

WORKFORCE INVESTMENT BOARD ADMINISTRATORS

QUESTIONNAIRE RESULTS

(Input for the "Integrating Entrepreneurship in the Workforce Investment System" Project, funded by the US Department of Labor, July 2008 - June 2009)

In April of 2009, the Consortium for Entrepreneurship Education (CEE) was pleased to provide some questions to EMSI* for initial feedback from some WIB administrators about their involvement with self-employment/entrepreneurship. Of the 50 people EMSI questioned, 27 returned answers via Survey Monkey. Although this was not an adequate sample to draw any research conclusions, the responses supported the ideas The Consortium for Entrepreneurship Education have found through personal interviews as part of the "Integrating Entrepreneurship" report.

Total responses were received from 12 states: Delaware, Florida, Illinois (3), Massachusetts, Michigan (2), Missouri, North Carolina (2), Oklahoma (2), Pennsylvania(3), Texas, Wisconsin (2), and Washington.

The current high unemployment problems doubtless influenced the outcomes of these answers. When asked if they believe that jobseekers will have a more difficult time (as compared to previous years) finding gainful employment in your region over the next year, two thirds agreed, and the balance somewhat agreed, although one administrator said they still have a decent amount of job openings in their area.

BARRIERS TO SELF-EMPLOYMENT/ENTREPRENEURSHIP OPTION

Most of the administrators agreed that entrepreneurship/self-employment should be included as a career path option in assistance provided for the unemployed (88%). Comments were related to the needs of the economy and the interests of the individuals.

When asked for barriers to including entrepreneurship/self-employment as a career option for the unemployed in the Workforce Investment System they reported:

Finances: Funding; Lack of funding for basics (signs, advertising, start-up costs); financing; Funding; lack of coordination with available funding options; Access to capital, Lack of funding capital for start-up; Lack of funds and work to hire support staff - can't do everything themselves; Limited resources in offering anything more than low level classes on entrepreneurship.

Training: workforce system lack of knowledge about such opportunities; Lack of business knowledge/ experience; Lack of available training in how individuals can be a SUCCESSFUL entrepreneur; Staff could use more training for this as an option; front line staff don't recognize this as a viable alternative to the unemployed; training; entrepreneurship is not something that you can train into someone; Targeted, consistent training and resource options.

* EMSI is Economic Modeling Specialists Inc., an Idaho based economics firm that provides regional labor market analysis tools, reports, and consulting services throughout the US, Canada, UK, Australia, and the Middle East. Domestically, EMSI works closely with many workforce development boards, community colleges, universities, and economic development groups helping them understand their regional economies and providing them with sort of data and analysis they can use to get things done.

Evaluation: WIA restrictions and conflicting performance mandates; negative outcome measure for federal reporting; Performance measures;

Client Issues: history of poor outcomes - in the past few people advanced or were able to earn wages; Over saturation by marketing it as option, too many unqualified people pursuing it as an option; level of expertise it takes to make a new company viable financially; People want to own businesses but are not really prepared to work hard enough to make it happen

Partnerships: We do currently offer information/workshops on self-employment and house the SBA in our service centers; random resources in the region that need better connectivity; Better on-line resources for individuals.

SEA ...STATEWIDE ENTREPRENEURSHIP OPTION

Ten of the administrators said they were in states that had the DOL's Self Employment Assistance program (SEA) option. When all administrators were asked what the barriers were to the SEA option they reported:

Awareness: Lack of information; Knowledge about it; I never heard of it, but I am not a case manager either; Adequate awareness; I don't get to move the state into adopting policy that would allow us to use it; I am not clear as to what this is; Not aware of it. Don't have any information about the program; Lack of knowledge of the program, accessibility, technical assistance, outreach efforts; not well established in statewide policy and execution framework;

DOUBLE MAJOR CONCEPT

To support CEE's interest in the possibility of an unemployed person having access to entrepreneurship training along with job preparation training as part of the assistance for the unemployed, 90% of the administrators said yes it should be provided. When asked why, or why not the administrators reported:

Positive: Yes - I don't see why not. This is really needed and would be a tremendous option for the unemployed.; should be an option due to need of some job seekers; we have planned this with our stimulus implementation; If funding is available; Developing entrepreneurial skills will help to enhance a jobseekers overall knowledge, skills and abilities; It is a win-win situation

Problems: We would have to convince DOL to include realistic measures; Lack of clear metric associated with required performance standards; Just need more individuals willing to do the training at no cost; But seems awfully difficult. Self-startups can be time consuming and could be awhile before rewards (paychecks) kick in. Most our clients are seeking/require short-term almost immediate payoffs; It has not been a successful model - people are left poor when they need to work

VALUES SUPPORTING SELF-EMPLOYMENT/ENTREPRENEURSHIP

As a result of conversations with many Workforce Development Administrators and staff, the project suggested VALUES that the DOL System would need to adopt if the system was willing and able to assist job-seekers in choosing self-employment / entrepreneurship as their employment solution. For the questionnaire there were parallel questions to each value

statement, designed to determine where the Employment and Training System stood in relation to entrepreneurship as a career option.

