



# **Report: Small business challenges in hiring and training employees in California**

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## Introduction

It's no secret that the COVID-19 pandemic has had a devastating impact on businesses, jobs and communities across California with thousands of small businesses closing shop and millions of Californians seeking unemployment assistance for the first time. Importantly, the pandemic has exacerbated the challenges and inequalities facing small businesses, particularly for the smallest businesses and those owned by people of color. As we strive to get Californians back to work, it's important to understand the needs of small business owners in hiring and training employees in order to better support our state's job creators to rebuild stronger than before.

Small businesses are vital to the strength of California's workforce. According to the US Small Business Administration, most businesses in California are small and they provide seven million jobs—nearly half of the private-sector workforce. Most of these jobs are created and sustained by very small businesses with fewer than 20 employees. These small businesses are also more likely to hire locally, creating valuable opportunities for workers, particularly those in low-income communities; this is especially true for businesses owned by people of color. Small businesses also regularly provide employees with job training and opportunities for advancement, which enables workers to learn, grow and progress in their careers.

Unfortunately, these job creators have been hit particularly hard by closures and stay-at-home orders during the COVID-19 pandemic. In an April opinion poll commissioned by Small Business Majority, an astounding 92% of California small businesses reported that the coronavirus had impacted their business, and 31% had already permanently laid off their employees.

As California takes steps to reopen and bring jobs back, engaging small businesses will be critical to rebuild a workforce that is stronger than it was before. Small enterprises offer a crucial entryway into the workforce for many employees, but even before the pandemic, job training and placement programs historically focused on engaging larger employers and did not address the unique needs of small employers. Addressing these gaps will be critical to ensuring a long-lasting, equitable recovery.

To better understand the ways small business owners approach hiring and training, as well as to define small business needs when it comes to these aspects of business development, Small Business Majority conducted an online survey of small business owners across the state and held separate focus group discussions, interviews and other convenings with small employers and workforce development stakeholders and business support organizations.

We found that small business owners in California feel generally unsupported—they rely on themselves for nearly all of their hiring and training needs. They are very concerned about the quality of the workforce, particularly younger members of the workforce who may lack soft skills. Additionally, small businesses' hiring practices are largely informal. Business owners rarely hire in advance, and when they are hiring they often use word of mouth. What's more, business owners agree that training is a need, although the top training they want is related to general life skills.

This report examines these and other issues in detail, as well as provides recommendations that workforce development boards and other workforce stakeholders can utilize to better support the small businesses that create and sustain quality jobs. Now more than ever it is crucial to take small employers' needs into account so that we can promote a more resilient workforce in California.

## Methodology

We conducted three focus groups in the summer of 2019, in Fresno, Los Angeles and Riverside to garner qualitative feedback from small business owners with between 6-25 employees about their hiring and workforce needs and challenges. We followed these focus groups up with an online poll in March 2020 of 350 California small business owners with between 6-25 employees. We also conducted four focus groups with workforce practitioners in Fresno, Los Angeles and Riverside to gain insights into how they currently and could better support small businesses in their communities. This feedback was also informed by more than 65 events and presentations alongside workforce development experts and practitioners, reaching 5,000 small business owners.

# Small business challenges in hiring

## Key findings

**Business owners of color tend to have a more diverse workforce.** Additionally, women business owners tend to hire more female employees.

**Business owners' current hiring practices are largely informal.** They rarely hire in advance, and when hiring they often use word of mouth. Throughout the focus groups, small business owners in each region mentioned they feel generally unsupported and they rely on themselves for nearly all of their hiring and training needs.

**Workforce development organizations can better forge connections to small businesses with hiring needs** by providing HR services like background checks on candidates, as well as by providing general small business services, especially to newer businesses.

**Soft skills are still reported to be lacking among job seekers. This is more acutely challenging for small employers.** Essential skills are something that many focus group participants continue to say are needed. Most participants felt they are equipped to support job seekers with on the job training, but they are not prepared to teach essential life skills.

## Overview

Small businesses employ nearly half the private-sector workforce, with job growth strongest among businesses with fewer than 20 employees. These small businesses are also more likely to hire locally, creating valuable opportunities for workers, particularly those in low-income communities. And critically, businesses owned by women and people of color tend to have more racial and gender diversity in their workforce.

*"I've lived in this town all my life and been around a couple of different businesses, so I have a decent network. Or the guys I have working for me, I've got some guys that I depend on and I say 'Do you know anybody? Get out there and find somebody.'"*

– Small business owner, Fresno

In our poll, there was a notable pattern of businesses owned by people of color employing more people of color—people of color make up at least half of the staff for 55% of diverse business owners, and only 40% of business owners of color have a workforce that comprises 50% or fewer employees of color. White business owners show the opposite pattern: only 22% employ a diverse workforce that comprises at least 50% or more people of color. There is a distinction between white men and white women: More than twice as many white women (34%) have a workforce that comprises more than 50% people of color than white men (16%).

Women also employ many more women than men do. In our poll, 70% of men have a workforce that's less than half female, while only 52% of women do. Additionally, 25% of women employ 75-100% women while only 4% of men do the same.

When it comes to hiring their workforce, we heard from small businesses in our focus groups that rely on themselves for all of their hiring needs and that they generally feel unsupported. Hiring typically occurs on an ad-hoc basis—usually to fulfill a contract or to deal with turnover—with most tapping into their personal networks and word of mouth to meet their needs.

Focus group participants had mixed experiences with online job boards such as Craigslist. Only a few participants across the three groups had any experience with a government program or agency filling positions, and those who did had largely negative impressions about utilizing them.

