

Workforce Needs of Small Businesses



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Today's Conversation

- > **Background & study method**
- > **Role of small businesses**
- > **Employment & growth**
- > **Skills, education & challenges**
- > **Education providers**
- > **Recommendations**

Background

- “Support Sector” for community colleges
- Economic development value of small business is a known. What are their workforce needs?
- What role do small businesses play in Priority Sectors?

Collaborative Research Project:

- Center of Excellence for Labor Market Research
- San Diego Imperial Counties Regional Consortium of Community Colleges & Doing What Matters Key Talent
- San Diego Workforce Partnership

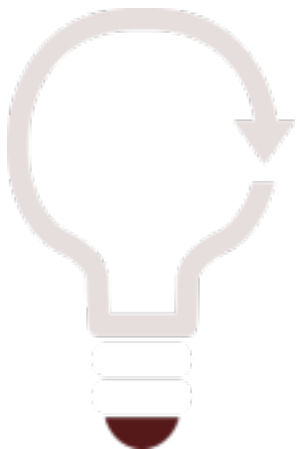


Method

Sample: 347 small businesses in San Diego County w/ 75 or fewer employees from Infogroup database

Survey: Online, self-reported using Qualtrics & partner Davis Research

Sectors: Businesses were targeted & classified by sector using NAICS codes



Priority & Emergent Sectors

Advanced Manufacturing

Health Care

Advanced Transportation

Life Sciences/
Biotechnology (Biotech)

Information &
Communication
Technologies (ICT)

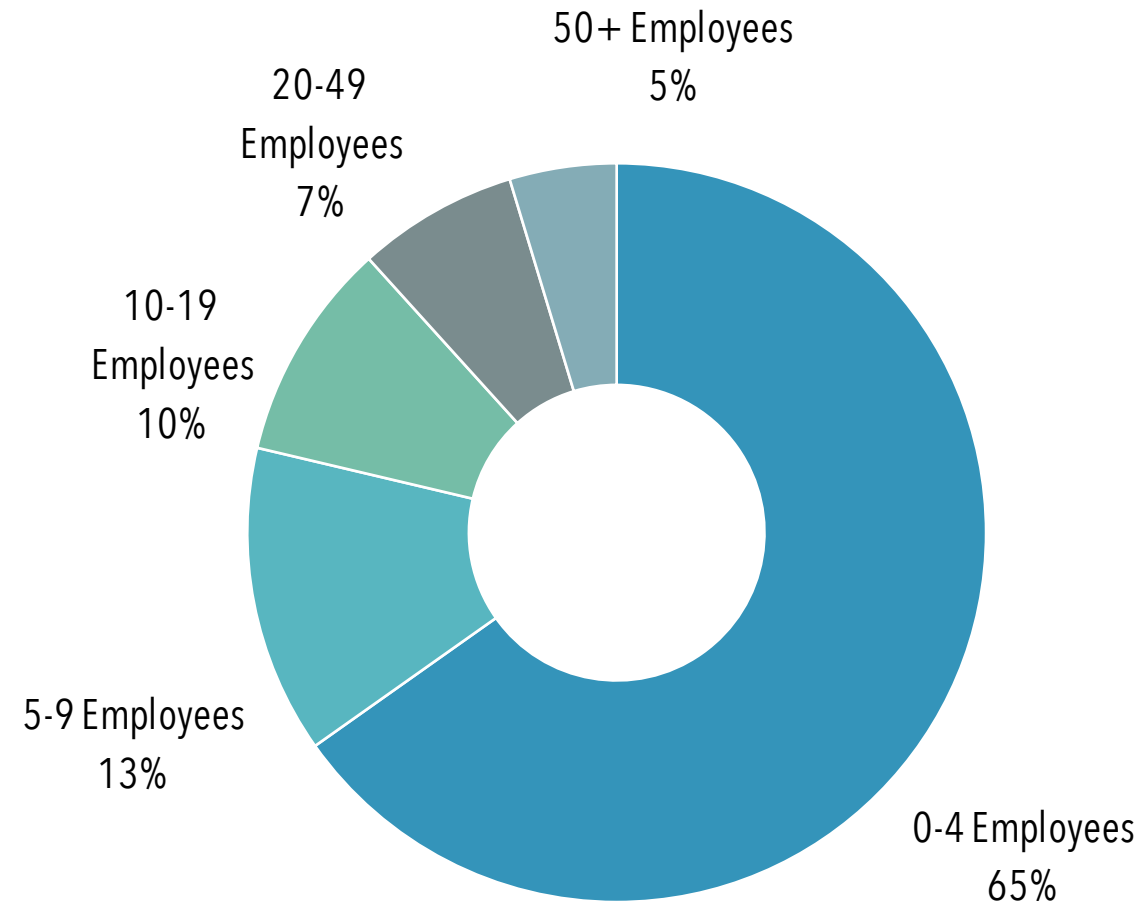
Role of Small Businesses

- > “Incubator for Innovation”
- > Significant role in recovery
- > Important element in employment eco-system of the region; supported by large business and government

