

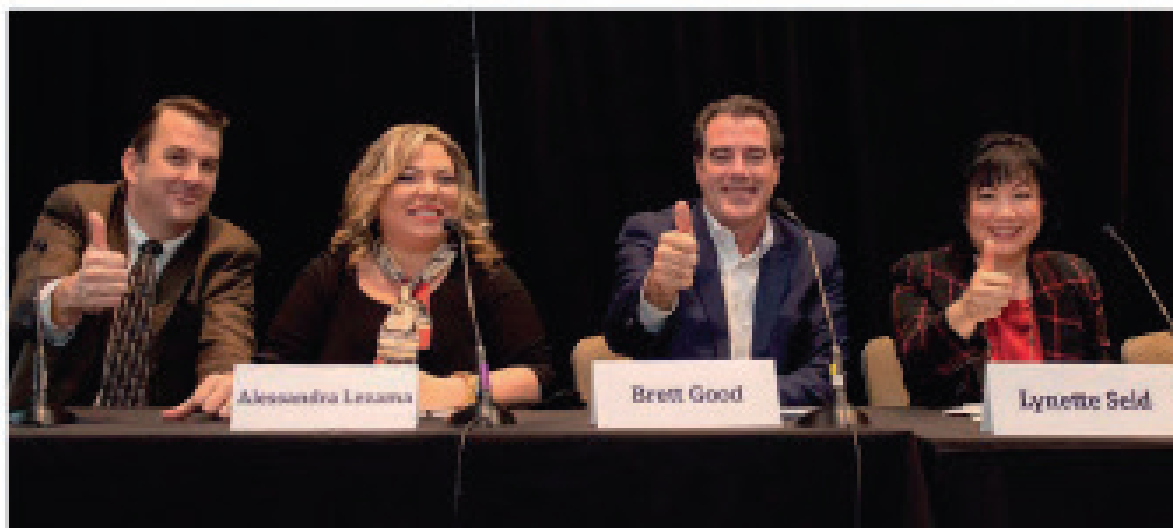
San Diego Business Journal **ECONOMIC TRENDS | 2022**

Join us for the premier business information and networking event as top executives from San Diego discuss the challenges and expectations for our local economy in 2022.

Thursday, January 27, 2022

8:00am - Registration & Networking
8:30am - 10:30am - Breakfast + Program

Hyatt Regency La Jolla At Aventine
3777 La Jolla Village Dr., San Diego, CA 92122



2020 Economic Trends

PURCHASE TICKETS:
SDBJ.COM/BIZEVENTS

1. Your ticket price includes annual membership. If you are a current subscriber, 12 months will be added to your account.
2. All attendees are required to show proof of vaccination and wear a mask.
3. If event is canceled due to changes in CDC guidelines, a video of the panel discussion will be emailed to all registrants.

San Diego Business Journal

ECONOMIC
TRENDS | 2022

MODERATOR & KEYNOTE SPEAKER

MODERATOR



MARK CAFFERTY
President & CEO
San Diego Regional
Economic Development Corporation

KEYNOTE SPEAKER



MICHAEL PUGLIESE
Vice President, Economist
Wells Fargo Corporate & Investment Banking
Wells Fargo & Company

PANELISTS



REBECCA ROSEN
Director of Field Marketing
Cox Business



DELINDA FORSYTHE
CEO, ICE
Board Advisor,
Conscious Capitalism San Diego



TRACEY BEST
Benefits Practice Group Leader
C3 Risk & Insurance Services



JULI MORAN
San Diego Office Marketplace Leader
Deloitte



JOSEPH MISHRIKI
Regional Banking Director
San Diego Region
Wells Fargo & Company



ALESSANDRA LEZAMA
CEO
TOOTRiS

What's New for '22? Experts Offer Perspectives

■ By BRAD GRAVES

What will the next 12 months bring? The coming year is like a clean, white sheet of paper, ready for individuals to make of it what they will.

The next 12 months is also a topic that a panel of business experts, convened by the **San Diego Business Journal**, will consider during a special breakfast set for Thursday, Jan. 27.

The annual Economic Trends breakfast will take place at the **Hyatt Regency La Jolla at Aventine**, 3777 La Jolla Village Drive. Registration and networking will run from 8 to 8:30 a.m. The program will run from 8:30 to 10:30 a.m.

Tickets are available online at sdbj.com/bizevents

The cost is \$49 and include a year's subscription to the **San Diego Business Journal** (or an extension to an existing subscription).

What's Next?

Doubtless the next 12 months will include surprises. If the last two years have taught the business community anything at all, it is to be ready for the unexpected. San Diegans have shown inventiveness and remarkable resilience in the face of the challenges thrown their way. Those lucky enough and gifted enough saw how to make challenges into opportunities.

San Diego has plenty of things going for it as it enters 2022, including several vibrant business clusters. They include information technology, biotechnology and several combinations of the two. One sure and continuous

economic driver is **U.S. Department of Defense** spending. In San Diego County, the military employs more than 100,000 people, both in uniform and in civilian clothes. The Pentagon also buys from companies that are big San Diego employers.

