Number of Survey Participants	394 Firms in Carlsbad Completed a Web or Telephone Survey
Survey Field Dates	March 5 to 29, 2019
Survey Universe	4,758 Firms in the Carlsbad
Survey Margin of Error	The margin of error for questions answered by all 394 respondents was +/- 4.73% at the 95% level of confidence.

SECONDARY RESEARCH

For this study, industry clusters were defined using the North American Industry Classification System (NAICS), the system to classify establishments by type of economic activity. Table 2 displays the complete list of NAICS²⁸ used for this study for each industry cluster. If a percentage is provided next to the NAICS description, this means that not all jobs in the particular NAICS were assigned to the specific industry cluster; only the stated percentage of jobs was accounted for.

All secondary data used in this study were compiled from either DatabaseUSA.com or the Economic Modeling Specialists Inc. (Emsi) 2019.1 QCEW and Non-QCEW dataset for Carlsbad. Emsi updates their data quarterly, which includes revisions to past years of data. The data used in this report is an updated version of the dataset utilized in the 2017 Carlsbad Business Report and may therefore differ in values from figures presented in the 2017 report. The EMSI Class of Worker dataset includes Quarterly Census of Employment and Wages (QCEW) employment and non-QCEW Employment provided by state and federal level data sources including the U.S.

²⁸ NAICS- the structure that SANDAG and other comparable organizations use to define their regional industry clusters.

Bureau of Labor Statistics (BLS), the U.S. Census Bureau, and the Bureau of Economic Analysis (BEA).

Table 2. Industry Cluster Definitions (2017 NAICS)

Industry Cluster	NAICS Code	NAICS Description
Action Sports Manufacturing	339920	Sporting and Athletic Goods Mfg.
	339999	All Other Miscellaneous Manufacturing (20%)
	423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers
CleanTech	334413	Semiconductor and Related Device Mfg. (25%)
	334513	Instruments and Related Products Mfg. for Measuring, Displaying, and Controlling Industrial Process Var.
	334514	Totalizing Fluid Meter and Counting Device Mfg.
	335314	Relay and Industrial Control Mfg.
	541380	Testing Laboratories (10%)
	541420	Industrial Design Services (10%)
	541620	Environmental Consulting Services
	541690	Other Scientific and Technical Consulting Services (25%)
Entertainment and Hospitality	541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology Biotech) (5%)
	114111	Finfish Fishing
	481111	Scheduled Passenger Air Transportation
	481211	Nonscheduled Chartered Passenger Air Transportation
	481212	Nonscheduled Chartered Freight Air Transportation
	481219	Other Nonscheduled Air Transportation
	487210	Scenic and Sightseeing Transportation, Water
	532292	Recreational Goods Rental
	711110	Theater Companies and Dinner Theaters
	711120	Dance Companies
	711130	Musical Groups and Artists
	711190	Other Performing Arts Companies
	711211	Sports Teams and Clubs
	711212	Racetracks
711219	Other Spectator Sports	

	711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities
	711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities
	711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
	711510	Independent Artists, Writers, and Performers
	712130	Zoos and Botanical Gardens
	713110	Amusement and Theme Parks
	713120	Amusement Arcades
	713290	Other Gambling Industries
	713910	Golf Courses and Country Clubs
	713930	Marinas
	713990	All Other Amusement and Recreation Industries
	721110	Hotels (except Casino Hotels) and Motels
	722310	Food Service Contractors
	722320	Caterers
	722330	Mobile Food Services
	722410	Drinking Places (Alcoholic Beverages)
	722511	Full-Service Restaurants
	722513	Limited-Service Restaurants
	722514	Cafeterias, Grill Buffets, and Buffets
	722515	Snack and Nonalcoholic Beverage Bars
Information and Communication Technologies (ICT)	323120	Support Activities for Printing
	334111	Electronic Computer Manufacturing
	334112	Computer Storage Device Manufacturing
	334118	Computer Terminal and Other Computer Peripheral Equipment Manufacturing
	334210	Telephone Apparatus Manufacturing
	334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing
	334290	Other Communications Equipment Manufacturing
	334310	Audio and Video Equipment Manufacturing
	334412	Bare Printed Circuit Board Manufacturing
	334413	Semiconductor and Related Device Manufacturing (75%)
	334417	Electronic Connector Manufacturing

