

## **SAN DIEGO'S CRAFT BREWING INDUSTRY YIELDS ECONOMIC IMPACT OF \$1.2B**

### **San Diego Brewers Guild and California State University San Marcos report reveals compelling 2018 data about the continued growth of County's local and independent craft beer industry**

SAN DIEGO, CA (August 13, 2019) Today, a new report reveals that San Diego County's independent craft brewers produced an economic impact of approximately \$1.2 billion in 2018, driving a total industry revenue of \$848 million. Home to more than 150 local and independent craft breweries and known as the "Capital of Craft," San Diego's craft beer industry has a longstanding and significant financial influence on the region. The impact growth rate has increased by 6% from 2017, outpacing the growth of the craft brewing industry nationwide – which has been reported at 4.8%. The data was assembled by the California State University San Marcos (CSUSM) Office of Business Research & Analysis, in collaboration with the San Diego Brewers Guild (SDBG), and was released today during the inaugural San Diego Craft Beer Con event which brought area brewers together for seminars and panels on topics that directly impact the local craft beer community as well as San Diego County tourism and hospitality industries.

This third annual report measures the craft brewing sector's wide-reaching effects through direct and indirect factors, including brewery operating costs, regional employment and its induced impact and production taxes. The survey also reports on the consistent significance of the industry's ongoing philanthropic support of local and state-run nonprofit organizations, with 2018 donations estimated at \$5 million.

"When consumers consider purchasing beer, we want them to understand the importance of consciously choosing local, independent craft brands," said Todd Colburn, secretary of the San Diego Brewers Guild, adjunct professor at CSUSM and founder of Higher Gravity Brand Advocates. "The San Diego Brewers Guild is committed to educating consumers and promoting the value of San Diego-brewed indie beer because the county's craft brewing community is a driving force for the local economy on multiple levels. This is an industry that consistently reciprocates by giving back to our region, and we proudly emphasize the relevance of our longstanding 'Capital of Craft' moniker."

SDBG, a nonprofit focused solely on supporting San Diego's community of over 150 independent brewers, plays a critical role in promoting the county's diverse craft brewing community through events and education. For the third year in a row, the organization has joined forces with the CSUSM Office of Business Research & Analysis to analyze the economic impact of the independent craft brewing industry in San Diego County. The project is a joint effort between the Office of Business Research and Analysis at CSUSM, the Department of Economics and the University Library.

The data supporting the report was collected from several sources during the first quarter of 2019. Each data source has varying effective dates, and every precaution has been taken to ensure relative comparability. The team used advanced input-output modeling software called IMPLAN® - a broadly used tool to effectively measure and view the economic impact of industries in the U.S.

"CSUSM is proudly the home of various craft beer-centric programs dedicated to exploring and documenting the history in our 'Capital of Craft,'" said Miguel de Jesus, director of business development for CSUSM's College of Business Administration. "We enjoy a very special relationship with the craft beer community and are always eager to collaborate with the San Diego Brewers Guild to measure and report on the economic impact that this very important industry has on our region."

The full San Diego Craft Beer Economic Impact Report was released during today's San Diego Craft Beer Con event. To view the executive summary with 2018 figures, [click here](#). More information about the San Diego Brewers Guild and its members is available at [sdbeer.com](http://sdbeer.com).

#### KEY FINDINGS AND EXECUTIVE SUMMARY:

- Nationally, the craft brewing industry remains a growing industry in the United States, experiencing revenue growth over the past five years to 2018, increasing at an annualized rate of 11.8%.
- In 2018, San Diego County craft brewers produced an economic impact of approximately \$1.2 billion, and total industry revenue of \$848 million.
- Between 2017 and 2018, the national U.S. independent craft brewing industry's direct economic impact grew by 4.8%.
- Between 2017 and 2018, San Diego County experienced an economic impact increase of 6%.
- U.S. craft brewing 2018 barrelage output is reported at 25.9 million barrels, which represents a growth rate over 2017 of around 4%.
- As of January 2019, there were more than 900 craft breweries operating in California, which ranks as the state with the highest number of craft breweries in the nation.
- Craft brewers in California produced 3.4 million barrels of beer in 2018, making it the second-highest state in the nation for beer production.
- As of January 2019, there were 155 independent craft brewers operating in San Diego County. Several of these breweries have tasting rooms/pubs under the same brand license, which brings the total number of brewery-operated locations to 202.
- In 2018, San Diego brewers reported production totals of 1.13 million barrels. This represents a 3% increase in output since 2017.
- Based on 2018 reported data, San Diego's craft brewing industry provides an estimated 6,480 jobs in the region. The employment growth rate has increased by 3% since 2017.
- As an industry comparison, San Diego County's sporting and athletic goods manufacturing industry had an economic impact of approximately \$1.3 billion in 2018 and provided 5,813 jobs in the county.

- In 2017, Congress passed legislation that included a two-year provision of the Craft Beverage Modernization and Tax Reform Act, which lowered the federal excise tax for breweries by 50% for a period of two years. Since its enactment, 99% of small brewers have realized a 50% reduction of their federal excise tax, freeing dollars for craft brewers to reinvest in their businesses and in the community.
- San Diego independent craft brewers' philanthropic contributions totaled an estimated \$5 million in 2018, supporting nonprofit organizations in the county and state.
- Released in spring 2019, the "Craft Brewer Confidence Index" survey assembled by CSUSM and San Diego Business Journal recorded a confidence index of 91, indicating an optimistic outlook for the craft brewing industry in the county over the next 12 months.

### **About the San Diego Brewers Guild**

The San Diego Brewers Guild is proud to be a source for breweries, tradespeople, restaurants and craft beer aficionados. Founded in 1997, the Guild is a nonprofit organization that seeks to promote San Diego breweries and create an open line of communication between brewers — connecting a strong and vibrant community. As the American craft beer movement becomes further ingrained in the mainstream marketplace, our local brewing scene will continue to play an important role in the developing conversation as well as the history of craft beer as a whole. For more information about the San Diego Brewers Guild and its members, visit [sdbeer.com](http://sdbeer.com) or follow @SDBrewers on [Twitter](https://twitter.com/SDBrewers), [Instagram](https://www.instagram.com/SDBrewers) and Facebook ([facebook.com/SDBrewersGuild](https://facebook.com/SDBrewersGuild)).

### **About California State University San Marcos**

Building on an innovative 28-year history, California State University San Marcos is a forward-focused institution, dedicated to preparing future leaders, building great communities and solving critical issues. Located on a 304-acre hillside overlooking the City of San Marcos, it is the only public four-year comprehensive university serving North San Diego, Southwest Riverside, and South Orange Counties.

The University enrolls 17,000 students. With approximately 2,000 employees, the institution is a Great College to Work For® (The Chronicle of Higher Education). As a recipient of the annual HEED Award since 2014—a national honor recognizing U.S. colleges and universities that demonstrate an outstanding commitment to diversity and inclusion—CSUSM is committed to creating a diverse and inclusive environment. For more information visit [csusm.edu](http://csusm.edu).

### **About California State University San Marcos, Office of Business Research & Analysis**

The College of Business Administration (CoBA), in conjunction with the University Library and the College of Humanities, Arts, Behavioral and Social Sciences (CHABSS), is offering a suite of research services for a fee to benefit small businesses and nonprofit organizations. The Office of Business Research and Analysis unites faculty expertise with student researchers to produce business plans, economic impact analyses, econometric analyses, geographic information systems studies, industry sector forecasts, marketing analyses, and more. For more information, visit [csusm.edu/coba/obra](http://csusm.edu/coba/obra).

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