It's important to note that small businesses will continue to struggle to identify qualified candidates during and after the COVID-19 pandemic. While the applicant pool will undoubtedly be larger during a recession, the surplus of job applicants can create challenges in determining how to separate quality talent from the rest. This is particularly true for very small businesses that lack human resources or administrative support.



In evaluating candidates, small business owners report that they consider an applicant's personality much more than any formal qualification, since they expect that they will train them for specific skills on the job. So-called "soft skills" or "essential skills" were the most sought after attribute for business owners in our focus groups, something they say used to be taught in schools.

*"State employment called once, and it wasn't a great experience. A couple employees came in, and... they just weren't people that were interested in actually finding a job. It didn't work."*

– Small business owner, Fresno

While a universal soft skills certification does not exist, different regions are trying to develop a certification process that is universally accepted by employers in multiple industries. For example, in Fresno, the Workforce Investment Board does have a two-week soft skill training workshop that is widely accepted by employers in the region. This differs from the Inland Empire region where partners said soft skill certification is not universally accepted by employers. In all partner focus groups, partners expressed the need for essential skills training to be embedded into learning across the spectrum.

As the survey and focus group discussions reveal, hiring is both an important consideration and challenge for small businesses, one that will be heightened by the current economic climate and employers will need access to local resources that can help them better navigate this process.

### Small Business Owner Spotlight:



LaShondra Mercurius is the owner of JLM Strategic Partners and co-founder of The Career Excellence Academy, which she created in partnership with the Los Angeles Trade Tech College that offers professional development seminars facilitated by industry-leading construction professionals and subject matter experts. Through this partnership with a local community college, JLM Strategic Partners has enabled communities of color to have more opportunities in different industries.

LaShondra is a strong believer that communities of color need equitable access to programs regardless of their zipcode, which in turn provides access to high-quality jobs. Most recently she was involved in a City of Los Angeles initiative "Careers by Design-LA" (DCLA), which provides a pathway to professional service jobs within the architecture, engineering and construction sector for underserved community residents. This program adopts a private-public partnership model by bringing educators and industry together. Participants receive training through LATTC, case management services, internships and direct placement opportunities.

The program will expand the pipeline of diverse talent into this industry sector and grow the number of Angelinos in green jobs. LaShondra has worked hard to ensure this program would be an accredited course (four units) and due to the COVID-19 pandemic, she has been able to provide insights into how to have a smooth transition to operate the program virtually.

"On the Job Training (OJT) and other programs can provide those opportunities to gain skills needed to thrive and small business owners definitely have a role to play in this space to ensure we have a pipeline of qualified workers," said LaShondra.

## Job Training

### Findings

**Small businesses typically provide some form of training for their employees.** These trainings are roughly split between outside contractors and internal staff. Smaller businesses tend to train internally only.

**Small business owners see themselves as being in line with or better than others in their industry when it comes to pay and benefits.** Additionally, the training they offer often leads to higher wages once these new skills are acquired.

### Overview

As stated previously, small firms often do not have dedicated human resource departments or recruiters to help with hiring. Therefore, rather than attempting to find a worker with the specific qualifications required for a job, these businesses offer new, inexperienced employees valuable “career-ladder” training that can lead to greater advancement long-term. Additionally, as part of a small team, small business employees often work closely with management and tend to wear many different hats, gaining a wide range of experience in different business roles and learning new skills that can propel their long-term careers.

*“In our business it depends on the project at hand. Usually my husband will go out with the employee and show him by hand exactly what to do.”*

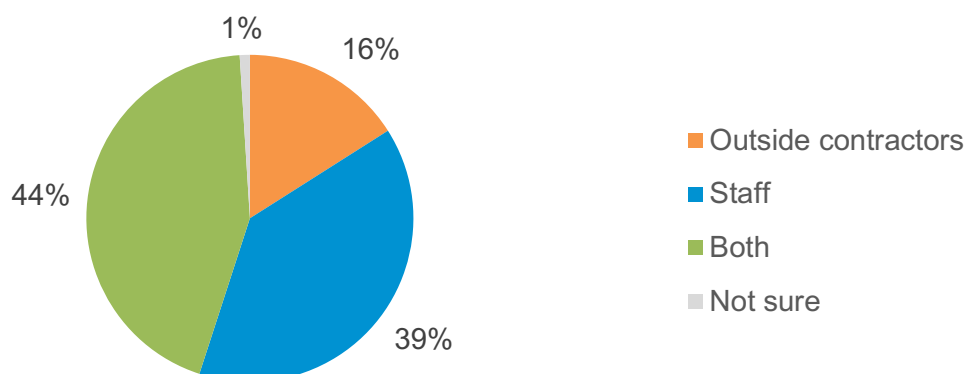
– Small business owner, Los Angeles

This opportunity to learn new skills is particularly important in today’s business environment that increasingly values skills and knowledge over formal job titles or roles. Small businesses enable their employees to learn a wide range of skills, which accelerates their career trajectories moving forward.

Our poll found two in three small business owners offer some form of training to their employees (67%), and 83% are conducting these trainings internally (partially or fully), reinforcing the idea that small businesses are a key component of the job training pipeline.

While nearly half say their trainings are conducted by both outside contractors and internal staff (44%), 39% say that trainings are conducted solely by internal staff. Fewer than one in five (16%) say that trainings are conducted solely by outside contractors. Smaller businesses with 6-10 employees tend to rely more on internal staff trainings compared to larger businesses with 11-25 employees (49% vs. 33%). The most common form of trainings are certification processes (56%), job shadowing (44%), and apprenticeship programs (43%).