After the arrival of the pandemic, several businesses unexpectedly blossomed. Diagnostic companies able to detect COVID-19 went into high gear. E-commerce and home delivery businesses had a renaissance. Low interest rates spurred new loans and the refinancing of old. Consumers moved outdoors, bringing a boom to pastimes such as golf. Homebound consumers also took on pets, boosting the fortunes of specialty suppliers.

The business most central to 2022 may be sitting right in front of us, unnoticed.

Seeing Contradictions, Sorting Through Data

The situation in early 2022 is an interesting case study, said **Mark Cafferty**, president and CEO of the **San Diego Regional Economic Development Corp.** As in past years, Cafferty will be the moderator of the Jan. 27 panel discussion, and will have his own, localized take on the economy of 2022.

"As San Diego emerges from a global pandemic, we find an economy full of contradictions," he said. "From strong job growth, record VC inflows, and massive capital investment to widespread labor shortages, small business closures, and housing prices almost 30 percent higher than 2019, it has never been more imperative than now that smart economic development be inclusive economic development."

Cafferty put an emphasis on the word "inclusive," which was one of his themes in the previous year's address.

Michael Pugliese, vice president and economist with Wells Fargo Corporate and Investment Banking at **Wells Fargo & Company**, is returning for his third Economic Trends event. He will look at the 2022 economy from a national and worldwide perspective.

Pugliese has the ability to lead a group through a thicket of statistics and interpret them for those listeners who don't have much training in economics. For those who have been following the economy closely, he can speak to the nuances of fiscal and monetary policy as well as the **Federal Reserve**. His past presentations have addressed the political forces shaping the economy and possible stimulus efforts, as well as currents of the international economy.

Last year he had a message of optimism, encouraging his listeners not to focus on the short-term situation but to cast their minds forward to the medium and long-term.

One Topic, Many Perspectives

Panelists for the event include the following:

Rebecca Rosen, director of field marketing for **Cox Business**, who will discuss how the pandemic has shifted the use of technology. She will also talk about smart communities and the task of securing a remote workforce.

DeLinda Forsythe, board advisor for **Conscious Capitalism San Diego** and CEO of **ICE** (aka **Innovative Commercial Environments**), who will discuss a new

perspective on capitalism and the challenges of retaining a younger workforce.

Tracey Best, benefits practice group leader at **C3 Risk & Insurance Services**, who will talk about companies having to adapt to the new economy, including their approaches to healthcare and benefits packages.

Juli Moran, San Diego office marketplace leader at **Deloitte**, who will talk about business resilience in the face of inflation, the future of remote work, the innovation economy as well as healthcare innovation.

Joseph Mishriki, regional banking director for **Wells Fargo & Company**, who will explore small business needs and the emergence of digital payments.

Alessandra Lezama, CEO of **TOOTRiS**, who will discuss how the economic recovery as well as the economic needs of women depend on a robust child care system.

Readers will find more information about their presentations on the following pages.

Also contributing to the conversation is **Jane Finley**, Senior Vice President and Area Manager for the San Diego Service Area at **Kaiser Foundation Health Plan Inc. and Hospitals**. Finley will not be able to participate in the event. However, her observations about the healthcare industry, its dedicated employees and those employees' needs are part of this special section.

Registration is open for Economic Trends 2022, and seating will be limited. Visit sdbj.com/bizevents to sign up. ■

Moderator/Speaker



Mark Cafferty

President & CEO, San Diego Regional Economic Development Corp.

As president and chief executive officer of the **San Diego Regional Economic Development Corporation**, Mark Cafferty sits at the center of a unique collaboration of business, trade, community, and education leaders who have redefined the region's inclusive economic development strategy, cementing the region as a key stakeholder in the global economy. Cafferty has spent more than 25 years designing systems to support career advancement and economic opportunity for American workers.

Keynote Speaker



Michael Pugliese

**Vice President, Economist
Wells Fargo Corporate and Investment Banking**

Michael Pugliese is a vice president and economist with **Wells Fargo's Corporate and Investment Bank**. Based in New York City, Michael covers the U.S. economy with a primary focus on fiscal and monetary policy. Michael plays a lead role in producing the economics team's U.S. and international interest rate forecasts. His work has been published in academic journals and cited by major media outlets such as *The Wall Street Journal*, *Politico* and *Bloomberg News*.

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Rebecca Rosen
Director of Field Marketing
Cox Business

Rebecca Rosen is the director of field marketing for **Cox Business** in California, where she leads a phenomenal team of product and traditional marketers.

An industry veteran, Rosen has spent 20 years in telecommunications in training, product management, product marketing, communications and demand generation roles, and ultimately leading marketing teams.

Before Cox, Rosen was the Vice President of Marketing for **Broadvoice**, a UCaaS provider headquartered in Northridge. Previously she worked for brands such as **ShoreTel** and **TelePacific**, now **TPx**, and consulted for **Microsoft**, **Apple**, **VMware**, **Ingram Micro**, **ESET** and other well-known technology brands.

