



Opinion Poll

Minnesota Small Businesses Hiring, but Struggle to Find Qualified Workers

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Small Business Majority

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Washington, DC 20005

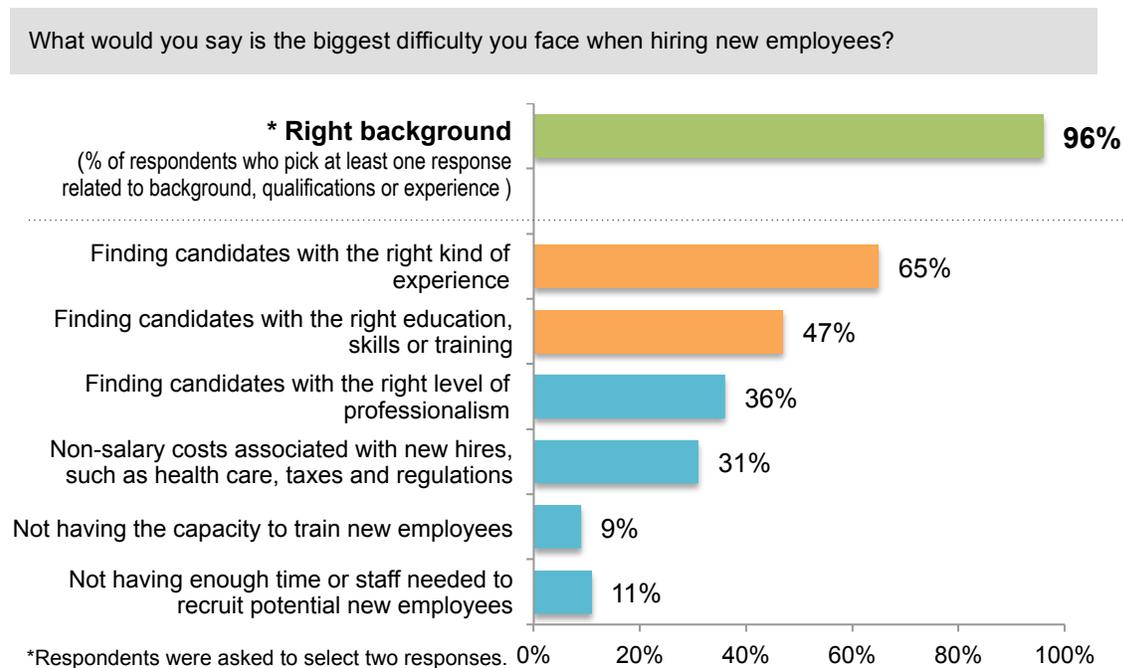
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Main Findings

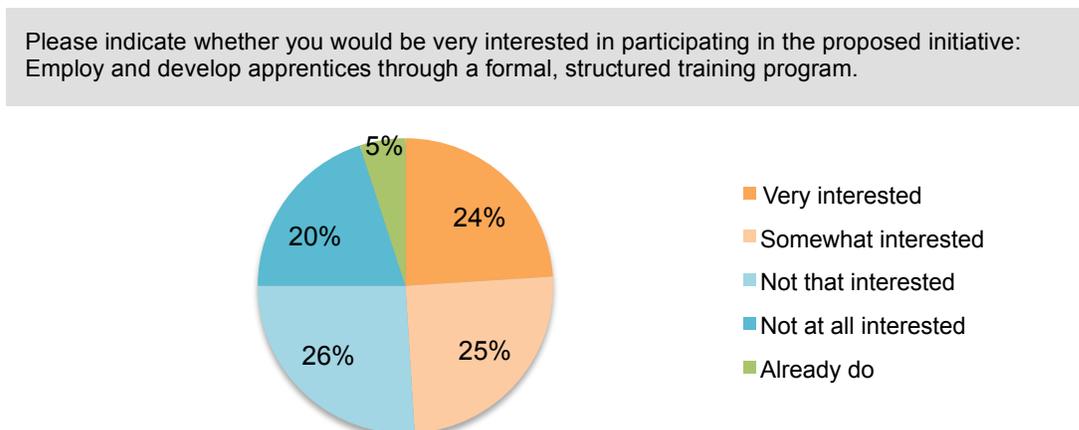
- Majority of Minnesota small business owners are hiring, yet struggle to find qualified workers:** Two-thirds (66%) of small employers in Minnesota say they have hired new employees over the past three years. However, despite business growth, the vast majority of entrepreneurs struggle to find qualified employees. Sixty-five percent identify “finding candidates with the right kind of experiences” as the biggest difficulty they face when hiring new employees; another 47% identify “finding candidates with the right education, skills or training.” A collective 96% of these small employers pick at least one response related to background, qualifications or experience when asked about their biggest difficulty when making new hires.¹

Figure 1: Entrepreneurs identify largest barriers to hiring new employees



- Small businesses support addressing job skills gap through apprenticeship programs:** Nearly half (49%) of Minnesota entrepreneurs say they are interested in employing and developing apprentices through a formal, structured training program.