	334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing
	334510	Electromedical and Electrotherapeutic Apparatus Manufacturing
	334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals
	334516	Analytical Laboratory Instrument Manufacturing
	334517	Irradiation Apparatus Manufacturing
	334519	Other Measuring and Controlling Device Manufacturing
	334614	Software and Other Prerecorded Compact Disc, Tape, and Record Reproducing
	335311	Power, Distribution, and Specialty Transformer Manufacturing
	335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing
	511210	Software Publishers
	512110	Motion Picture and Video Production
	512191	Teleproduction and Other Postproduction Services
	517311	Wired Telecommunications Carriers
	517312	Wireless Telecommunications Carriers (except Satellite)
	517410	Satellite Telecommunications
	517911	Telecommunications Resellers
	517919	All Other Telecommunications
	541330	Engineering Services
	541380	Testing Laboratories (35%)
	541511	Custom Computer Programming Services
	541515	Research and Development in Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology) (20%)
	423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers
	443142	Electronics Stores
	541512	Computer Systems Design Services
	541513	Computer Facilities Management Services
Life Sciences	112000	Animal Production
	325120	Industrial Gas Mfg.
	325411	Medicinal and Botanical Mfg
	325412	Pharmaceutical Preparation Mfg

	325413	In-Vitro Diagnostic Substance Mfg.
	325414	Biological Product (except Diagnostic) Mfg.
	333314	Optical Instrument and Lens Mfg.
	339112	Surgical and Medical Instrument Mfg.
	339113	Surgical Appliance and Supplies Mfg.
	339114	Dental Equipment and Supplies Mfg.
	339115	Ophthalmic Goods Mfg.
	339116	Dental Laboratories
	423450	Medical, Dental, and Hospital Equipment Supplies Merchant Wholesalers Laboratories
	541380	Testing Laboratories (20%)
	541714	Research and Development in Biotechnology (except Nanotechnology)
	541715	Research and Development in the Physical, Engineering, and Life Sciences (except Biotech and Nanotechnology) (35%)
	621511	Medical Laboratories
	339999	All Other Miscellaneous Manufacturing (30%)
	811219	Other Electronic and Precision Equipment Repair and Maintenance

PRIMARY RESEARCH

A telephone and web survey of 444 Carlsbad business stakeholders was conducted as part of this study. Of the 444 surveyed, 394 respondents completed the entire survey.

Survey Design

Through an iterative process, BW Research worked closely with the City of Carlsbad's Economic Development Division to develop a survey instrument that met all the research objectives of the study. In developing the survey instrument, BW Research utilized techniques to overcome known biases in survey research and minimize potential sources of measurement error within the survey.

Sampling Method

A database of 4,758 Carlsbad firms was developed from SalesGenie (InfoUSA) and a previous database of Carlsbad businesses. That database was then supplemented with firms and contact information provided by the City of Carlsbad and finally reviewed and refined to ensure it incorporated Carlsbad employers, stratified by size and industry. The sampling plan was based on a stratified universe of businesses based on size and industry within the city.

Data Collection

Prior to beginning data collection, BW Research conducted interviewer training and pre-tested the survey instrument to ensure that all words and questions were easily understood by the respondents. Telephone interviews were generally conducted from 9:00am to 4:30pm Monday through Friday. The data collection period was March 5 to March 29, 2019.

A web version of the survey was also developed and businesses with an email address within the city were sent an online invitation. Carlsbad businesses that were called over the telephone and indicated a preference to complete the survey online, were also sent an online invitation to the survey. Approximately 1,000 Carlsbad employers were also mailed a letter, making them aware of the survey and providing an URL to complete the survey on the web, before being called.

A Note about Margin of Error and Analysis of Sub-Groups

The overall margin of error for the survey, at the 95% level of confidence, is +/- 4.73 % for questions answered by all 394 respondents. It is important to note that questions asked of smaller groups of respondents (such as questions that were only asked to firms based on their previous responses) as well as results presented separately for industry clusters will have a margin of error greater than +/- 4.73 %, with the exact margin of error dependent on the number of respondents in each sub-group.

APPENDIX C: SURVEY TOPLINES (N = 394)

Introduction:

[24 employees or less]

Hello, my name is _____. May I please speak to a manager or owner at [firm name]?

[25 employees or more]

Hello, my name is _____. May I please speak to a manager or a decision maker who is involved in strategic planning or human resources at [firm name]?

I am calling on behalf of BW Research, an independent research organization working on behalf of the City of Carlsbad. **[IF LETTER SENT]** *I'm following up on a letter sent from Christie Marcella, the Economic Development Manager for the City of Carlsbad asking you to participate in a brief survey.*

The survey will take approximately 10 minutes of your time and will help the City of Carlsbad to better serve those businesses located within Carlsbad.

(If needed): This survey has been commissioned by the City of Carlsbad, which is committed to supporting the businesses in the City.