Cox Business provides a combination of connectivity, communications, cloud and video services to more than 355,000 small and regional businesses nationwide, including healthcare providers; K-12 and higher education; financial institutions; and federal, state and local governments.

To continue as a leader in broadband services and enable future growth, Cox is committed to investing more than \$15 billion into its network during the next five years, with a focus on enhancing residential and business customers' experience.

What Rebecca Rosen will be talking about at the 2022 Economic Trends event:

The Great Resignation

According to the Q4 2021 Cox Small Business Snapshot, 90% of minority small business owners are hopeful about the growth of their business in the next year. Just over 60% have returned to or exceeded their pre-pandemic financial levels. That's not to say COVID-19 didn't present hardships for the business community, especially SMBs. More than 75% of respondents claimed the pandemic heightened their business challenges.

These business challenges included employee shortages as "The Great Resignation" continues nationwide, and employees and their families also being impacted by the Omicron variant.

According to the latest **Bureau of Labor Statistics** report, in November 2021, the number of total separations increased to 6.3 million, up 382,000 from the previ-

ous month. Total separations increased in accommodation and food services but decreased in federal government. The number of quits increased 370,000 over the month to 4.5 million, the highest level ever recorded since these data were first produced in December 2000.

As such, how businesses of all sizes serve customers will be an ongoing evolution reliant on technology, virtualization and automation in 2022. According to the Cox Small Business snapshot, 58% percent of surveyed owners implemented new tech because of the pandemic – most frequently e-commerce platforms, touchless payments, and contactless delivery services like curbside, delivery and/or buy-online-pick-up-in-store (BOPIS). More than half intend to continue using technology in the same areas over the next year.

Smart Communities

Cities around the county are looking at how they can tap into telecommunications infrastructures in their communities to help solve local issues such as energy and water conservation, traffic control and parking management.

Smart technology applications can be complex and may require multiple telecommunications providers such as Cox Business that have strong infrastructures already built around the region to handle complex solutions.

Local municipalities are partnering with telecommunications providers to implement smart city technology to better power smart homes, smart businesses and smart communities, and there will be an increased focus on creating smart cities in 2022 with increased access to federal and state funding.

Rise in Phishing Attacks

Businesses must make sure all their data is secure and backed up with the rise in virtualization, hybrid or remote workforces, and increasingly immersive digital experiences.

As the pandemic remains a threat to public health, employees remain at home, handling sensitive files and data while teleworking. More potential points of failure have escalated the number of email cyber-attacks.

Securing a remote workforce will continue to be a top priority for businesses and organizations in 2022.



DeLinda Forsythe
CEO and Founder
Innovative Commercial Environments (ICE)
Board Advisor
Conscious Capitalism San Diego

DeLinda Forsythe is a 35-year executive and entrepreneur in the contract furniture industry. The most rewarding years started in 2006 when she was able to realize her dream of creating a workplace that allowed employees to thrive and reach their potential not only at work but as individuals and parents. This was an ideal she had never experienced but believed could be attained and would result in not only measurable business success but a more joyful life for all participants.

DeLinda field-tested her intuitive leadership philosophies as CEO and founder of **Innovative Commercial Environments (ICE)**, discovering great joy in providing mentorship to Millennial employees. Together they crafted a work environment many enjoy working in, one that provided a distinctive culture and experience for employees, customers, vendor and supplier partners as well as the San Diego community.

By implementing policies designed in partnership with Millennial co-workers, ICE was well positioned to thrive even during COVID when no one was coming to the office or purchasing furniture.

ICE, which is considered by many to be San Diego's most creative office furniture dealership, continues to thrive and evolve. From 2014-2020 ICE has experienced unprecedented revenue growth, in an industry that historically experiences single-digit growth. ICE has been an Inc. 5000 Fastest Growing Company seven times. This accomplishment sent DeLinda on an 18-month research mission to understand **why**. Her research introduced her to the Conscious Capitalism movement and she shares the insights she learned in her first book, "Inspiring Generational Leadership: Your Guide to Design a Conscious Culture."

What DeLinda Forsythe will be talking about at the 2022 Economic Trends event:

The Great Resignation or The Great Escape?

DeLinda offers an optimistic view on what motivates today's younger workforce. When companies create cultures that uplift through leadership that inspires, employees come to work feeling energized, valued and empowered to activate change. Attracting and retaining loyal employees is a non-issue.

Many leaders are alarmed by The Great Resignation but DeLinda believes leaders should be more concerned with employees that are disengaged, unhappy and contemplating resignation. November 2021 recorded

the highest quit rate ever experienced in the U.S. — 4.5 million. This is an alarming trend. Why are employees so unhappy?

The Values of Today's Younger Workforce

DeLinda's research introduced her to Conscious Capitalism, a 501(c)(3) organization that promotes four tenets: Conscious Leadership, Conscious Culture, Equal Stakeholder Value and a Higher Purpose that is not based solely on profitability that devalues the environment and employee well-being. Past generations led with a zero-sum, fear-driven mentality, viewing owners and workers as combatants, not co-participants in a system of equal value creation. Past leadership principles attempted to squeeze as much output for as little input as possible.