**Figure1:** Are trainings conducted by outside contractors or internally by your staff?



Furthermore, in our poll, 87% of businesses that offer trainings or certifications report that their employees' benefits or pay increase after training and 47% say that opportunities for training and skills development at their company are more extensive compared with other companies.

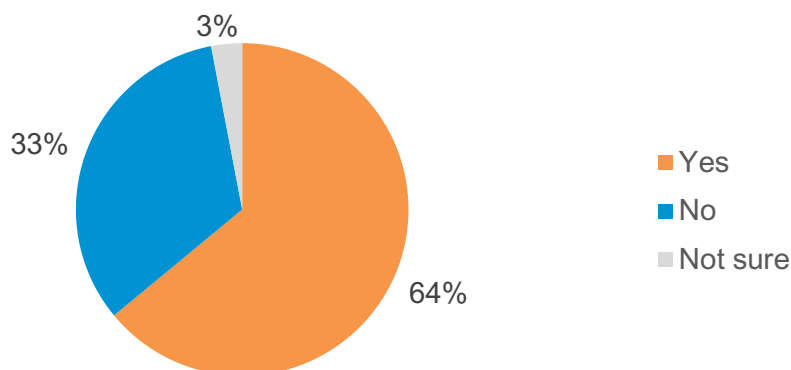
Business owners agree that more workforce training is needed, although the top training that focus group participants identified is related to essential skills, something they say used to be and is no longer taught as part of general education.

But this training is not just limited to soft skills. Nearly two-thirds of business owners in our poll and several focus group participants said their business requires certifications. Across the state, focus group participants said it was easier to provide this training on-the-job than to hire outside for it.

*"Years ago, we even talked about that, how great it would be to have a facility that taught people how to work in a restaurant kitchen. Because the reality is there is no such program. Everybody is learning on the fly."*

– Small business owner, Fresno

**Figure 2:** Are certifications required for some workers in your industry?



Workforce development stakeholders we spoke with acknowledged that many gaps in training exist, and that taking an industry-specific approach could help move the needle. It appears that this training is happening in a piecemeal fashion and is not a sufficient way to ensure these skills are retained by job seekers. Additionally, partners mentioned that there will always be a skills gap due to the rapid changes in technology, software, and more.

Nonetheless, essential skills are the main pain point for employers.

*"My hardest [training challenge] is breaking corporate employees. I would rather almost train them myself. We have a varying culture from the corporate restaurants. The corporate people sometimes have a hard time breaking themselves, because we run so differently. But once they've broken they don't want to go back."*

– Small business owner, Fresno

### COVID-19 Workforce Development Spotlight:

The National City Chamber of Commerce in the San Diego region has been in partnership with the Small Business Development Center (SBDC) at Southwestern College, which created an onsite Entrepreneurship Center with participation from six economic development agencies. This includes the Foundation for Women, ACCION San Diego, SBDC Entrepreneur Library, SCORE (Services Corps of Retired Executives), the Center for International Trade and Connection 2 Work. Since the start of the pandemic, the Chamber and partners pivoted to have host several virtual job fairs that have seen increased participation, **engaging more than 500 jobseekers in the past few months.**

## The workforce ecosystem

### Findings

**California small business owners need help accessing resources for hiring and training,** and there is no single source they turn to.

**Local community colleges have a very strong reputation among small business owners.**

**There** is a widespread belief that those enrolled in community colleges are people who are more interested in having a job and therefore will yield better workers.

**Awareness of workforce development organizations is low, but potential benefits are high.**

While most small business owners are not aware of Workforce Development Boards, they become more interested once they learn about their services.

### Overview

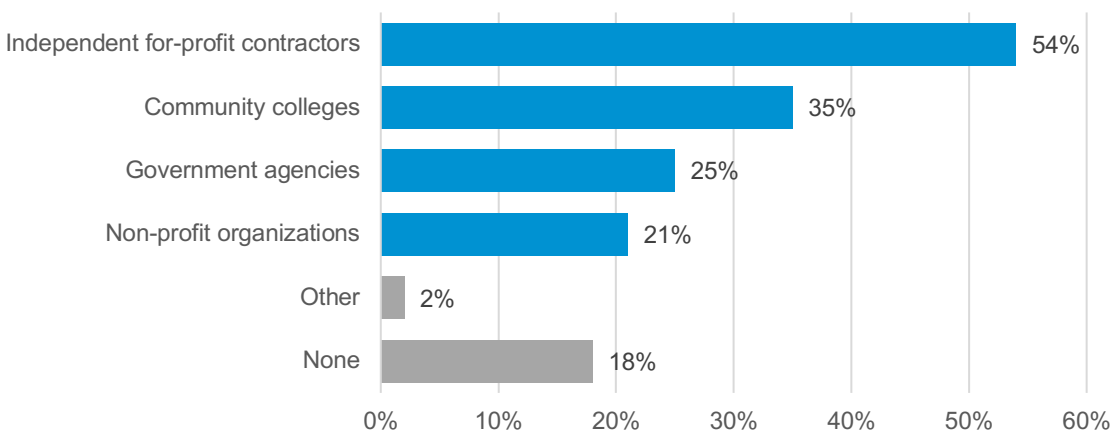
In our work, we've learned that small businesses tend to be disconnected from the network of business support organizations that exist to serve them. Our research reaffirms this, especially when it comes to how they engage with workforce development organizations. In seeking to understand how small business owners utilize the network of workforce development organizations in the state, and how these organizations could better serve them, we asked both our focus group participants and poll respondents where they go for various supports for their business.