(If needed): The survey is being conducted by BW Research, an independent research organization, and should take approximately ten minutes of your time.

(If needed): Your individual responses will **not** be published; only aggregate information will be used in the reporting of the survey results.

.....

Screener Questions

A. Are you involved or leading the strategic planning, hiring or location decisions at your firm?

100.0%	Yes
0.0%	No
0.0%	Not Sure

B. Is your business located in Carlsbad? (IF YES) How many business locations does your firm have in Carlsbad?

96.6%	Yes, one location
3.4%	Yes, multiple Carlsbad Locations
0.0%	No
0.0%	Not Sure

C. Do you have any additional business locations in nearby cities of Oceanside, Vista, San Marcos, or Escondido?

10.4%	Yes
89.6%	No

[IF C= 1 READ THE FOLLOWING:] “For the remainder of this survey, please provide responses solely based on your Carlsbad location(s).”

[PART 1 – PROFILE & GROWTH EXPECTATIONS]

1. How many years have you had a business location in Carlsbad?

22.03	Average
10.0	Median

6.5%	0 to 1 Year
8.1%	More than 1 year, up to 2 years
19.4%	More than 2, up to 5 years
20.7%	More than 5 years, up to 10 years
24.9%	More than 10 years, up to 20 years
20.5%	More than 20 years

[If Q1 = 1, ASK Q2, OTHERWISE SKIP]

2. Did you relocate, add an additional location, or start your business in Carlsbad

34.6%	Relocate
34.6%	Add additional location
30.8%	Started in Carlsbad

Next, I want to ask a few quick questions about your Carlsbad business location(s).

3. What were the main reasons your company located in Carlsbad? [CHECK ALL THAT APPLY - DO NOT READ OPTIONS]

42.9%	Founders lived here
34.8%	Proximity to customers, collaborators, and vendors
33.3%	Quality of life in Carlsbad
10.3%	Spun-off another company that was already here
8.9%	Proximity to skills workers/workforce
5.0%	General location (proximity to SD, ocean, I-5)
3.8%	Office space availability/pricing
1.7%	Connection or proximity to university or related institutions
12.5%	Other (please specify)

4. What industry or industries best describes the work that your firm is involved in and connected to? [DO NOT READ - ALLOW MORE THAN ONE RESPONSE]

22.1%	Professional or Business Services
16.0%	Retail or Wholesale Trade
13.0%	Healthcare
12.6%	Finance, Insurance, Real Estate, or Property Management
11.4%	Hospitality
10.9%	Technologies or ICT
9.1%	Manufacturing
6.3%	Research and Development
5.3%	Construction or Building and Design
4.2%	Life Sciences
3.3%	Tourism
1.9%	Cleantech
1.9%	Public Sector or Education
1.4%	Action Sports Manufacturing
0.5%	Energy or Utilities
14.7%	Other (please specify)

[IF Q4 = 7 – 10, SKIP Q5]

5. Is your firm involved in work related to Life Sciences, Cleantech or Clean Technologies, Information and Communication Technologies (ICT) or Action Sports? (ADD DEFINITIONS IF NEEDED) [ALLOW MORE THAN ONE RESPONSE]

13.0%	Yes, Information and Communication Technologies
-------	---

7.9%	Yes, Life Sciences
3.7%	Yes, Cleantech
3.5%	Yes, Action Sports Manufacturing
78.2%	No
1.6%	Don't know/ Refused

6. Does your firm provide marketing and/or advertising services, digital (including web design) and otherwise to other firms and organizations? (ADD DEFINITION IF NEEDED)
 [IF NEEDED:] “Promoting the sale of goods or services through strategic physical and/or digital communication and messaging.”

12.2%	Yes
85.9%	No
1.8%	Don't know/ Refused

7. Is your firm involved in the design, development, or production of food, beer, wine, or spirits in the craft food and beverage industry? (ADD DEFINITION IF NEEDED)
 [IF NEEDED:] “Skilled production of quality food or spirits that is conducted on a limited-scale as opposed to mass production.”

6.7%	Yes
92.8%	No
0.5%	Don't know/ Refused

I’d like to ask a few general questions about your employees at your Carlsbad location(s).

8. Including all full-time and part-time employees, how many **permanent and temporary** employees work at your Carlsbad location(s)? (Do not accept 0 as a response)

15.3	Average
5.0	Median

53.2%	1 to 5 employees
17.8%	6 to 10 employees
16.7%	11 to 24 employees
5.9%	25 to 49 employees
4.1%	50 to 99 employees
2.5%	100 or more employees

9. If you currently have [TAKE Q8 #] **permanent and temporary** employees at your location(s), how many more or how may fewer employees do you expect to have at your Carlsbad location(s) 12 months from now?