Although the results cannot predict attitudes of the Workforce Development System as a whole, it was interesting to see that administrators felt the major systems for helping entrepreneurs were in place as they helped jobseekers. However the applications to entrepreneurship, via acceptance of it as an equal choice to traditional jobs, has a long way to go in the minds of these administrators.

How important are the following values to the one-stop center in helping the unemployed become self-employed?

(percentages of 27 respondents)

	Yes	Sometimes	Not Often	No
a. Values the capabilities of each individual to fulfill their highest potential.	79.2	16.7	4.2	0
b. Encourages self-employment as an equal choice to traditional jobs	0	43.5	56.5	0
c. Value creativity and innovation	26.2	43.5	21.7	8.7
d. Value self-employment, actively seek creative ways to inspire, support and attract the people who have entrepreneurial interests.	26.1	47.8	21.7	4.3
e. Create a person-focused training program that includes tools, knowledge, connections and resources	87.0	13.0	0	0
f. Appreciate that changes in the workplace can create a need for people to create their own jobs rather than look for a job which may not suitable for them or be in their communities	65.2	26.1	8.7	0
g. Will create access to opportunity	52.2	30.4	17.4	0
h. Will provide access to micro-enterprise financing	9.1	22.7	31.8	36.4
i. Values community based support in a safe place	56.5	39.1	4.3	0
j. Break isolation, create social and business relationships	73.9	26.1	0	0
k. Celebrates and recognizes self-employment	8.7	30.4	52.2	8.7
l. Encourages entrepreneurship education in schools and community organizations.	26.1	39.1	30.4	4.3

CRITICAL ISSUES RELATED TO SEA/ENTREPRENEURSHIP IN THE WDS

Support for the staff involved with job seekers will be essential if the Self-Employment/Entrepreneurship career option is to be included in the One-Stop Career Centers.

One critical issue is the question: can WIA core performance metrics (like job creation, and community partnerships) include entrepreneurial empowerment categories like small business

creation and/or sole proprietorship registrations? 77% said yes they can be included, 22% said no they can not be included, and 8 administrators skipped this question.

The questionnaire asked: What legislation and/or regulations would you change to facilitate entrepreneurship/ self-employment for the unemployed in the Workforce Investment System? Requests for ideas about both questions include:

Data collection: 17 performance measures are DOL mandated; more flexibility in data collection for us to demonstrate positive results; How about degree of profitability the first year? MUST be cognizant of unrealistic timeframes for performance. Typical start-ups are not profitable for up to 36 months or more. Successful entrepreneurs should be consulted to help design realistic performance measures; new performance standards; need to change federal performance measures; performance does not support entrepreneurship; Change the core performance measures to look at broad employer/ community development criteria and not just placement and income measures for individuals.

Legislation: I would like to see legislation from DOL-ETA to support this training. It needs to start at the top. This needs to be a priority with DOL-ETA; WIA re-authorization; policy revisions that don't conflict with micro-enterprise strategies; Bigger SEA appropriations; I would make it a viable component in the WIA re-authorization and have Small Business Development Centers be part of the One-Stop system. Remove WIA restrictions (artificial time limits, wage increase measures, etc.), limits on access to capital (particularly through micro-loans), local ordinances restricting or prohibiting home-based businesses. WIA should provide funding to train individuals to prepare them for self-employment (as an option);

Partnerships: Seems to be more of an economic development measure; At least 5 community partner organizations have signed agreements to make the community entrepreneur friendly; Need to have training vendors with successful placement/start ups on our approved vendor list; Our community college system is slow to react to training needs.

SUMMARY

The answers to these questions encourage the Integrating Entrepreneurship Project to wish to pursue a much larger study, to include not only WIB Administrators but also One-Stop Career Center Staff. In the meantime it does reassure CEE that the recommendations of the project are in line with the attitudes of a group of WIB administrators from a number of states.