

MEMORANDUM

To: Christina Van Alfen, Interim Dean, CTE, College of the Siskiyous

From: Sara Phillips, Director, Far North Center of Excellence

Date: Wednesday, April 6, 2022

Re: Program Recommendation- Small Business and Entrepreneurship

Background

College of the Siskiyous contacted the Far North Center of Excellence to request labor market information for a proposed small business and entrepreneurship certificate program. The program will focus on entrepreneurship mindset and running a small business.

Due to the nature of self-employment and entrepreneurship, data used for traditional supply/demand gap analysis is not applicable to this request. This is because if students completed an Entrepreneurship certificate with the goal of becoming self-employed, they would likely not be filling a position for an open job, but would rather be creating a new job that had not existed before.

Students who are considering entrepreneurship may pursue work in a variety of industries and occupations. Those occupations require a variety of managerial skills including general and operations, marketing, and sales. In an attempt to quantify self-employment projections in the region, employment data for General and Operations Managers are included in Findings.

Data is provided for the fifteen-county Far North subregion and comes from EMSI.

Establishment data comes from Econovue, Dun & Bradstreet. Program awards data comes from Management Information Systems (MIS) Data Mart.

Findings

How many small business establishments are there in the Far North?

- A COE project completed in January 2019 found that nearly 90% of establishments in the Far North employ fewer than ten employees.
- Ten percent of workers in the 15-county Far North region were self-employed in 2020.

What middle-skill occupations have the highest percentage of self-employed workers?

- Data is provided for the top ten occupations in the region that have the highest percentage of self-employed workers (Exhibit 1).
- More than 8,600 jobs in the region in 2020 were held by individuals who are self-employed.

What are the hourly wages for the top 10 self-employed occupations?

- Median wages for three of the ten occupations with the highest percentage of self-employed workers are above the living wage threshold of \$12.74 for a single adult in the Far North subregion.
- Self-employed workers in three of the top ten occupations earn more than workers who are employed in those same occupations (Exhibit 2)¹.

What is the employment outlook for general and operations managers?

- Employment for this occupation in the Far North is expected to increase by 9% over the next five years.
- Between 2020 and 2025, there are projected to be 430 job openings for general and operations managers each year in the Far North subregion.

What does training supply look like for the studied occupation?

- Five of the seven Far North community colleges have conferred awards for related TOP Code 0506.40- Small Business and Entrepreneurship over the past three years (Exhibit 3).

Recommendation

- Based on the prevalence of self-employment (n= 8,629) and small business in the Far North region (90% of establishments), coupled with very few annual awards focusing on Small Business and Entrepreneurship, the COE recommends moving forward with the proposed program.

Please contact Sara Phillips, Director, Far North COE, for further information at sphillips@shastacollege.edu or 530-242-7635.

¹ The Self-Sufficiency Standard for California 2021. Center for Women's Welfare, University of Washington. <http://www.selfsufficiencystandard.org/California>

Exhibit 1. Top Middle-Skill Occupations with Highest Percentage of Self-Employed Workers, 2020-2025

Occupation	2020 Jobs	2025 Jobs	2020-2025 Projected Change	2020-2025 Projected % Change
Carpenters	1,540	1,459	(81)	(5%)
Farmers, Ranchers, and Other Agricultural Managers	1,423	1,523	99	7%
Hairdressers, Hairstylists, and Cosmetologists	1,279	1,245	(34)	(3%)
Childcare Workers	981	745	(235)	(24%)
First-Line Supervisors of Retail Sales Workers	964	941	(24)	(2%)
Real Estate Sales Agents	740	746	7	1%
Heavy and Tractor-Trailer Truck Drivers	489	453	(36)	(7%)
Automotive Service Technicians and Mechanics	431	399	(32)	(7%)
Home Health and Personal Care Aides	396	363	(33)	(8%)
Insurance Sales Agents	386	530	144	37%
Far North	8,629	8,404	(225)	(11%)

Exhibit 2. Median Hourly Earnings for Middle-Skill Occupations with Highest Percentage of Self-Employed Workers, 2020

Occupation	Median Hourly Earnings		
	All Employees	Self-Employed Only	Difference
Carpenters	\$24.21	\$18.38	(\$5.83)
Farmers, Ranchers, and Other Agricultural Managers	\$16.68	\$14.97	(\$1.71)
Hairdressers, Hairstylists, and Cosmetologists	\$15.30	\$16.01	\$0.71
Childcare Workers	\$13.63	\$10.97*	(\$2.66)
First-Line Supervisors of Retail Sales Workers	\$19.73	\$15.49	(\$4.24)
Real Estate Sales Agents	\$28.40	\$29.01	\$0.61
Heavy and Tractor-Trailer Truck Drivers	\$23.67	\$21.03	(\$2.64)
Automotive Service Technicians and Mechanics	\$21.68	\$12.47*	(\$9.21)
Home Health and Personal Care Aides	\$13.54	\$12.19*	(\$1.35)
Insurance Sales Agents	\$25.58	\$30.11	\$4.53

* Median hourly wages are below the living wage for the region.

Exhibit 3. Far North program supply, 2018-19 through 2020-21

Program - TOP/CIP Code	College	Annual Awards 2018-19	Annual Awards 2019-20	Annual Awards 2020-2021	3-Yr Annual Awards Average
Small Business and Entrepreneurship - (0506.40)	Butte	7	5	5	6
	Lassen	0	10	0	3
	Mendocino	3	3	4	3
	Shasta	4	6	3	4
	Siskiyou	0	0	5	2
Grand Total		14	24	17	18