27.7%	More
3.6%	Fewer
58.2%	Same number of employees
10.5%	Don't know/ Refused

30.9%	More
4.0%	Fewer
65.1%	Same number of employees

How many more employees?

5.1	Average
3.0	Median

How many fewer employees?

10.4	Average
2.0	Median

[IF Q9 = 1, Ask Q10. Otherwise, SKIP]

10. Which types of positions does your firm expect to add over the next 12 months?

8.9%	Entry-level
18.5%	Experienced
37.2%	A mix of both entry-level and experienced
35.5%	Don't know/ Refused

13.8%	Entry-level
28.6%	Experienced
57.6%	A mix of both entry-level and experienced

11. Over the last three years, has your company grown, declined or stayed about the same, in terms of employment at your Carlsbad location(s).

39.5%	Grown
48.0%	Stayed the same
10.1%	Declined
2.4%	Don't know/ Refused

[PART 2 – Business Climate Assessment]

Now, I would like to ask you about the general business climate in the City of Carlsbad.

12. Overall how would you rate the City of Carlsbad as a place to do business?

34.1%	Excellent
47.1%	Good
13.0%	Fair
2.9%	Poor
1.0%	Very Poor
1.9%	Don't know/ Refused

13. Overall, do you feel the business climate in Carlsbad is getting better, getting worse, or staying about the same?

30.3%	Getting better
9.5%	Getting worse
51.5%	Staying about the same
8.7%	Don't know/ Refused

33.2%	Getting better
10.4%	Getting worse
56.4%	Staying about the same

14. Have you heard, read, or seen anything on the City of Carlsbad’s program to attract talent – Life In Action?

8.5%	Yes
87.1%	No
4.4%	Don't know/ Refused

Next, I would like to ask specifically about local government and the City of Carlsbad.

15. Overall, how confident are you in the Carlsbad city government to make decisions that positively affect the local business climate?

15.5%	Very confident
49.8%	Somewhat confident
12.4%	Somewhat unconfident
6.1%	Very unconfident
16.3%	Don't know/ Refused

18.6%	Very confident
59.4%	Somewhat confident
14.8%	Somewhat unconfident
7.2%	Very unconfident

16. Please tell me how satisfied your company is with the following issues and attributes regarding Carlsbad’s business climate.

Is your company satisfied, dissatisfied, or neither satisfied nor dissatisfied with Carlsbad’s? (GET ANSWER AND THEN ASK:) Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?

	Very satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Very dissatisfied	Don't know/ Refused
Access to capital	15.9%	21.4%	27.5%	4.0%	2.0%	29.2%
Quality of local streets and roads	35.0%	39.3%	10.3%	7.3%	4.3%	3.8%
Ability to get employees to and from work	24.7%	32.2%	19.9%	8.6%	2.8%	11.8%
Ability to get product to and from your Carlsbad business location	36.8%	25.9%	16.1%	1.8%	1.5%	17.9%
Reliability of data services	15.9%	26.4%	23.7%	4.3%	2.3%	27.5%
Access to clients and customers	35.0%	36.3%	15.6%	3.5%	1.0%	8.6%
Ability to recruit high skill talent	18.1%	29.2%	25.9%	5.8%	2.0%	18.9%
Ability to find qualified entry to mid-level employees	15.9%	32.5%	22.9%	9.6%	3.3%	15.9%

Access to relevant vendors and suppliers	28.5%	37.8%	18.9%	1.5%	0.5%	12.8%
Value of data services	14.1%	26.4%	27.5%	3.3%	1.8%	27.0%
Regulatory climate, including zoning, permitting, local regulations, and related issues	14.6%	24.9%	19.9%	15.9%	7.8%	16.9%

	Very satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Very dissatisfied
Access to capital	22.4%	30.2%	38.8%	5.7%	2.8%
Quality of local streets and roads	36.4%	40.8%	10.7%	7.6%	4.5%
Ability to get employees to and from work	28.0%	36.6%	22.6%	9.7%	3.1%
Ability to get product to and from your Carlsbad business location	44.8%	31.6%	19.6%	2.1%	1.8%
Reliability of data services	21.9%	36.5%	32.6%	5.9%	3.1%
Access to clients and customers	38.3%	39.7%	17.1%	3.9%	1.1%
Ability to recruit high skill talent	22.4%	36.0%	32.0%	7.1%	2.5%
Ability to find qualified entry to mid-level employees	18.9%	38.6%	27.2%	11.4%	3.9%
Access to relevant vendors and suppliers	32.7%	43.4%	21.7%	1.7%	0.6%
Value of data services	19.3%	36.2%	37.6%	4.5%	2.4%
Regulatory climate, including zoning, permitting, local regulations, and related issues	17.6%	30.0%	23.9%	19.1%	9.4%

17. Thinking about the people for your Carlsbad location, how much difficulty does your company have finding qualified job applicants who meet the organization’s hiring standards?