The free market system originally conceived by Adam Smith in "The Wealth of Nations" inspired our Declaration of Independence but it was preceded by "The Theory of Moral Sentiments." Nations only focused on the mutuality of capitalism, not the ethical or moral values espoused in Moral Sentiments, which was needed for capitalism to benefit all. This led to a devastating devaluation of our workforce.

There are four forms of capital. Financial is only one which was in short supply when Friedman defined the purpose of an organization as shareholder value. Human, natural and social capital are now in limited supply; financial capital is abundant. The Great Resignation perhaps is happening because of this shift in capital, a devaluation and lack of awareness of the social values motivating Gen Z and Millennial generations. DeLinda details this in "Inspiring Generational Leadership."

Win-Win-Win Scenario

The good news is that we have decades of leaders and companies engaging these values with enormous financial success. One 15-year study captured in *Firms of Endearment* verifies that companies that employ these principles are **14 times more profitable!** Locally **WD-40 Co.'s Garry Ridge, Ken Blanchard, Evofem's Sandra Pelletier, Stath Karas and Malin Burnham** stand out as exemplary examples of the financial and societal success of leaders that engage tenets of conscious capitalism, principles in complete alignment with the values of younger generations.

Organizations that fail to understand this trend will likely struggle with profitability, survival and employee retention.

Business Tech and Trends: What We Can Expect in 2022

A new year brings renewed optimism and fresh ideas, and that is especially the case in 2022 as businesses continue to navigate the COVID-19 pandemic.

For many businesses, the pandemic accelerated changes in the workplace such as implementing widespread work-from-home scenarios for employees - whether temporary or permanent - which fast-tracked the adoption of collaboration tools, cloud-based infrastructure and more.

Many of the changes that businesses experienced the past two years will continue to have an impact and inspire trends in the workplace in 2022. This is especially true when it comes to technology, according to Rebecca Rosen, director of field and product marketing for Cox Business.

Cox Business is the commercial division of Cox Communications and serves as the technology provider to businesses of all sizes, school districts, government agencies, healthcare providers and nonprofits, among others.

Cloud has the edge for a faster connection

As businesses navigate reopening, cloud adoption will continue to grow as operations shift to new work patterns. As of September 2021, nearly half of full-time employees were still working either partly or fully remote, according to a Gallup survey.

So, what are the trends that will impact businesses this year? According to Rosen, she suggests the following:

- **Provide your employees with the same experience whether they're working**

from home or in the office. Enable your personnel to make calls from their work number using their desk phone, mobile device or laptop – essentially, anywhere they are.



- **Give your team the tools they need to collaborate in real time.** Tools like Microsoft Teams and SharePoint allow your staff to access the files they need and interact with the people they need to when they need them.
- While you're at it, **enable your IT organization to work from anywhere**, too. Chip shortages will continue to impact hardware availability and increase prices. If you haven't already, look to virtualize your environment.
- With remote work comes increased network vulnerability. **Ransomware and network infiltration are on the rise, so secure your email and your network.** Teach your employees how to recognize phishing, and then back up, back up, back up. It's not a matter of if your business will be impacted, it's a matter of when.

- As businesses accelerate their digital transformation, bandwidth becomes more important than ever. Employees won't tolerate latency in the network when asked to adopt a new application, so **look toward edge services** like CloudPort, which allows you to connect directly with the major cloud providers, or Cox Edge, which is a full-stack edge-cloud computing service that supports a wide array of low-latency apps and services.
- Finally, we're going to continue to feel the impact of the **Great Resignation**, and certainly information technology employees are in high demand. So ensure you have a great work environment. And if you're looking to optimize productivity or if you're having trouble finding good talent, consider working with a company that offers managed services like Cox Business Complete Care or NOC as a Service.

Cox Business can help your organization capitalize on all the trends discussed. More than bandwidth, Cox is here to support your voice, data, cloud and managed service requirements.

For more information about Cox Business, visit www.coxbusiness.com.

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Tracey Best
Benefits Practice Group Leader
C3 Risk & Insurance Services

Tracey Best started her career in Employee Benefits over 20 years ago and still loves what she does! At **C3 Risk & Insurance Services**, she finds fulfillment in helping her clients identify solutions and move toward results that help their businesses and their employees. Her background is working with mid-market to large companies.

What Tracey Best will be talking about at the 2022 Economic Trends event:

For the past two years, companies have been working hard to navigate the vast challenges brought about by the pandemic. On a global scale, the economy and employment rates have suffered greatly. Economists at the **Federal Reserve** estimated that during the first year of the outbreak, 200,000 U.S. establishments permanently closed due to COVID-related issues. Even companies surviving the pandemic are facing a slew of new complications, including recruitment and retention challenges; branding and culture adjustments; productivity issues; and operations challenges.