*"Training is expensive. So if they're [WDBs] willing to take on the cost of at least part of your training with that one person that's huge, especially within the three months. That's a good amount of time."*

- Small business owner, Fresno

In the poll, a large majority of California small business owners (82%) have turned to some type of outside organization for support or resources for their business, with most of them utilizing private, for-profit contractors (54%). More than one-third (35%) have engaged with community colleges, one-quarter (25%) with government agencies, and one in five (21%) with non-profit organizations. Just over one-third of small business owners (36%) have used a Workforce Development Board (WDB) in the past; however, that number is slightly higher among businesses with more than 11 employees (43%). While small business owners typically hire by word of mouth and conduct their trainings internally, this data reveals that there is an important opportunity for organizations to cross-promote hiring and training services as part of a broader package of small business resources.

**Figure 3:** Please indicate which of the following types of organizations you have gone to for business resources or support, including help with payroll, insurance, leave requests, recruiting/hiring, training, or other employee-related issues? Select all that apply.





When asked what sources of information have been most helpful to them in finding resources to help their business, the top five resources are online websites (43%), social media (32%), family, friends, and neighbors (29%), email (26%), and other local businesses (24%). Businesses with 10 or fewer employees tend to rely more heavily on other businesses in their networks than those with more employees (32% vs. 20%).

*“Well, I like the fact that they [Workforce Development Boards] will pay the employee’s salary or a three-month period to see if they are a good match. ... You’re not really out anything.”*

- Small business owner, Fresno

Focus group participants deemed nonprofit organizations as good places to find resources, although a big obstacle in each region was that most small business owners assume the nonprofits are focused solely on helping disadvantaged groups, rather than businesses. This reveals that it’s important for these organizations to share resources in a way that indicates to the business owners that they are a trustworthy source of information, and that they are dedicated to supporting to the success of the business.

When probed about the various roles and services offered by a Workforce Development Board, during focus groups with small business owners it was clear that the most popular services workforce development boards currently provide are funding a trial period for a new employee and technical skills training for workers.

Additionally, small business owners liked that the skills training seems job specific, and they like having the salary burden reduced by the trial period. A few were concerned about what paperwork the trial period would require, and if they have any obligation to hire.

The most popular service that workforce development boards currently provide is the trial period for new employees. Small business owners particularly like that it incentivizes the agency to find good applicants, since they would otherwise be wasting money.

Business owners are also highly interested in using a state program that would partially reimburse businesses for the cost of training employees, with 85% saying they are somewhat (49%) or very interested (35%). This is an extremely strong result given that only 67% of business owners currently offer training to employees, and points to the possibility of this being a strong tool to encourage businesses who currently do not offer trainings to do so.

**Figure 4:** Would you be more likely to use a Workforce Development Board (WDB) if you knew.

% “Much more likely”

Total	Size		Ownership			Industry Type		
	6-10	11-25	Minority owned	Woman owned	Veteran owned	Service	Retail /leisure	Industrial
They would pay the salary of a new employee at your business for a 3-month period to see if the employee is a good match								
46	51	44	46	45	26	50	51	39
They would provide marketing and communications services								
39	35	42	46	39	30	39	48	37
They would provide accounting services for your business								
38	37	39	<b>46</b>	36	<b>49</b>	40	<b>46</b>	34
They would provide help with securing business loans								
37	35	39	41	28	40	41	<b>45</b>	33
They would help to provide HR services								
36	37	35	41	32	35	41	36	33

We similarly heard this feedback from our partner-facing focus groups where groups have success connecting employers to their resources by focusing on financial tools like tax credits, Workforce Investment Opportunity Act (WIOA), On-The-Job Training (OJT), and more.

*"In working with the local community college, I definitely would expect that I would get a better candidate."*

-Small business owner, Fresno

While awareness of WDBs and Employer Training Panels (ETP) is low, the services these programs provide are potentially in high demand, as many businesses have used outside organizations to help with hiring and workforce development. Four in ten (43%) poll respondents have used an outside organization to help with hiring and one in three (35%) have received help with training or workforce development.

During focus group discussions, it became clear that small businesses see a benefit in partnering with local community colleges to provide a variety of support services to help them find and hire employees. Most participants in our research held favorable views of community colleges and saw them as an essential partner in the success of their business, not only for the accreditations they can provide, but the quality of candidates that students tend to be.

*"It should start with the colleges. You have a mind that's in the learning process already."*

- Small business owner, Los Angeles

Community colleges have a very strong reputation among small business owners. There is a widespread belief that those enrolled in community colleges are people who are more interested in having a job and therefore will yield better workers. Though, some focus group participants expressed some concern if potential employees would be able to juggle classes and working.

Despite their positive feelings, only 35% of business owners we polled have engaged with a community college in some way. This may be due to a higher level of familiarity with private companies, or just a lack of certainty about what community colleges can do for them.

## Small Business Owner Spotlight:



Pat Watts, owner of [FCI Management](#) worked for a major utility company for 20 years. She was given a voluntary retirement offer that was too good to pass up. However, she found that she was really too young to retire, so she started her own business.

Leveraging money from her retirement package as seed money, Pat hoped to hire other people who were forced into early retirement. FCI Management specializes in contractor work implementing energy efficiency programs in utility companies.

Pat "wants to build a better workforce to deliver the types of services and products." FCI Management was previously located in Long Beach, CA where Pat worked with [Pacific Gateway Workforce Innovation](#) for her workforce needs. This included recruitment, hiring, access to information surrounding tax credit programs, and more. In fact, her Executive Assistant who has been with the company for many years was a direct-hire from Pacific Gateway Workforce Innovation.