29.5%	Little to no difficulty
42.2%	Some difficulty
12.1%	Great difficulty
16.2%	Don't know/ Refused

35.2%	Little to no difficulty
50.3%	Some difficulty
14.5%	Great difficulty

[IF Q0 = 2 OR 3, ASK Q18. OTHERWISE, SKIP TO Q19]

18. What are the most significant challenges in finding qualified job applicants?

21.7%	Cost of housing and or living
15.2%	Small applicant pool and/or competition
14.7%	Technical ability and/or industry knowledge
13.6%	Experience
9.8%	Work ethic, commitment, other social aspect
6.5%	Inadequate education or certification
6.0%	High wage demands
3.3%	Inability to pass screening
9.2%	Other

[PART 3 – CUSTOMER AND SUPPLIER PROFILE]

Before we finish, I would like to ask the key industries, technologies and customers that drive your business.

19. Next, I would like to ask if your firm is primarily focused on serving other businesses, primarily focused on serving consumers directly or a combination of both businesses and consumers?

27.5%	Primary businesses
41.5%	Primary consumers directly
28.8%	A combination of both businesses and consumers
2.3%	Don't know/ Refused

20. Are your customers primarily local - within Carlsbad & North County, regional - within Southern California, Statewide – within California, national – within the Country, or international - outside the Country? [ALLOW MULTIPLE RESPONSES]

52.7%	Local -- Carlsbad & North County
26.5%	Regional -- Within Southern California
15.5%	Statewide -- Within California
34.9%	National -- Within the United States
18.6%	International -- Outside the United States
1.0%	Don't know/ Refused

21. Are your suppliers and vendors primarily local - within Carlsbad & North County, regional - within Southern California, Statewide – within California, national – within the Country, or international - outside the Country? [ALLOW MULTIPLE RESPONSES]

33.7%	Local -- Carlsbad & North County
30.4%	Regional -- Within Southern California
16.3%	Statewide -- Within California
42.3%	National -- Within the United States
14.0%	International -- Outside the United States
6.9%	Don't know/ Refused

22. Lastly, is there anything you would like to see the City of Carlsbad offer or consider to support the businesses that we have not discussed today?

48.2%	No
9.3%	Altering zoning or regulations
7.1%	Changes in tax structure
6.2%	Parking
2.7%	Transportation and/or traffic reduction in and out of Carlsbad
2.7%	Better local public transit
2.2%	Help in advertising/networking local businesses
2.2%	Allow for public banners/advertising
1.8%	Affordable housing
1.8%	Affordable office space
1.3%	Homelessness
14.6%	Other

To wrap things up, please answer the following questions.

A. In what year were you born? 19__ (What age are you)

2.7%	75+ years or older
10.1%	65-74 years old
30.0%	55-64 years old
27.0%	45-54 years old
19.0%	35-44 years old
10.4%	25-34 years old
0.9%	24 years old or younger

B. What City do you reside in?

41.3%	Carlsbad
11.5%	Oceanside
8.2%	San Diego
7.9%	Vista
6.1%	Encinitas
5.6%	San Marcos
3.8%	Escondido
2.0%	Solana Beach
0.5%	Fallbrook
9.9%	Other (specify)
3.1%	Don't know/ Refused

C. Would you be willing to participate in follow-up research, focused on better understanding the needs of Carlsbad’s business community?

39.8%	Yes
50.0%	No
10.2%	Don't know/ Refused

44.3%	Yes
55.7%	No

D. Lastly, do we have your permission to provide your contact information to the City of Carlsbad, so that they may follow up on any issues or requests brought up during this survey?

48.2%	Yes
48.5%	No

3.3%	Don't know/ Refused
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I would like to verify your contact information.

E. Name of Respondent _____

F. Relevant Contact Information
 Phone _____
 Email _____

G. Position _____

Those are all of the questions I have for you.
 Thank you very much for participating!

H. Company Name _____

I. Company location _____

J. Date and time of Interview _____

K. Name of Interviewer _____

L. Industry cluster _____

M. Gender (VOICE)

51.4%	Male
43.7%	Female
4.9%	Don't know/ Refused