Figure 2: Small businesses support implementing apprenticeship programs

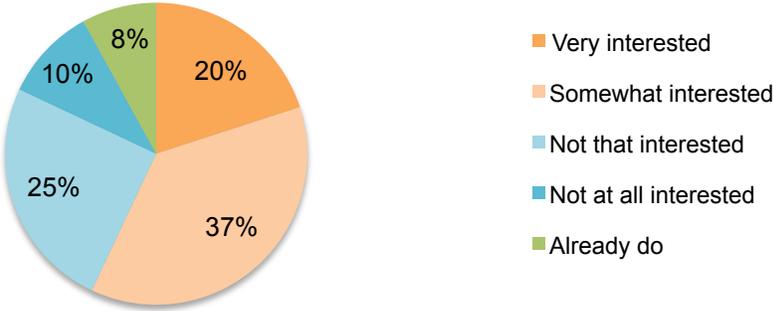


¹ Multiple responses accepted; percentages exceed 100%. The 95% figure reflects the percentage of small business owners who pick at least one response related to background, qualifications or experience.

- **Entrepreneurs are interested in implementing on-the-job training programs:** 55% of small businesses support implementing a structured, on-the-job training program for employees.
- **Minnesota small employers support working with schools to implement job training programs at their businesses:** More than six in 10 (61%) small business owners say they would work with an organization that coordinates with local schools, community colleges, businesses and community organizations to provide job training and placement.
- **Small businesses believe they should work together within their industries to help increase the number of qualified workers:** Nearly half (49%) of small business owners are interested in working with other businesses in their industry to develop programs to increase the number of qualified job applicants in their area.
- **Majority of small businesses support hiring and helping trainees gain the skills they need within a specific timeframe:** 57% of small employers say they would consider seeking out and hiring promising and trainable workers who may not yet have the required experience or certifications, but with an employer’s assistance, could obtain them within a specific timeframe.

Figure 3: Majority of support hiring and helping trainees gain the skills they need

Seek out and hire promising and trainable workers who may not yet have the required experience or certifications, but, with an employer’s assistance, could obtain them within a specific timeframe.



Methodology

This poll reflects an Internet survey of 900 small business owners. It includes a national survey of 400 small business oversamples with oversamples of 100 small business owners in Illinois, Michigan, Minnesota, Ohio and Wisconsin that contributed to a survey sample size of 900 participants. The poll was conducted by Greenberg Quinlan Rosner for Small Business Majority with a margin of error of +/-3.27%. Respondents reflect a bipartisan consensus with 48% of small business owners identifying as Republican or independent-leaning Republican, 32% as Democrat or independent-leaning Democrat and 14% as independent or other. The survey was conducted from September 5-18, 2014.

Poll Toplines

September 5-18, 2014
100 Minnesota employers

Q.1 Do you own your own business?

	MN
Yes	100
No	-
Not sure.....	-

Q.2 How many people are directly employed by your business or company, including yourself?

	MN
1	-
2-5	51
6-10	22
11-25	8
26-50	5
51-100.....	14
More than 100	-

Q.3 Which ONE of the following categories best describes your business?

	MN
Administrative support and accounting	3
Agriculture	4
Arts, entertainment and recreation.....	4
Construction	6
Finance and insurance.....	6
Information technology.....	4
Legal.....	2
Manufacturing	11
Medical or dental	2
Real estate.....	4
Restaurant.....	2
Retail (such as a shop or store)	13
Retail services (such as car repair, home repair, landscaping).....	1
Scientific and technical services	4
Service industry	6
Whole sale trade	12
Other	17
(Prefer not to say)	-

Q.4 Over the past three years, have you hired or attempted to hire any new employees?

	MN
No.....	29
Yes, hired new employees.....	66
Yes, tried to hire, but could not.....	5

Q.5 (IF YES) What would you say is the biggest difficulty you face when hiring new employees? Select two responses.