This time has uncovered opportunities to redefine how companies and organizations operate; their value propositions; and how they deliver their products and services. When it comes to human resources and people operations, the opportunities have primarily focused on technology, flexibility and providing resources and services to meet employees' most important needs. The hurdles included increased labor costs — in 2021, labor costs reached their highest point of the past two decades — and a dramatically changed talent pool. Those companies that have learned, adapted and been proactive in their business approaches will flourish in 2022.

In order to prosper, businesses need to take a holistic approach, realizing that every aspect of their companies must work synergistically to support their mission. This means leaving no stone unturned, exploring every possible advantage, and coming up with creative solutions to address problem areas.

Robust employee benefits will certainly help attract and keep skilled employees. Due to rising healthcare costs, access to quality care remains a focus for employees both locally and nationally.

With many people having delayed screenings and routine surgeries due to COVID, the health insurance marketplace is likely to be cautious for the

next couple of years. For 2022, health-care costs nationally are projected to increase on average between 4% and 5% after cost management initiatives, according to several recently released 2021 consultancy surveys. Smaller employers in San Diego can expect even higher increases, closer to 7-9%. As employers face increased competition for talent, they will be reluctant to pass along much of the increase to employees.

What are current and prospective employees currently looking for? Here are some areas for review with your consultants and advisors:

- **Compensation, work ease, and flexibility for current and prospective hires**

Ensure you are competitive with the current marketplace. If you find you are not, become proactive. Are you offering the most flexibility possible for each individual position? Does your technology allow employees to do their work with ease or are there barriers?

- **HR technology to solve your current and future needs**

How does the technology you have simplify your employees' experiences? Does it help you shine during onboarding? What barriers are there that need to be addressed?

- **Enhanced mental health and wellness support**

Are the programs and services you are offering affordable, easily accessible and robust in coverage?

- **Financial benefits**

Are you offering student loan debt repayment programs, pet insurance, voluntary benefits that fill the financial gaps for your employees for high cost medical events, matching for 401(k) plans, and financial planning and investing services to help create a positive impression for job applicants?

- **Comprehensive benefits and perks package specific to your employee's needs**

Are benefits packages affordable for employees and their families? Would your employees agree with you? Do the offerings align with the needs of your employees?

Designing the best employee experience for both current and future hires has never been more important. While this new year will continue to pose challenges, it remains possible to meet them in creative, comprehensive ways that support both business objectives and employee satisfaction.



Juli Moran
San Diego Office Marketplace Leader
Deloitte

Juli Moran serves as the **Deloitte** San Diego office marketplace leader and has more than 33 years of experience in the Life Sciences industry. She has worked with payers, pharmaceutical and biotechnology manufacturers, clinical research organizations, and medical device manufacturers. As a lead client service partner, she is responsible for the overall relationship for a select number of Deloitte's strategic Life Science clients in the west region.

What Juli Moran will be talking about at the 2022 Economic Trends event:

What can leaders do to prepare their organizations to be resilient no matter what the future of inflation holds?

Inflation has been relatively low for so long that many business leaders do not have experience managing organizations through periods of high inflation or deflation. We see four primary uncertainties that are likely to impact the future of inflation in the U.S.:

- Length of supply chain disruptions
- Inflation's impact on wages
- Consumer spending
- Interest rate trends and monetary policies

Resulting scenarios range from "Blue Skies" with current inflation reverting to recent historical norms (~2%) and supply chain disruptions settling as consumers continue demand ... to "Stormy Weather" where inflation rises to 8-9%, which dampens consumer and business spending while interest rates rise and supply chain challenges continue — with variants in between.

Regardless of the scenario, certain strategies can mitigate risk:

- Shoring up capital structures
- Proactively addressing supply chain disruption
- Building for continuity
- Considering smart hedges
- Building a strategic market sensing function

How is the San Diego business community and our unique ecosystem of innovation faring economically?

While total employment in California continued to drop over the last two years due to the pandemic, the Life

Science San Diego employment base grew. San Diego offers access to differentiated talent and innovators focused on emerging technologies, both critical to a successful innovation ecosystem. With almost 500,000 jobs in Life Sciences in the state of California, San Diego Life Science employment surpassed 50,000 jobs as medical technology companies based in San Diego continue to experience double-digit growth in revenue and headcount. Additionally, San Diego companies are expected to benefit from Federal Research Funding as a result of the Biden administration's intent to invest in research and foster U.S. competitiveness. With 80+ research institutes and universities in the region, San Diego serves to benefit from the administration's investments through grants by NIH and NSF.

The Future of health and digital transformation is here in San Diego

San Diego has a unique community of innovation in healthcare between diagnostics, personalized medicine and genomics, biotech and medical technology that will all play a part in this digital transformation of healthcare and life sciences over the next decade. The San Diego healthcare and life sciences sectors are already paving the way to a future where well-being will replace treatment and the patient will be at the center of health care. The Future of Health will be driven by Digital Transformation, enabled by radically interoperable data and platforms. Change is exponential across all sectors of healthcare from providers to life science manufacturers. No longer do you sell "the next evolution of a widget or drug," but rather the outcome, data and result of the therapy.