In 2018, FCI Management moved to Cerritos, CA where Small Business Majority was able to connect Pat to the Southeast Los Angeles County Workforce Investment Board (SELACO WIB), which has been supporting her hiring and recruitment needs, connected her to the ETP program and more.

As a small business, Pat believes finding qualified employees can be a significant hurdle for a business when you don't know where to go for help. She believes deeply that employers can create good high-quality paying jobs to their employees and provides her employees healthcare, paid time off benefits, and access to retirement savings.

## Recommendations

It's clear that California small businesses are critical to creating quality, trained employment pipelines and that business owners of color are an important avenue to advancing a more equitable workforce in their communities. But these small businesses are struggling to find resources to improve their business and train their workforce and are open to new programs that can support them.

The challenge will be getting information about the local workforce ecosystem into their hands using the sources they trust and shifting their attention from the way they currently do business (relying on private, for-profit contractors). The challenge is to turn positive feelings towards community colleges, Workforce Development Boards, and the Employment Training Panel into meaningful action. Adopting the recommendations below will help tackle these issues and advance a most robust and resilient workforce in the future.

### Streamlining hiring processes

- **Create meaningful public-private-partnerships that expand access to marketplaces that provide onramps for small businesses to get connected with potential employees and candidates searching for jobs.** Small businesses lack the resources they need to hire and many turn to different sources and their own personal networks. For example, OnwardCA is an initiative designed by companies, foundations, and individuals to connect California workers displaced by COVID-19 with essential life services and help them get back to work as quickly as possible.

### Increasing job training opportunities

- **Streamline communication to employers by leveraging financial tools like OJT programs to incentive small business owners to connect to WDBs, ETP, and other programs that provide training incentives.** Currently many on-the-job training programs require trainees to be covered by workers' compensation, and are only eligible for jobs that are not temporary or seasonal, that are in high-demand industry/occupation, are a minimum of 32 hours/week, and other requirements. As a credit that reimburses a business up to 50% of an employee's salary up to 480 hours of training, this credit could be a great tool to match qualified job seekers with businesses that are in need of full-time skilled workers. Adding flexibility for the requirements could increase adoption by small businesses.

For example, the San Diego Workforce Partnership has leveraged WIOA Funds to provide small dollar loans to small businesses. This could be a model that could be replicated by other Workforce Development Boards to serve small businesses in the short term with immediate needs.

- **Build a meaningful process for peer validation** to illustrate successful outcomes of small business owners who are able to access training resources through intermediaries and workforce investment boards.
- **Support federal and state policy recommendations that support investments in skills-building and re-employment services to people affected by the COVID-19 recession.** More than 50 million people, almost a third of our nation's workforce, have filed for unemployment since March. The HEALS Act only included \$1 billion in workforce funding, or about \$20 in skill-building and re-employment services offered to each person laid off during the recession. Policymakers can better support training and re-employment efforts by:
  - Passing additional federal economic stimulus relief that will support small businesses and help them prevent layoffs.
  - Providing incentives at the state and federal level for small employers to increase training and skills development to meet the demands of our post-pandemic economy.

- Providing a variety of economic stimulus support at the state level to assist businesses in rebuilding their businesses and training their employees to operate safely during a pandemic.

## Strengthening the workforce ecosystem

- **Leverage trusted business-serving organizations as an intermediary between workforce systems and educational systems to better connect small business owners to Workforce Development Boards.** This will help with improving communication to small business owners and connect them to organizations that provide hiring incentives that are largely underused by small business owners. OneFuture in Coachella is an example of an organization that has been instrumental in bringing different groups across the county together to address the disconnect between employers and different workforce organizations. Through this effort they have a collective marketing campaign to connect employers to resources in their backyard. Similarly, Small Business Majority is bringing these groups together to ensure small businesses are aware of and are utilizing these resources that can help support their workforce needs.
- **Increase funding for Workforce Development Boards to add robust services to establish an entry point for small business owners and microbusinesses.** Workforce Development Boards that have in-house business services departments thrive in building relationships with business owners. One of the things we heard in focus groups was that WDBs are really for job seekers but do not provide services to small businesses. By adding robust services, WDBs can market their hiring, training, and recruiting services to small business owners.
- **Leverage California's 35 Small Business Development Centers as trusted sources for small business technical assistance,** which could help strengthen adoption of programs for microbusinesses that may be disconnected from their small business ecosystem.
- **Deepen relationships between Community College/UC/CSU systems as on-ramps for workforce development opportunities.** This is a scalable model that would leverage brand awareness to serve microbusinesses throughout California. For example, the Los Angeles Trade Technical College (LATTC) pilot program was established in 2018 in partnership with the Coalition for Responsible Community Development (CRCDD) and Small Business Majority, focusing on serving undocumented entrepreneurs with training. Because this program has a strong connection to the local WorkSource Center upon completion, several business owners have leveraged the Center when they have been ready to hire.
- **Promote innovative digital tools that create a scalable model to establish access points for small business owners to instantly connect to their local Workforce Development Board.** Small Business Majority's online resource platform Venturize.org has been visited by more than 60,000 users since the pandemic began. Visitors can search for local business assistance providers by ZIP code. This is a free tool that offers a plethora of timely information to business owners.

**WDBs should ensure language accessibility is considered.** In Fresno, focus group partners expressed the need for resources to be culturally translated in Spanish to reach the diverse small business community. Additionally, communications to small business owners must highlight the concrete ways these programs can help their businesses-- training cost reimbursement, paying salaries of new employees, helping with marketing--and distribute that information through their local in-person networks and social networks.

