

EDUCATION AND WORKFORCE DEVELOPMENT

Education and workforce development programs are a common priority among women business owners seeking training for themselves and their employees. Accessible and quality technical assistance is a crucial element in the growth of women-owned businesses.

Training and Education for Women Entrepreneurs

Discussions with women business owners almost always reinforce the value of the resources available to assist them with their business challenges. Specifically, women business owners often report needing education and technical assistance on “back room issues” such as health care coverage, taxes, capital resources, procurement, technology, and workforce development.

Conversations often reveal a lack of knowledge, however, about many of the resources that are available to women business owners, and they highlight the need for a more centralized source to which they can turn for access to

Businesses that received entrepreneurial development resource assistance from SBA sponsored training programs (i.e. from Women’s Business Centers, SCORE, Small Business Development Centers) have a higher survival rate than other small businesses (95% vs. 80%). (SBA Impact Study of Entrepreneurial Development Resources)

In 2006, client firms of one SBDC had higher than average sales growth (25.9% vs. 10.6%) and employment growth (16.4% vs. 3.9%). (Florida SBDC 2006 Statewide Impact Study)

the women business owners that their programs are designed to serve. However, despite their apparent value, most of these programs struggle to receive adequate government funding.

Discussions with women business owners around the country, from urban to rural communities, continually reinforce the fragility of the resources available to them due to budget shortfalls and reduced funding for training programs. Small business development and training programs under the most scrutiny for budget cuts include Women’s Business Centers, Small Business Development Centers, and SCORE.

Workforce Development

Almost across the board, women business owners charge that the education system is failing small businesses because schools at all levels are no longer providing the level of education and preparedness that business owners need in their employees. As such, employer-provided workforce training has become increasingly critical to compensate for deficiencies in the current education system.

At the same time that employers are spending greater time and resources training their workers, the workforce is becoming more transient and less loyal, making it harder for employers to justify the required level of

I don’t know how to clone myself and I need someone who has the level of expertise that I have. There’s a huge need for training.

(Portland, OR- area woman business owner)

available resources. That entrepreneurial resource centers are relatively unknown to much of their target audience suggests that programs such as Women’s Business Centers, Small Business Development Centers, and the Service Corps of Retired Executives (SCORE) may need to increase their outreach and marketing efforts to



spending on workforce training. More than ever, employers are seeking support and tax incentives to justify the necessary training of their workers. Some have also pointed to increased grant funding for higher education and tax credits for paying for employee education.

An investment in education is the best investment the government can make.

(Portland area woman business owner)

Another important issue for women business owners is that small businesses often need lower skilled workers — people in traditional, “blue collar” jobs. The current education system continues to devalue these jobs and, over time, these skills are being lost and are increasingly hard to fill. Some have suggested a national-level campaign to resell trade professions to the younger generations — educating them about earning potential and education requirements.

Women business owners often suggest the need for tax incentives and workforce compensation policy that would support small businesses who utilize apprenticeship programs which use older workers and retirees to train younger workers. For example, to employ older or retired workers, a business may need

flexibility in ways that a worker could receive compensation — such as health insurance without pay or other non-monetary compensation that would not involve a W2 or 1099 — and tax policy that would not disincentivize retirees from re-entering the workforce.

Many women business owners also note that large corporations seem to have benefited greatly from apprenticeship programs and emphasis on workforce training which could be emulated by small businesses. Furthermore, some have also suggested that there is a role for a national level organization to compile corporate best practices in the area of workforce development as a resource for small businesses.

One specific topic that often arises with women business owners is the challenge of keeping up with technology changes to remain on the cutting edge. Since many areas of business are technology-based, being a step behind in technology means that you are not making the most of your business. A particular challenge is keeping staff continually educated and updated, and women business owners generally support tax credits for technology training.

Policy Recommendations of Women Business Owners

- Increased outreach and marketing by programs designed to assist women business owners
- Continued and increased funding for government-supported entrepreneurial development centers like Women’s Business Centers, Small Business Development Centers, and SCORE
- Create tax incentives for employer-sponsored training programs
- Create tax incentives and ease regulation to allow small businesses to create apprenticeship programs where older, experienced workers teach skills to younger workers
- Help small businesses tap into best practices of large companies by looking across successful corporations and disseminating information about model training programs