

**Presentation to Work-based Learning (WBL) Providers  
December 8, 2020**

- 1. How can WBL connect with businesses as they are building their programs?**
- 2. What do Alabama's small businesses need from education to effectively connect and develop mutually beneficial relationships?**

**Background**

**According to the U.S. Small Business Administration:**

- 99.4 percent of businesses in Alabama have 500 or fewer employees and they are classified as small/independent businesses.**
- Alabama small businesses employ 47.5% of the private workforce**
- Firms with 20-99 employees have the largest share of small business employment**
- Small businesses created 23,841 net jobs in 2019, firms employing fewer than 20 employees experienced the largest gains, adding 14,913 net jobs. The small gains were in firms employing 100-499 employees, which added 3,353 net jobs.**
- A total of 4,210 firms exported goods from Alabama in 2018. Of these, 80.4% were small firms, which generated 14.1% of Alabama's \$20.6 billion in total exports.**

**NFIB Small Business Economic Trends November Report**

**The report was release earlier today. In the Labor Market category, 47 % of those trying to hire reported few or no "qualified" applicants and 24% reported labor was their top business problem exceeding taxes, regulations and weak sales as their top concern.**

**As strange as this labor market is with 20 million unemployed and the unemployment rate double what is was before COVID, the labor market is tight for skilled workers.**

## Benefits for buying and shopping locally

- **Buying locally means employment levels are more likely to be stable and create more opportunities for residents to work in the community.**
- **When dollars are spent locally, they can in turn be re-spent locally, raising the overall level of economic activity, paying more salaries, and building the local tax base.**
- **Studies have proven 4 ways in which a firm keeps money local:**
  1. **Wages and benefits paid to local residents**
  2. **Profits earned by local owners**
  3. **Purchases of local goods and services for resale and internal use**
  4. **Increased contributions to charitable giving-locally owned businesses contribute more to local charities and fundraisers than do their national counterparts.**
- 5. **\$1 million entering the local economy circulates 10 times and acts like \$10 million, increasing revenues and income opportunities for other local businesses creating locally owned supply chains and investing in their employees.**

**Example: For every \$100 dollar spent in the local economic with a locally owned businesses the business contributes \$68 back to the community. By comparison, \$100 spent at a chain store, \$43 is returned to the local economy.**

**Example: 56% of workers at locally owned businesses have high commitment scores, while on 38% of workers at non-locally businesses are committed to their business.**

6. **28% of main street business owners are immigrants  
From 2000-2013, 47% of overall growth of US business ownership was attributed to immigrant business owners.**
7. **Studies have shown that locally owned businesses are linked to higher income growth and lower levels of poverty.**

## NFIB/AI Workforce Survey conducted in October, 2019

11 question survey-

5 questions I want to share with you

- If you ability to find qualified workers affecting your ability to grow your business

76% yes

- What are the biggest challenges in hiring

Passing a drug test 18%

Hard skills 28%

Soft skills 37%

- Do you provide in-house training

87 % yes

- Have you used a apprentice or internships?

76 % no

- Do you believe students should be encouraged to pursue trade careers

97% Yes

### Screening of potential employees

- Career goals should match interns goals
- Drug free
- Reliable transportation
- Able to interview
- Personal appearance

- **Government issued ID and Social Security**
- **Recommendations from instructors**

### **Workplace requirements**

- **Student needs to work for half a day**
- **Show up on time for work**
- **Be able to work as part of a team**
- **Development of social skills-ability to have a conversation**
- **Ability to follow directions and close attention to detail**
- **Ability to spell and perform basic math, correct grammar**
- **Ability to adapt to the company's culture**
- **Would prefer to hire veteran**
- 

**If student needs special equipment for employment, steel toed boots,**

**Schools could have a Career Closet for needs of students**

**If student cannot afford a drivers license, Business Advisory Council could establish a tax deductible Foundation to cover costs of government issued ID and special equipment for employment**

**Schools should establish Business Advisory Council to identify the employment needs of the community.**