## Toplines

	Total N=350	6-10 Empl 132	11-25 Empl 218
<b>Q1. In which region do you live?</b>			
LA County .....	26	31	23
Orange.....	8	7	8
Inland Empire.....	7	8	6
San Diego .....	10	11	9
Central Coast .....	5	3	6
Fresno .....	7	4	9
Sacramento .....	12	10	13
Bay Area .....	21	24	19
North.....	4	2	5
<b>Q2. What is your age?</b>			
18-29 years.....	11	11	11
30-39 years .....	26	27	26
40-49 years .....	31	26	34
50-64 years .....	22	21	22
65 and older .....	10	16	6
18-24 years.....	3	3	3
25-29 years .....	8	7	8
30-34 years .....	12	15	10
35-39 years.....	14	11	16
40-44 years .....	16	14	17
45-49 years .....	15	12	17
50-54 years .....	13	12	14
55-59 years.....	5	7	4
60-64 years .....	4	2	5
65-69 years .....	7	12	4
70-74 years.....	1	1	2
75 and older .....	1	2	1
(Don't know /Refused).....	0	0	0
<b>Q3. What is your gender?</b>			
Male .....	69	58	75
Female.....	31	42	24
Other .....	1	0	1



**Q4. Just to make sure we have a representative sample, please choose one or more of these racial or ethnic groups that you identify with (Select all that apply)**

White or Caucasian alone.....	60	52	65
Black or African American .....	9	11	7
Latino/Latina or Hispanic.....	16	17	15
Asian American or Pacific Islander.....	14	14	13
Native American .....	1	2	1
Middle Eastern .....	0	0	0
None of these/Other .....	2	4	0

**Q5. Are you the owner of a small business in California?**

Yes – An owner.....	100	100	100
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**Q6. Approximately how many people work at your business, including yourself? Please do not include contractors.**

6-10 .....	38	100	0
11-15 .....	32	0	52
16-20 .....	22	0	35
21-25 .....	8	0	13

**Q7. Which of the following terms best describes your business?**

For-profit .....	100	100	100
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**Q8. Which of the following categories best describes your industry?**

Professional, scientific and technical services .....	14	17	12
Retail .....	13	11	15
Construction .....	12	12	12
Food & beverage .....	8	10	7
Other services .....	8	17	3
Financial services .....	8	9	8
Wholesale trade, utilities, transport and warehousing.....	8	3	11
Information technology.....	8	7	8
Manufacturing .....	7	4	9
Health and educational services .....	6	4	7
Leisure and hospitality .....	4	4	5
Mining and logging.....	1	0	2
Agriculture/farm .....	1	0	2
Not sure .....	1	0	1

**Q9. Thinking about all the different jobs that your company provides, please estimate whether the jobs at your company provide more or less of this to employees than other companies in your industry. For jobs at your company, are salaries mostly:**

Higher than other companies.....	38	36	39
Lower than other companies.....	22	18	24
About the same .....	40	44	37
Not sure .....	1	2	0

**Q10. Thinking about all the different jobs that your company provides, please estimate whether the jobs at your company provide more or less of this to employees than other companies in your industry. For jobs at your company, is flexibility in work location and/or hours mostly:**

More flexible than other companies .....	56	66	51
Less flexible than other companies .....	15	13	16
About the same .....	28	19	33
Not sure .....	1	2	0

**Sorted by “More extensive than other companies”**

Opportunities for training and skill development .....	47	37	53
Opportunities for advancement .....	41	42	41
Benefits such as paid family and medical leave .....	34	23	40
Benefits such as health care and retirement .....	28	18	35

**Thinking about all the different jobs that your company provides, please estimate whether the jobs at your company provide more or less of this to employees than other companies in your industry. (Q11-14)**

**Q11. For jobs at your company, are benefits such as health care and retirement mostly:**

More extensive than other companies .....	28	18	35
Less extensive than other companies .....	34	43	28
About the same .....	37	39	36
Not sure .....	1	0	2

**Q12. For jobs at your company, are benefits such as paid family and medical leave mostly:**

More extensive than other companies .....	34	23	40
Less extensive than other companies .....	32	43	25
About the same .....	34	34	34
Not sure .....	1	1	0

**Q13. For jobs at your company, are opportunities for advancement mostly:**

More extensive than other companies .....	41	42	41
Less extensive than other companies .....	25	28	24
About the same .....	32	29	34
Not sure .....	1	1	1

**Q14. For jobs at your company, are opportunities for training and skill development mostly:**

More extensive than other companies .....	47	37	53
Less extensive than other companies .....	20	22	18
About the same .....	32	39	28
Not sure .....	1	2	0

**Q15. Below are some types of organizations or public agencies. For each, please indicate whether you have a very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable impression of that type of organization. If you haven't heard of it, or if you don't know enough about it to have an impression, just indicate so. Select one for each option.**

**Sorted by “Very favorable”**

Community Colleges.....	48	43	51
Small Business Development Centers (SBDCs).....	35	33	37
Chambers of Commerce .....	34	31	35
Business Associations.....	33	36	32
Workforce Development Boards .....	24	18	28
The Employment Training Panel (ETP) .....	24	17	28

**Chambers of Commerce**

Very Favorable.....	34	31	35
Somewhat Favorable .....	39	37	40
Somewhat Unfavorable .....	13	14	12
Very Unfavorable.....	4	2	6
No Opinion .....	10	16	7
Never Heard.....	0	1	0
Favorable .....	72	68	75
Unfavorable .....	17	16	18