Impact of COVID-19 and Workforce Transformation

The new Omicron variant has brought the pandemic back with a vengeance. As a result, the number of people not reporting to work, across a number of industries such as transportation and healthcare, could limit economic activity and further disrupt the supply chain. San Diego companies have continued primary remote work for appropriate roles, and for those outgrowing their current facility and real estate footprint this has served as a benefit to allow growth in headcount and acquire talent without further office space constraints.



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Joseph Mishriki
Regional Banking Director
San Diego Region at Wells Fargo & Co

Joseph Mishriki is the Regional Banking Director for the San Diego Region at **Wells Fargo & Co.** His territory consists of 91 retail locations in San Diego County and the Imperial Valley, where he leads more than 900 team members. Beginning his career with Wells Fargo in 1992, Mishriki has 29 years of experience in financial services.

What Joseph Mishriki will be talking about at the 2022 Economic Trends event:

The financial devastation of the pandemic on small businesses is immeasurable. Working side by side with our customers since the pandemic started has helped us shift and change our priorities to match our customers' needs. In fact, the pandemic has helped us more intimately understand the financial needs of our small business customers, and we know they need support outside of the PPP.

- Digital forms of payments boomed in popularity during the pandemic, and they aren't going away anytime soon. Consumers continue to expect to be able to pay for goods and services using their preferred payment method at all types of retail and business outlets.
- To best serve customers, owners need to keep up with the trends by incorporating the latest forms of payments into their businesses and staying alert to what's on the horizon.
- As a company, we're prioritizing investments that can make banking faster, easier, smarter, and safer — for our customers and the whole financial services industry.

Topic 1: Consumer Adoption of contactless or "no touch payments"

COVID accelerated the steady push toward digital payment adoption for consumers and businesses. About one in five consumers made a contactless payment for the first time during the pandemic, and 57% of consumers said they will continue to use contactless payments, according to the **National Retail Federation (NRF)**. To accommodate those shoppers, the NRF found that 67% of retailers now accept some form of "no touch" payment.

Concern over shopping in-person during COVID pushed many sales online. In the U.S., 62% of U.S. shoppers say they shop online more often now than before the pandemic, according to **Bazaarvoice**.

In-person transactions changed, too. More consumers are choosing digital payments, such as contactless cards or digital wallet payments, over cash or check, regardless of where they shop.

Topic 2: Small businesses pivot to digital

Merchants also embraced digital alternatives during the pandemic, as many turned to digital channels for banking. They changed operations, too.

Businesses quickly pivoted to expand the ways customers could shop, purchase, and make payments. Many took their businesses online and accepted orders and payments by phone. They set up socially distant practices, like curbside pickup and online purchasing with in-store pickup. A survey by **McKinsey & Co.** found that 47% of consumers want to continue to use curbside pickup and 60% want to continue using online purchasing with in-store pickup after the pandemic. As a result, merchants created new channels for driving sales.

Businesses also found ways to make their entire shopping experience contact-free. They removed shared items to help staff and customers avoid touching paper tickets. And stores implemented digital invoicing and receipts, and QR codes for payments.

Topic 3: Adapting to the changing payment landscape

Changing demographics will drive changes in payment preferences, too. Millennials recently surpassed Boomers as the largest generation. As they enter their peak spending years and Gen Z reaches adulthood, businesses will need to stay flexible in adapting to the payment platforms these digital natives will prefer.

There's no doubt new technology will expand what's possible in payments. Business owners should also expect to see more customers wanting to pay via wearables, like smart watches. In fact, 42% of Gen Z and 39% of Millennials say they're likely to pay using a wearable device.

Consumers are also interested in voice-activated payments.

Though digital payments offer convenience, both consumers and businesses have security concerns. Technology can help boost payment security, such as biometrics that use physical or behavioral characteristics to identify an individual.



Alessandra Lezama
Founder and CEO
TOOTRiS

Alessandra Lezama is a serial entrepreneur, angel investor and advocate for women in STEM. She is currently founder and CEO of **TOOTRiS**, an on-demand child care platform connecting parents, providers and employers. Lezama sits on several boards, where she serves as an advocate for transforming the child care industry. She has enjoyed an illustrious career of taking underperforming tech companies and turning them into scalable, high-performance powerhouses.

What Alessandra Lezama will be talking about at the 2022 Economic Trends event:

As the latest COVID variant continues to cripple the workforce and close Child Care centers, San Diego's economy hangs in the balance.

As a region, we need to think and act more creatively on how to get parents back to work while boosting the much-needed supply of daycare options. This is the only way our economy will bounce back.

Below are three steps on how we can achieve that.

- **Return Parents Back to the Workforce:** A lack of Child Care options has caused millions of parents to leave the workforce since the start of the pandemic alone. What's more, the average price of Child Care for two young children in the San Diego region now consumes 40% of the budget for a typical family of four, according to a report by the **San Diego Workforce Partnership** and **The San Diego Foundation**. Meanwhile, San Diego has the second lowest female participation in the labor force among major American cities. By making it easier and more affordable for businesses to offer Child Care as a Benefit, we can help the region and nation recover from our first ever "She-cession" while closing the inequality and gender gap in the workforce.

