



## California State University, Long Beach College of Business Administration

# Long Beach Small Business Monitor

### **This Issue: Key Challenge for LB Small Businesses Today - Finding Qualified Workers!**

As unemployment hits record lows – 4.2% in Long Beach - Long Beach small businesses are having to deal with a shrinking supply of potential new workers. This is a key challenge because growth can only happen when small businesses have access to a steady stream of skilled people.

In this issue we present survey data on hiring trends and challenges that Long Beach small business people say they are experiencing today. Also we list several of the local organizations that can help in finding and hiring new qualified applicants.

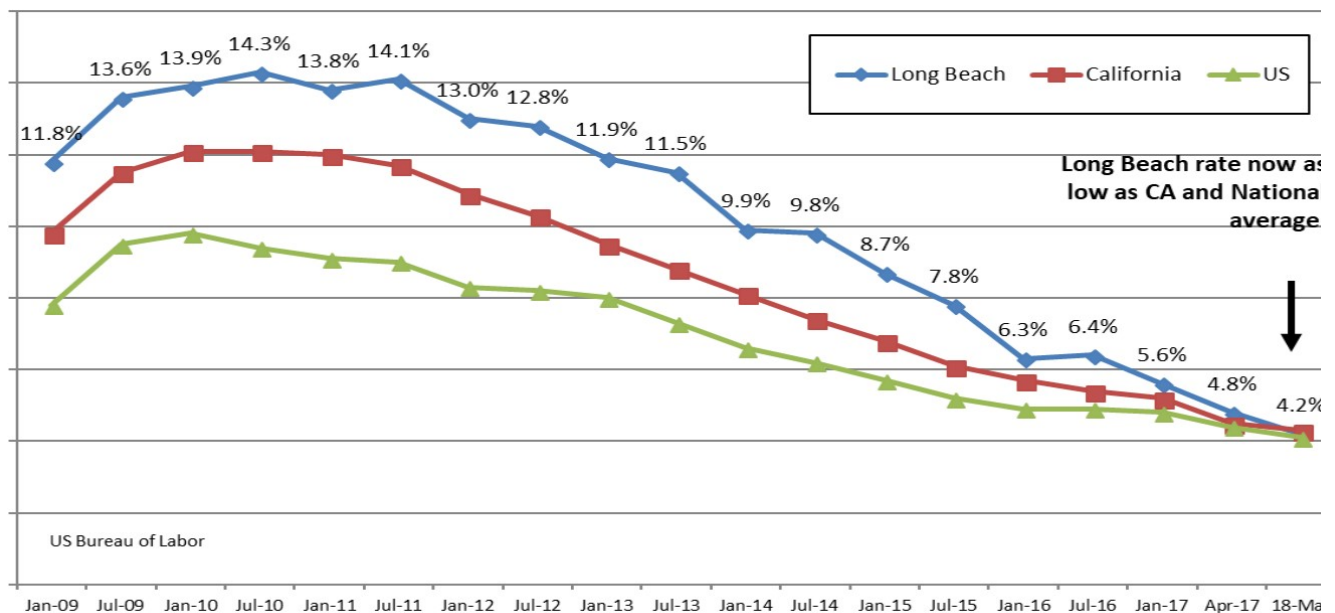


### **3Q/2018**

The Long Beach Small Business Monitor provides the Long Beach community with an understanding of the expectations and desires of small business owners.

Results are based on telephone surveys of 300 randomly selected small business owners in Long Beach with 2-50 employees. Margin of error is +/-5.7%.

## Long Beach Unemployment Rate Reaches New Low!



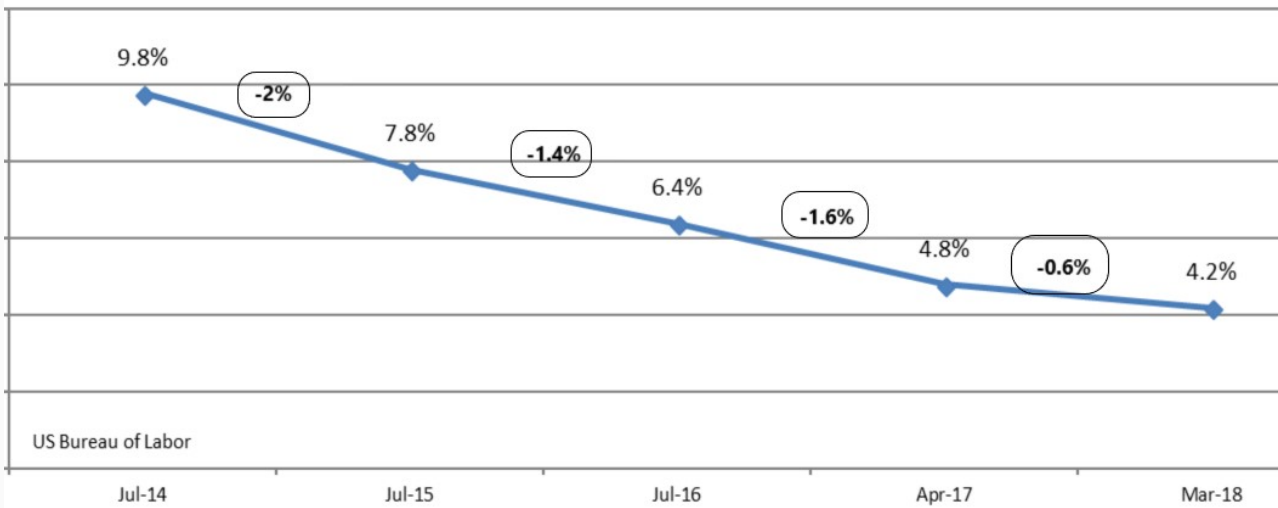
## Hiring Trends Among LB Small Businesses: 2018