**Business Associations**

Very Favorable.....	33	36	32
Somewhat Favorable .....	41	37	44
Somewhat Unfavorable .....	13	9	16
Very Unfavorable.....	2	1	2
No Opinion .....	9	15	5
Never Heard.....	1	2	1
Favorable .....	75	73	76
Unfavorable .....	16	11	18

**Workforce Development Boards**

Very Favorable.....	24	18	28
Somewhat Favorable .....	38	31	42
Somewhat Unfavorable .....	12	15	10
Very Unfavorable.....	3	2	4
No Opinion .....	12	18	9
Never Heard.....	11	16	8
Favorable .....	62	50	70
Unfavorable .....	15	17	13

**Small Business Development Centers (SBDCs)**

Very Favorable.....	35	33	37
Somewhat Favorable .....	37	35	38
Somewhat Unfavorable .....	8	8	8
Very Unfavorable.....	2	0	3
No Opinion .....	13	17	10
Never Heard.....	5	7	4
Favorable .....	72	68	74
Unfavorable .....	10	8	11

**Community Colleges**

Very Favorable.....	48	43	51
Somewhat Favorable .....	36	40	33
Somewhat Unfavorable .....	10	10	10
Very Unfavorable.....	2	0	3
No Opinion .....	4	7	2
Never Heard.....	0	0	0
Favorable .....	84	83	84
Unfavorable .....	12	11	13

**The Employment Training Panel (ETP)**

Very Favorable.....	24	17	28
Somewhat Favorable .....	41	36	44
Somewhat Unfavorable .....	8	6	9
Very Unfavorable.....	2	3	2
No Opinion .....	12	20	7
Never Heard.....	13	18	10
Favorable .....	65	53	72
Unfavorable .....	10	9	11

**Q16. Please indicate which of the following types of organizations you have gone to for business resources or support, including help with payroll, insurance, leave requests, recruiting/hiring, training, or other employee-related issues? Select all that apply.**

Independent for-profit contractors.....	54	53	55
Community colleges .....	35	27	39
Government agencies .....	25	22	26
Non-profit organizations.....	21	17	23
Other - Please Specify.....	2	3	1
None [SKIP TO Q19] .....	18	17	19

**Q17. Please indicate which areas of running your business you have used an outside organization for help with? (Select all that apply)**

	<b>N= 287</b>	<b>109</b>	<b>178</b>
Legal advice .....	59	61	58
Bookkeeping (taxes & accounting, etc.) .....	50	65	41
Payroll or leave management .....	48	40	52
Recruiting or hiring .....	43	40	45
Managing benefits such as health insurance .....	40	31	46
Training or workforce development .....	35	28	39
Other .....	0	1	0
Not sure .....	2	0	3

**Q18. How, specifically, have you used these organizations for support?**

	<b>N=287</b>	<b>109</b>	<b>178</b>
Training/hiring, extra help .....	26	30	24
General business management .....	17	15	19
Consulting, networking, other misc support .....	14	12	15
Legal advice .....	13	15	12
Payroll, accounting, balancing budgets .....	11	14	10
Tax support.....	5	7	3
N/A .....	13	7	17

**Q19. Which of the following sources of information have been most helpful to you in finding resources to help your business? Please select up to three sources below.**

Online websites (other than local TV news or newspapers).....	43	42	43
Social media, such as Facebook, Twitter and Instagram.....	32	28	34
Friends, neighbors and family members .....	29	32	28
Email .....	26	26	26
Other local businesses .....	24	32	20
Community meetings and presentations .....	17	12	20
Flyers or bulletin boards .....	15	14	15
Information that comes in the mail .....	11	13	11
Community newspapers.....	10	10	10
Phone or text messages .....	10	6	12
Local television stations .....	8	6	9
Local radio stations .....	6	7	6
Organizations I belong to .....	5	9	2
Other .....	0	0	0
None of these .....	3	3	3
Not sure .....	3	2	3



**Q20. Which of the following types of organizations would you be most likely to go to in the future for business resources or support, including help with payroll, insurance, leave requests, recruiting/hiring, training, or other employee-related issues if they offered these services? Select all that apply.**

Independent for-profit contractors.....	62	61	62
Community colleges .....	38	33	41
Government agencies .....	33	32	33
Non-profit organizations.....	30	26	32
Other - Please Specify .....	3	3	3
None of the above .....	9	9	8

**Q21. Are certifications required for some workers in your industry?**

Yes.....	64	61	66
No.....	33	37	31
Not sure .....	3	2	3

**Q22. Does your business ever offer formal or informal job training or certifications to employees?**

Yes.....	67	71	64
No [SKIP TO Q29] .....	32	28	34
Not sure [SKIP TO Q29] .....	1	1	1

**Q23. Are these trainings formal or informal?**

	<b>N= 234</b>	<b>94</b>	<b>140</b>
Formal.....	29	24	33
Informal .....	26	31	22
Both.....	44	44	45
Not sure .....	1	1	0

**Q24. Are trainings conducted by outside contractors or internally by your staff?**

Outside contractors .....	16	10	20
Staff.....	39	49	33
Both.....	44	40	47
Not sure .....	1	1	0

**Q25. Do your employees' pay and/or benefits usually increase after they have been trained?**

Yes – pay.....	34	44	26
Yes – benefits.....	9	6	11
Yes – both .....	44	37	50
Yes, combined.....	87	87	87
No.....	13	13	12

**Q26. Do your employees receive any other immediate benefits from training?**

Yes.....	47	41	50
No [SKIP TO Q28] .....	47	48	46
Not sure [SKIP TO Q28] .....	6	11	3