Lifting the constant financial and emotional burden of working parents will no doubt raise the bar on the caliber of talent businesses attract and retain, while creating a more equitable workforce.

- **Educate and Empower Employers on How to Embrace to the "New Reality":** In order to elevate our business community, we need to empower employers with innovative tools that allow them to morph into the new normal. This starts with making Child Care a critical part of the business infrastructure. Child Care is a business issue and a workforce enabler.

In an era where women are projected to make up 60% of the workforce in the next five years, employers can leverage existing technology to provide fully managed Child Care benefits, giving their workforce the flexibility and family support needed to gain employee productivity and increase ROI.

Some big employers, such as **Starbucks** and **Best Buy**, have already incorporated Child Care into their list of employee perks. But it's important for small businesses to understand this is a benefit they can also afford with the right tools.

Local organizations will continue to lose valuable employees without the necessary tools to attract and retain that talent. We must dramatically transform our company cultures by redesigning the workplace to be more family friendly. This is the future of work, and key to our region's ability to compete on a global scale.

Create New Jobs: Like many regions, San Diego suffers a supply deficit of available Child Care slots, further preventing businesses from attracting and retaining top talent. Even prior to 2020, there was a 205,000 gap between available Child Care slots and children in working families locally, according to **San Diego Child Care and Development Planning Council**. We can solve this problem by elevating early childhood educators with the resources and tools necessary to automate and grow their programs, while increasing the number of providers throughout the county.

San Diego is known for its innovative prowess. Why not use that to create another thriving industry to boost the region's competitive edge while lifting our communities and families? It could be a huge economic boom for the region.



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COVID Continues to Impact Healthcare

ECONOMIC TRENDS: Industry, Front Line Workers Are Still Adjusting

■ By BRAD GRAVES

Jane Finley is Senior Vice President and Area Manager, San Diego Service Area, for Kaiser Foundation Health Plan, Inc., and Hospital.

As the senior executive for Kaiser Permanente in San Diego, Jane Finley oversees all healthcare delivery, financial operations, business strategy, and health plan and hospital support functions. Finley holds a Bachelor of Science in Medical Technology from the University of Missouri Columbia and a Master of Health Service Administration from the University of Michigan.

The following is Jane Finley's perspective on Economic Trends for 2022.

2021 saw two significant COVID-19 variants emerge as healthcare organizations pushed for full vaccination and boosters against the disease. The impact of COVID on healthcare organizations and healthcare workers cannot be understated. As we begin the new year, omicron has reminded us that COVID-19 is still very much a part of our lives. As of this writing, the County is reporting a 26% positivity rate of tested San Diegans, and that number is trending upward. Local COVID testing sites were initially overwhelmed by the demand for testing of the highly transmissible omicron variant but are stabilizing. New quarantine and isolation guidelines were released by the CDC and the California Department of Public Health (CDPH), impacting the public and healthcare workers alike, as providers face

unprecedented numbers of staff and physician call-outs due to omicron.

The good news for San Diegans is that the County has a strong network of healthcare organizations. Collectively, we have learned much from the last two years of the pandemic, and we continue to work closely across all providers, and in close partnership with the County of San Diego, to respond to the health needs of our community. More than 75% of San Diegans are now fully vaccinated, and many of those have already received a vaccine booster. Vaccination remains the best way to prevent or minimize COVID. We encourage everyone to get fully vaccinated – including any recommended boosters.

COVID -19 will continue to impact our health and our healthcare, in 2022. No one can say with certainty how much or for how long. Regardless, San Diego's healthcare infrastructure and organizations remain strong, and ready to care for our community throughout the coming year.

What are the trends in receiving healthcare?

The pandemic has altered how we seek healthcare. While in-person visits have rebounded to more than 50% of all

appointments, virtual care (telephone and video) remains a very popular and effective way to receive care. We expect virtual care, and other automated care and service options, to continue to grow in 2022 and beyond.

The pandemic has also exacerbated longstanding challenges pertaining to mental health and emotional well-being. At Kaiser Permanente, we will continue our work to improve our patients' mental health through the care provided by our dedicated mental health professionals as well as through our work to reduce stigma and foster resilience. Addressing need for more mental health professionals is a national challenge. Kaiser Permanente's efforts in this area began well before the pandemic and will continue beyond it. We've placed specific emphasis on expanding the number of therapists, also expanding mental healthcare solutions by embedding mental health clinicians in primary care and empowering trained primary care physicians to improve mental health outcomes.

It is to NOT avoid seeking care when they need it. For medical emergencies, calling 9-1-1 is still the correct thing to do. For less urgent care, contacting a care provider to discuss options is the best course of action.



Jane Finley
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What are the biggest healthcare challenges in 2022?