Role of Small Businesses in Sectors

- S.B. w/ fewer than 50 employees make up 95% of all establishments
- Among primary sectors:
 - S.B. account for **29-52% of total employees**
 - S.B. account for **33-59% of total revenues**

San Diego Small Businesses by Size



Global Trade Engagement

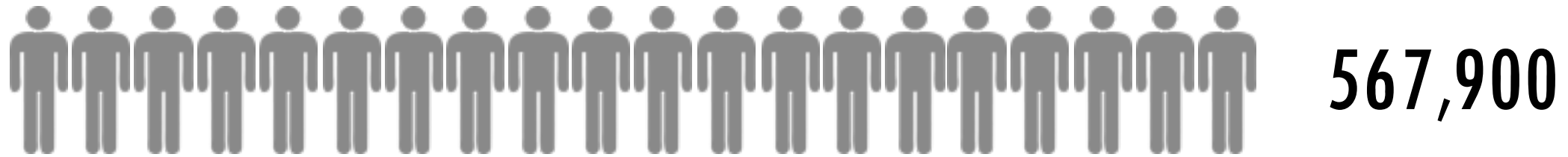


1/5 small businesses engage in global trade

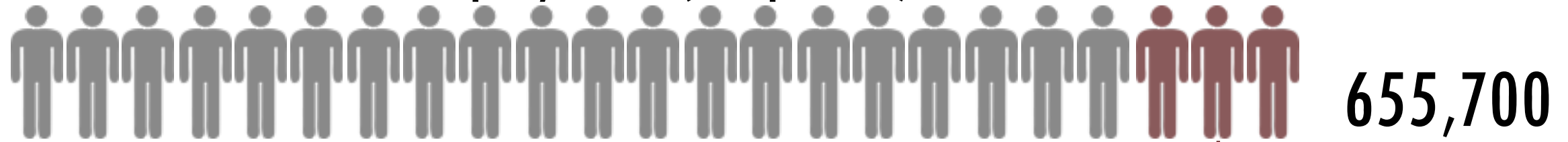
For most (68%), global trade accounts for <10% of total revenue

Employment & Growth

2015 Small Business Employment



2016 Small Business Employment (Projected)



15% growth
87,800 jobs

Employment & Growth: **by Size**

Business Size	2015 Jobs	2016 Jobs	New Jobs	% Change
0-4 Employees	105,800	139,100	33,300	31%
5-9 Employees	83,500	96,700	13,200	16%
10-19 Employees	123,300	138,100	14,800	12%
20-75 Employees	255,300	281,800	26,500	10%

Employment & Growth: **by Sector**

Sector	2015 Jobs	2016 Jobs	New Jobs	% Change
Health Care	50,600	58,500	7,900	16%
Advanced Manufacturing	45,500	52,300	7,000	15%
Advanced Transportation	23,100	26,600	3,500	15%
ICT	16,000	18,400	2,400	15%
Life Sciences/Biotech	20,400	22,500	2,100	10%
Other	432,000	498,900	66,900	15%

Challenges

Over next 2 years:

- Ongoing/continuous improvement **51%**
- Identifying growth opportunities **44%**
- Cost reduction strategies **28%**
- Employee recruitment & retention **24%**

- Product innovation/development **22%**

Resources Utilized

2 out of 3 small businesses did not utilize any from those listed

Top utilized resources:

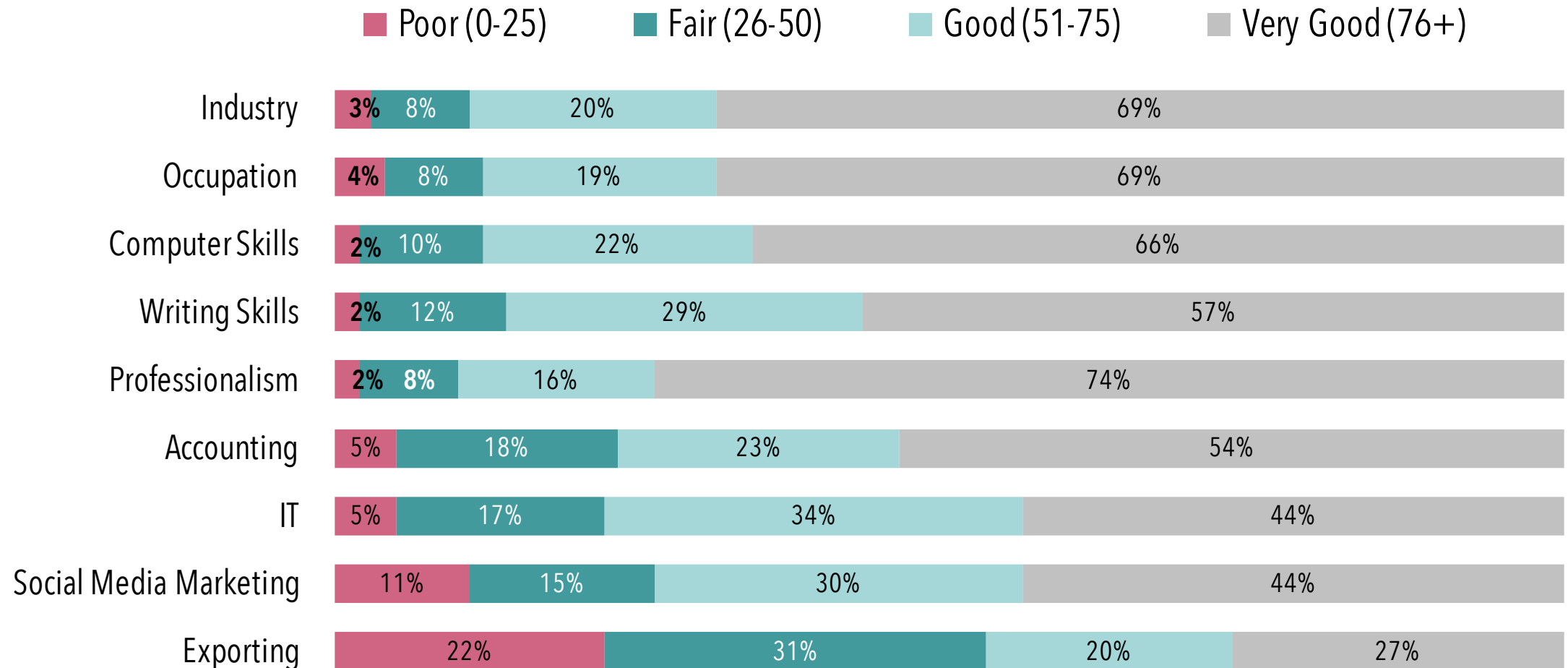
- Chambers of Commerce **19%**
- Better Business Bureau **13%**
- Small Business Administration **11%**

Business Owners

- 60% of respondents
- Highly educated, majority are college graduates
 - 27% bachelor's, 40% graduate degrees
- The following would have been useful:
 - Social media/marketing **68%**
 - IT **55%**
 - Accounting **55%**
 - Employee recruiting **51%**

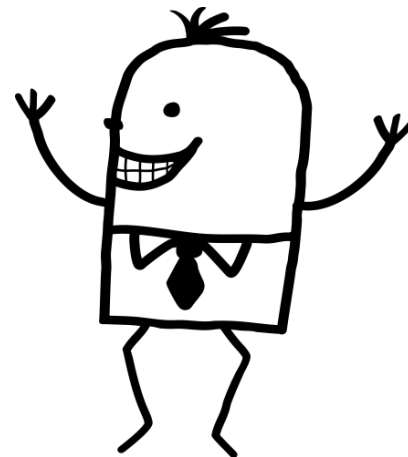
Small Business Employees

Average Scores of Employees' Skills on Proficiency Scale



Training Needs

- Potentially useful workshops:
 - Critical thinking/problem solving **68%**
 - Social media/marketing **66%**
 - Oral & written communication **61%**
 - Leadership **61%**
 - Teamwork/collaboration **60%**



Education & Training

Community Colleges

- **Small Business & Entrepreneurship programs**
- Cuyamaca, MiraCosta & San Diego City Colleges (110 completers in 3 yrs)
- **Many students may seek a cert. in addition to their main trade**
- **Many take general business programs**

Professional development workshops

4-year and above degrees

Recommendations to Colleges

1. **Incorporate** social media marketing, IT & accounting into programs across sectors
2. **Incorporate** small business skills and knowledge areas in other curricula
3. **Offer** Small Business & Entrepreneurship as a “stackable” certificate option for students with technical or other subject-area cert/degree
4. **Focus** on soft skills
5. **Work** with small businesses to provide work experience options to students

Recommendations to Business Support

- 1. Awareness of business programs & resources**
- 2. Reduction of challenges to exporting**
- 3. Employment strategies**

How to access the reports?

- > Full report
- > 5 sector research briefs
- > Brief on businesses engaged in global trade

Available at:

- > workforce.org/reports
- > myworkforceconnection.org
- > coeccc.net

Thank You!

Questions?

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