**Q27. What specifically are the other immediate benefits your employees receive from training?**

	<b>N=109</b>	<b>39</b>	<b>71</b>
Skills improvement (training, more expertise, new skills etc) .....	33	45	26
Salary/pay increase .....	14	8	18
Benefits (related to insurance, 401k, child care, etc).....	7	2	9
Promotion (higher rank) .....	6	5	7
Other benefits (not related to salary/pay increase or insurance) .....	23	26	22
N/A .....	17	14	18

**Q28. What kinds of trainings does your company offer? Select all that apply.**

	<b>N=234</b>	<b>94</b>	<b>140</b>
Certification process .....	56	46	62
Job shadowing .....	44	44	44
Apprenticeship programs.....	43	45	42
Interactive classes.....	39	28	46
Mentorship programs.....	36	34	36
Lectures.....	34	28	39
Other .....	1	2	1
Not sure .....	1	2	0

**Q29. Have you ever used a Workforce Development Board before?**

	<b>N= 350</b>	<b>132</b>	<b>218</b>
Yes.....	36	23	43
No.....	60	72	52
Not sure .....	5	6	4

**Q30. Here is some more background on Workforce Development Boards:**

Workforce development boards (WDB) are public agencies that ensure workforce and education programs align training content with the state's industry sector needs, while aligning and integrating other programs and services to help small businesses.

The California Workforce Development Board is responsible for the oversight and continuous improvement of the workforce system in California. The workforce development system is comprised of 45 local areas, each with its own local workforce development board.

**Now that you know more about workforce development boards, would you say that you are very likely, somewhat likely, not too likely, or not at all likely to use a workforce development board in the future?**

Very likely .....	29	25	32
Somewhat likely.....	49	47	50
Not too likely.....	13	17	10
Not at all likely.....	5	7	3
Not sure .....	4	3	4
Likely.....	78	72	82
Not likely.....	18	25	14

**Q31. Would you be more likely to use a Workforce Development Board (WDB) if you knew:**

**Sorted by “Much more likely”**

They would pay the salary of a new employee at your business for a 3-month period to see if the employee is a good match .....	46	51	44
They would provide marketing and communications services .....	39	35	42
They would provide accounting services for your business .....	38	37	39
They would provide help with securing business loans.....	37	35	39
They would help to provide HR services.....	36	37	35

**They would pay the salary of a new employee at your business for a 3-month period to see if the employee is a good match**

Much more likely .....	46	51	44
Somewhat more likely .....	37	33	39
Somewhat less likely.....	8	5	10
Much less likely .....	4	6	3
Not sure .....	4	5	4
More likely .....	83	84	83
Less likely.....	12	11	13

**They would provide accounting services for your business**

Much more likely .....	38	37	39
Somewhat more likely .....	37	33	38
Somewhat less likely.....	12	15	10
Much less likely .....	6	8	5
Not sure .....	7	7	8
More likely .....	75	71	77
Less likely.....	18	22	15

**They would provide help with securing business loans**

Much more likely .....	37	35	39
Somewhat more likely .....	37	37	37
Somewhat less likely.....	10	7	11
Much less likely .....	5	6	4
Not sure .....	11	15	9
More likely .....	74	72	76
Less likely.....	14	13	15

**They would provide marketing and communications services**

Much more likely .....	39	35	42
Somewhat more likely .....	43	42	43
Somewhat less likely.....	9	9	9
Much less likely .....	3	6	2
Not sure .....	6	8	5

More likely .....	82	77	84
Less likely.....	12	14	10

**They would help to provide HR services**

Much more likely .....	36	37	35
Somewhat more likely .....	46	39	50
Somewhat less likely.....	8	7	9
Much less likely .....	4	6	2
Not sure .....	7	11	4
More likely .....	81	76	85
Less likely.....	12	13	11

**Q32. Have you ever heard of the California program known as the Employment Training Panel (ETP)?**

Yes.....	46	36	53
No.....	43	50	40
Not sure .....	10	14	8

**Q33. Would you be very interested, somewhat interested, not too interested, or not at all interested in using a state program that provided partial reimbursement for the costs of training employees in small businesses?**

Very interested.....	35	34	36
Somewhat interested .....	49	47	51
Not too interested.....	8	11	6
Not at all interested .....	4	5	4
Not sure .....	3	3	3
Interested.....	85	82	87
Not interested .....	12	16	10

**Q34. Just to make sure we have a representative sample, could you please identify which of the following descriptions best fit your company? Please check all that apply:**

Minority-Owned Business.....	44	45	44
Woman-Owned Business .....	32	33	31
Veteran-Owned Business .....	16	7	22
None of the above .....	26	32	23

**Q35. What is your company's approximate yearly revenue? Just a rough estimate is ok.**

\$10M or more .....	5	2	6
\$2M to under \$10M .....	16	13	19
\$1M to under \$2M.....	16	16	16
\$500K to under \$1M .....	15	21	12
\$200K to under \$500K.....	10	14	7
\$100K to under \$200K .....	7	8	7
Under \$100K .....	9	13	6
Prefer not to answer .....	22	14	27

**Q36. Approximately what percentage of your employees are women?**

0-25%.....	22	27	19
26-50%.....	42	37	46
51-75%.....	24	26	23
76-100% .....	11	10	11
Not sure .....	1	1	1

**Q37. Approximately what percentage of your employees are people of color (African American, Latino/a, Asian/Pacific Islander, Native American, or Middle Eastern)?**

0-25%.....	30	33	28
26-50%.....	30	24	34
51-75%.....	24	24	24
76-100% .....	12	16	9
Not sure .....	4	3	4