MN	
Finding candidates with the right kind of experience.....	65
Finding candidates with the right education, skills or training.....	47
Finding candidates with the right level of professionalism.....	36
Non-salary costs associated with new hires, such as health care, taxes and regulations.	31
Not having the capacity to train new employees.	9
Not having enough time or staff needed to recruit potential new employees.	11
Right Background	96

When screening job applicants, other than relevant experience, how much do you rely on the following as evidence of an individual's ability to do the job?

	A Lot	Some- what	A Little	Not At All	A Lot/ Smwt	Little/ Not At All
Q.6 Interviews						
MN.....	71	25	3	2	96	4
Q.7 Demonstration of a specific skill						
MN.....	54	33	10	3	87	13
Q.8 Industry-specific certification						
MN.....	23	38	16	24	60	40
Q.9 Academic credentials, such as a high school diploma or college degree						
MN.....	27	40	25	8	67	33
Q.10 Standardized test of cognitive skills						
MN.....	10	28	20	42	38	62

Below are some solutions that have been proposed to help small business owners find and retain qualified employees. Please read through these and indicate whether you would be very interested, somewhat interested, not that interested or not at all interested in participating in that initiative. If your business already does something similar to the proposal described, please say so.

	Very Int	Smwt Int	Not That Int	Not At All Int	Alrdy Do	Total Int	Total Not	Int - Not
Q.11 Implement a structured, on-the-job-training program for employees.								
MN.....	19	36	22	13	10	55	35	20
Q.12 Work with an organization that coordinates with local schools, community colleges, businesses and community organizations to provide job training and placement.								
MN.....	28	34	21	15	2	61	36	25

	Very Int	Smwt Int	Not That Int	Not At All Int	Alrdy Do	Total Int	Total Not	Int - Not
Q.13 Seek out and hire promising and trainable workers who may not yet have the required experience or certifications, but, with an employer's assistance, could obtain them within a specific timeframe. MN.....	20	37	25	10	8	57	35	23
Q.14 Employ and develop apprentices, through a formal, structured training program. MN.....	24	25	26	20	5	49	46	3
Q.15 Work with other businesses in your industry to develop programs to increase the number of qualified job applicants in your area. MN.....	18	31	26	22	3	49	48	0

What type of information or incentives would you need before participating in any of the job training initiatives described above?

	Sele-cted	Not Sele-cted	Sele - Not
Q.16 Tax incentives MN.....	57	43	13
Q.17 Evidence of a return on investment MN.....	54	46	7
Q.18 Recommendation from a trusted peer at another company MN.....	45	55	-10
Q.19 Free or low-cost assistance from a third party organization MN.....	44	56	-11
Q.20 Grant funding MN.....	27	73	-46

Which of the following steps would you be willing to take part in as part of a job training initiative?

	Sele-cted	Not Sele-cted	Sele - Not
Q.21 Help develop curriculum MN.....	53	47	7
Q.22 Join with other employers to form a training consortium MN.....	42	58	-15
Q.23 Allow current employees to take paid time off to provide training and instruction MN.....	35	65	-31
Q.24 Absorb the cost of training and coaching trainees or apprentices MN.....	33	67	-34

Q.25 In what year were you born?

	MN
18 - 24.....	5
25 - 29	6
30 - 34	9
35 - 39	1
40 - 44.....	16
45 - 49	8
50 - 54	24
55 - 59.....	15
60 - 64.....	8
65 and over	8
(No answer)	-

Q.26 Generally speaking, do you think of yourself as a Republican, a Democrat, an Independent, or something else?

	MN
Democrat	26
Independent-lean Democrat	14
Independent.....	12
Independent-lean Republican.....	18
Republican	22
Other	2
Don't know/Refused.....	5

Q.27 For statistical purposes only, which of these categories best describes the gross revenue of your business in 2013?

	MN
Less than \$100,000	17
\$100,000 to under \$250,000	12
\$250,000 to under \$500,000	23
\$500,000 to under \$1 million.....	15
\$1 million to under \$2 million	10
\$2 million or under \$5 million.....	8
\$5 million or more	7
Don't know.....	-
Prefer not to say.....	7
Under \$500K	53
\$500K or more.....	40

Q.28 What is your race?

	MN
White.....	85
African American or Black	0
Hispanic or Latino	8
Asian or Pacific Islander.....	4
American Indian or Native American	-
Other	-
Biracial or multiracial.....	1
Prefer not to say.....	2

Q.29 What is your gender?

	MN
Male.....	66
Female.....	34