At 4.2%, the unemployment rate in Long Beach is at its lowest level in many years. As the unemployment rate reaches its nadir, hiring appears to be slowing, indicated by a very small change in the unemployment rate since last year (-0.6%).

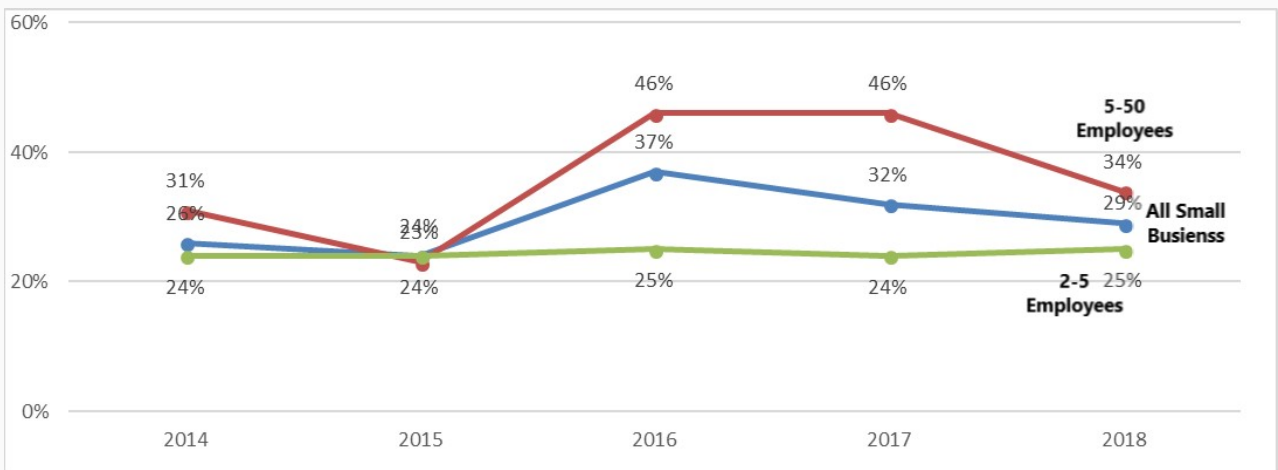
We also find fewer small businesses reporting that they are hiring new people today (29%). This trend is most evident among small businesses with 5-50 employees where 34% say they are hiring this year compared to 46% in the two previous years.

Two possible reasons for reduced hiring could be small businesses are starting to experience slower growth than in the recent past. It could also be due to a shrinking labor market in which it becomes more difficult to find new people to hire. The CBA-LBSBM will investigate this more in the next year, but it is a trend worth noting.

## Long Beach Unemployment Rate: 2014-2018



## Hiring More People This Year? - By Size of Business (# Employees)



## Finding Skilled People: A Challenge for LB Small Businesses

Finding, hiring and training new people is especially difficult for small business people.

Small businesses have a smaller workforce so every single employee has a huge impact on the business.

Small business owners and staff have a close relationship so losing an employee can be emotionally draining.