COVID-19 has had a lasting impact on our health and the delivery of healthcare. As of November 2021, according to the Kaiser Family Foundation, COVID rose to become the third leading cause of death in the United States, behind cardiovascular disease and cancer. That is a remarkable statistic. And although providers in San Diego have made great progress by fully vaccinating nearly 2.5 million San Diegans, there are still hundreds of thousands of eligible residents yet to be vaccinated. We must push for full vaccination of every eligible San Diegan, while continuing to provide evidence-based medicine to treat those in need.

The pandemic has also taken a significant toll on the well-being of our healthcare workforce. A recent poll showed that 39% of healthcare workers have considered leaving the industry, and 19% of physicians have contemplated early retirement, or leaving the medical field completely. As we begin the new year, we find ourselves focused not only for caring for our patients, but also acknowledging the toll that COVID has taken on our staff and physicians, and supporting them in their physical, mental, and emotional health. It is crucial that we pause and acknowledge the dedication, sacrifice, and resilience of our San Diego healthcare staff and physicians throughout the pandemic, and provide them the time and support they need to rest, reflect, and recharge in 2022. ■

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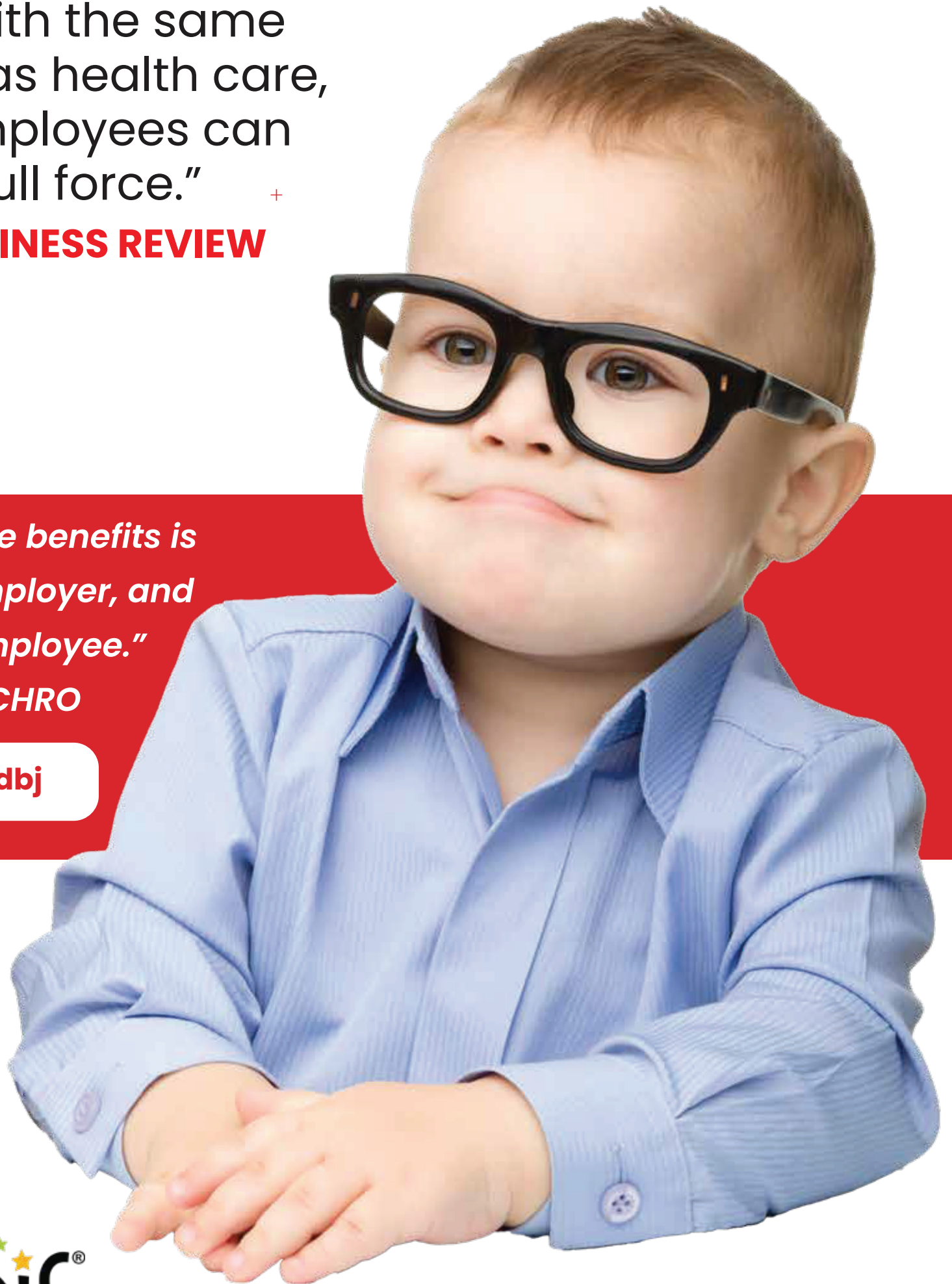
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