Challenges and Solutions to Engaging Small Business Owners With Work-Based Learning Opportunities

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About Small Business Majority

• National – 12 offices in Washington, D.C., California, Colorado, Illinois, Maryland, Michigan, Missouri, New York, Ohio, and Virginia
• Focus on issues of top importance to small businesses (<100 employees) and self-employed, including access to capital, workforce, healthcare, retirement, taxes, technology and energy savings.
• Work supported by extensive research
WHY SMALL BUSINESS?

• **Top trusted messenger**
  - Viewed positively by 71% of the public*
  - More trusted than churches, academic institutions, and large corporations

*Pew Research Center

99.7%

• **Key job creators**
  - 99.7% of all employer firms*
  - 43% of U.S. private sector payroll*
  - Employ half of private sector workforce

*Businesses with fewer than 100 employees
THE PROBLEM

• Small employers struggle to fill entry-level positions—40% cite lack of skills as No. 1 reason for entry-level vacancies.

• Meanwhile, 6.7 million young Americans ages 16-24 are out of school and out of work.

• Small Business Majority’s opinion polling found that while the majority of small business owners are hiring, 56% identify “finding candidates with the right kind of experiences” as the biggest difficulty they face when hiring new employees.

• Another 54% identify “finding candidates with the right education, skills or training” as the biggest hiring challenge.
Linked Learning offers a framework to solve this problem by providing young people with work-based learning opportunities that prepare them for successful careers.

Small Business Majority held a series of roundtables with small business owners, educators, youth development agencies and workforce training organizations across California to determine what’s preventing small businesses from providing more robust workforce training to young people.
WHAT WE LEARNED

• Small business owners are interested in work-based learning (WBL) programs, but have strong concerns about the time commitment required by work-based learning programs and their ability to connect with useful resource providers.

• However, small businesses had several strong motivating factors, ranging from personal to economic influences.
WHAT WE LEARNED

• Small business owners view work-based learning as a **good investment in local economies and their business.**

• Believe that if young people have better training for the workplace, they’ll **contribute to a better workforce and create a stronger generation of employees.**

• Very concerned about young people’s **soft skills** and ability to do **basic professional tasks** like writing a resume, being on time, interviewing, business etiquette like shaking hands and providing good customer service.

• Many also feel that training young people is **the right thing to do.**
CHALLENGES TO INCREASING WBL OPPORTUNITIES AT SMALL FIRMS

• Small business owners reluctant to engage with young people based on a lack of **soft skills** and basic **business etiquette**

• Lack of time or resources

• Concerns about **liability** and inadvertently misclassifying a worker/intern

• Lack **information** on how to connect with local organizations that can help them engage with young people
• **Provide more short-term engagement options**, such as resume writing workshops, mock job interviews, presentations to schools and job shadowing.

• **Increase availability of soft skills-focused workshops and training programs** on communication skills, professional etiquette, resume writing, interview skills and so on.

• **Allay concerns over liability issues** by having a third-party partner serve as the official “employer” and overseer.

• **Develop and assign a group to serve as a liaison** between small business owners and workforce training agencies, educators and youth development organizations.
CONCLUSION

• Small business owners have an **important role** to play in preparing the workforce of the future.

• We need to consciously **improve current systems** to make small business engagement with young people feasible.

• Focus on implementing WBL programs by **simplifying processes and minimizing administrative burdens** to meet small business needs.

• **Work collaboratively** – forge partnerships between business groups and workforce training providers so they can share valuable information about WBL programs.
JOIN THE PLEDGE!

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Work-Based Learning In California:

Connecting small businesses with students through meaningful educational and training opportunities

The problem:

More than six years have passed since the end of the Great Recession, and while the overall unemployment rate has fallen, the number of young people who are hearing the phrase "you're hired" has barely budged. In fact, the youth unemployment rate for 16- to 24-year-olds in California is 20.2%—the third-highest rate in the country. This is a staggering number that contributes to weak economic demand, strains our communities and limits growth prospects.

Among this group are young people ages 16-24 who are neither in school nor working, may or may not have graduated from high school, and haven't graduated from college. Meanwhile, while so many high school students are idling, employers continue to say they can't find qualified workers. In fact, some 40% of American employers cite lack of skills as the No. 1 reason for entry-level vacancies. And Small Business Majority's opinion polling found that small businesses in particular are having a hard time finding candidates with the right skills and background. Additional research found that many small employers cite a lack of "soft skills" as a difficulty for young newcomers in the workplace, such as being on time.
JOIN THE PLEDGE!

• We believe **taking simple steps** like participating in a career fair, offering job shadowing opportunities and providing company tours can help more small businesses **create meaningful educational and training opportunities** for our state’s youth.

www.work4smallbiz.com
QUESTIONS?

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