Cyber is San Diego's next frontier in rapid job growth

Study reveals cybersecurity is a $1.5 billion cluster in San Diego; Industry partnership formed to push for future growth

San Diego – In an unprecedented show of collaboration, the San Diego business community has come together to grow the region's cyber footprint. Released today, "*Cybersecurity in San Diego: an economic impact and industry assessment*" found that the cyber industry impacts more than **13,000 jobs** and has a total economic impact of **$1.5 billion**, which is more than the impact of hosting three Super Bowls every year. San Diego, with its culture of innovation and military footprint, is in a position to lead the industry nationally.

"Cyber can be San Diego's next big jobs generator," said Mark Cafferty, president and CEO of San Diego Regional EDC. "Like biotech was 30 years ago, cyber has the potential to be a driving force for growth in both our innovation and military economies."

City of San Diego Mayor Kevin Faulconer and U.S. Representatives Scott Peters (D- 52) and Susan Davis (D – 53) joined us for the release. City of San Diego Councilmember Mark Kersey (D -5) and Council President Pro Tem Sherri Lightner (D -1) also were in attendance.

"San Diego's robust culture of innovation and strong ties to America's military forces uniquely positions our City to lead the cybersecurity industry," said City of San Diego Mayor Kevin Faulconer. "I look forward to working with the San Diego Regional Economic Development Corporation and all of San Diego's entrepreneurs and tech leaders to make sure that San Diego is a global pioneer in cybersecurity."

The study revealed that cybersecurity firms are expected to experience rapid employment growth. While the entire San Diego County employment base is expected to grow 2.2 percent from 2013-2014, cybersecurity firms are expected to grow by 13 percent. Overall, cybersecurity-centric jobs, such as software developers and information security analysts, are expected to grow by 25 percent.

"If we care about creating jobs and growing our economy, than we need to support the cybersecurity industry," said **Congressman Scott Peters** (D). "I have supported specific cyber legislation in the past and remain committed to working together to advocate for an industry that not only protects San Diego's jobs, but also safeguards American companies."

In an effort to accelerate this job growth strategy, the **Cyber Center of Excellence** (CCOE) – a partnership dedicated to accelerating the cyber innovation economy – has formed. Its powerfully diverse platform of leading cyber-related companies, military leaders and world-class academic partners are uniting in pursuit of a common economic-driven agenda to promote the region's cyber strengths.

Nationally, cybersecurity has emerged as a priority as global retailers, medical providers, and critical infrastructure fall prey to significant data breaches and cyber theft. Cyber has evolved to become more than just an issue of the government, and now is a potential threat to all businesses and individuals. In San Diego, more than 100 core cyber firms create a strong opportunity for the region to lead.

"We're extremely excited about the launch of the CCOE and the opportunity for San Diego to capitalize on the national leadership of our cyber security sector," said Andrew Lee CEO, ESET North America. "From supporting more cyber infrastructure growth, to attracting and developing IT talent, ESET is proud to contribute our resources and 25 years of experience in the cyber security space to this unique partnership of community and business leaders."

On the heels of another round of sequestration, the cyber industry has even greater significance in both the national and local dialogue. Cybersecurity is one of two areas where the Department of Defense is adding resources. Locally, the cybersecurity industry is anchored by the U.S. Navy Space & Naval Warfare Systems Command (SPAWAR). SPAWAR alone impacts more than 6,100 jobs in San Diego and generates more than $705 million in total economic impact locally.

"SPAWAR's ability to accomplish our mission is strengthened by our public-private partnerships in this community. These partnerships range from cooperative research initiatives with local industry or universities, to the more traditional contractual relationships for development, procurement and sustainment of advanced capabilities," said Rear Admiral Patrick Brady, SPAWAR commander. "We rely heavily on the expertise of local businesses to build the tools our Fleet needs. In fiscal year 2013 alone, SPAWAR obligated more than $1 billion on contracts for worked performed in San Diego County."

SPAWAR is central source of innovation for cybersecurity. More than 90 percent of SPAWAR's $7.3B budget is put on contract with private industry.

"As a private-sector company, the military and government are important customers and are vital to our decision to be headquartered here, " said Eric Basu, president and CEO of Sentek. "Sentek is proud to be in San Diego and we're proud to be working with the CCOE to push the cyber cluster forward."

As the study suggests, **The Cyber Center of Excellence** will be partnering with San Diego's prestigious universities to attract and train entry- to mid-level cybersecurity workers. As part of this commitment, EDC will continue its "iTrends @ UCSD" series, which will focus on cybersecurity. Open to individuals across all majors and schools, the program works to educate students about industries with growth opportunities throughout the San Diego region.

"UC San Diego has always worked hand-in-hand with the community to refine our curriculum and prepare our top-notch graduates for in-demand jobs," said Pradeep K. Khosla, Chancellor of UC San Diego. "Our graduates go on to hold positions in some of the most competitive companies around the globe. As home to the San Diego Supercomputer Center, we will continue to produce the talent to ensure San Diego remains a cyber center of excellence."

Tom Clancy, Chair of Software San Diego said: "San Diego is very compelling to cybersecurity companies due to its incredible technical talent pool, and the close collaboration between industry and academia. We have an abundance of individuals with security clearances, universities with cutting-edge research and workforce training programs, and direct access to customers in healthcare, defense, mobile, finance and energy.

The study was underwritten by **Bank of America Merrill Lynch** and **Sentek Global.**

For a complete copy of the executive summary and full study, please visit
http://www.sandiegobusiness.org/research/lvltw and look under the report section.

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