Capital is typically scarce, so hiring and training new people pose a much

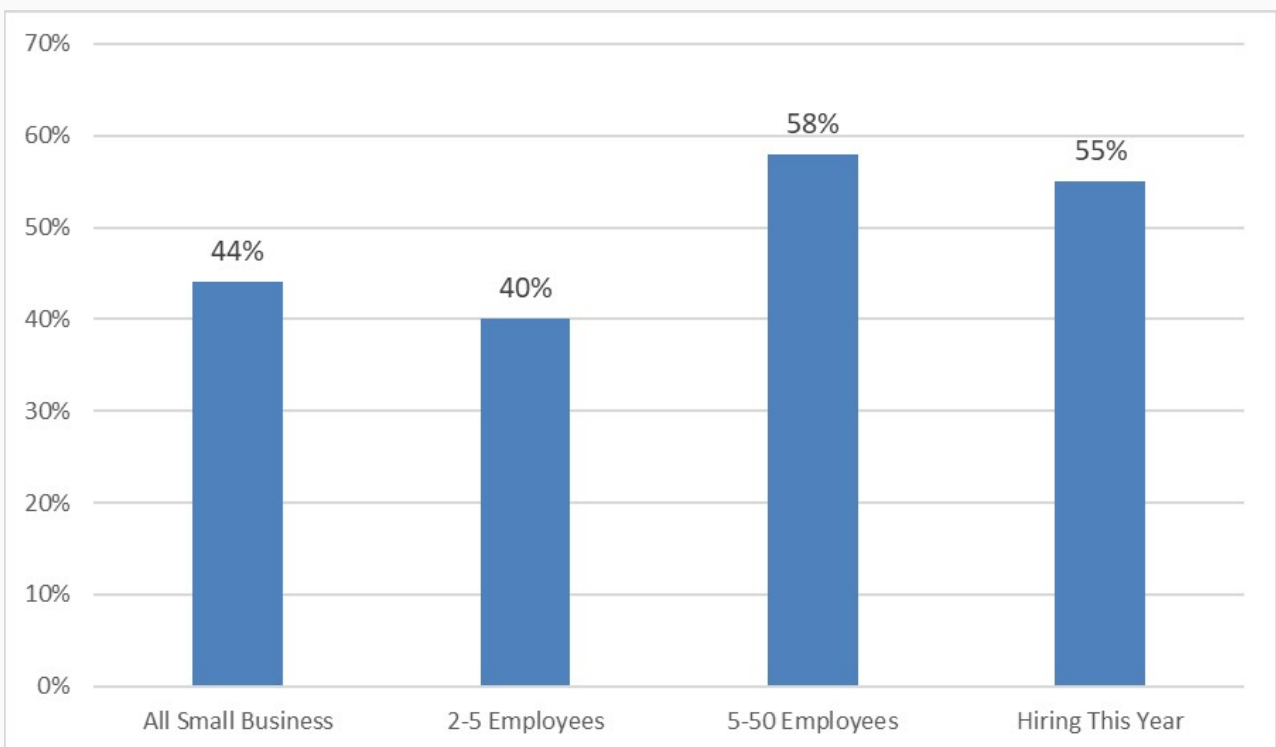
greater financial risk for small businesses than for larger businesses.

Small businesses do not have the hiring, training and development skills nor the time and infrastructure that you might find in larger businesses to train new employees.

These unique issues make new employee acquisition and retention a bigger challenge for small businesses in most times, but in the current period of very low unemployment, the already difficult challenge of finding skilled people is exacerbated. Not surprisingly then, more than 4 in 10 (44%) of all Long Beach small business people report having trouble finding new skilled employees to fill available positions today. And, among those that are hiring, a majority (55%) say finding skilled people is a big challenge.

This challenge is especially acute among businesses with 5 - 50 employees, more of which report having a difficult time finding qualified applicants to fill open positions (58%).

### **Are You Having a Problem Finding Skilled Employees Today? 2018 Survey Results**



# Finding Skilled Workers: Resources Available to Long Beach Small Business

Finding new employees is a challenge for many small business people today. This may be holding back small business growth and damping down hiring exceptions. There are excellent local resources that are available to Long Beach small business people seeking to find and hire new employees. These local resources and their web sites are presented below.



**Bizport** is an online portal from the City of Long Beach to help current small business people and entrepreneurs navigate the steps of starting, managing and growing a business. At Bizport, you will find information on how to grow your business including advice on finding, hiring, training and keeping skilled employees. Web site: <http://bizport.longbeach.gov>



**Pacific Gateway** is an agency serving Long Beach, Signal Hill and the Los Angeles Harbor communities that connect local businesses with a pool of skilled workers.

Web site <http://www.pacific-gateway.org/>



**Small Business Development Center (SBDC) at LBCC** is funded in part by the Small Business Administration (SBA) and provides individualized consulting and training to new and growing businesses. Web site is: <http://longbeachsbdc.org/>



**Goldman Sachs 10,000 Small Businesses at Long Beach City College** is a program for small businesses that links learning to action. Through the program, participants will gain practical skills in topics such as negotiation, marketing, and employee management that can immediately be put into action. Web site is <https://www.lbcc.edu/post/goldman-sachs-action>.



**Long Beach Business Improvement Districts (BIDs)** offer the chance for property and business owners to join together and for agreed upon improvements in their respective business districts. There are 10 Business Improvement District areas within the City and fees vary by location. Web site: <http://www.longbeach.gov/economicdevelopment/business-development/business-improvement-districts/>

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## Long Beach Small Business Monitor

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Visit the [Long Beach Small Business Monitor Web site](#) to learn more about the survey method and to access archives of past small business surveys and reports.

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