

Transcript

Policy Summit 2023

Forward Thinking: How Practitioners Can Support, Engage, And Foster Thriving Small Businesses

Government, for-profit, and nonprofit leaders discuss how practitioners, funders, regulators, and policymakers can better support small business creation and expansion. Take an in-depth look at small businesses—the challenges they face, the role they play in local and national economies, and the policies and approaches that can help them thrive in a constantly changing environment.

Moderator

- Baiju R. Shah, President and Chief Executive Officer, Greater Cleveland Partnership

Speakers

- Geri Sanchez Aglipay, Regional Administrator, US Small Business Administration Great Lakes Region
- Carolyn Cawley, President, US Chamber of Commerce Foundation
- Larry Fulton, Owner, Hanlon Composites

Andrew Bennett (00:00:00):

Good afternoon everyone. It is great to see such a packed house both here in person and then virtually as well. My name is Andrew Bennett and I work in the community development department at the Federal Reserve Bank of Cleveland. I am also the co-lead for this summit, and in that role I want to give a huge thank you to all of you, the speakers, the moderators, attendees, all the staff that helped put this together, a huge thank you for making this become a reality. What's amazing is when you pause for a moment, which I haven't done much of today, and you look around, it's incredible because there are 100s of mission-driven individuals here who are having a huge impact across this country and beyond, so thank you for being here. Thank you for being you and what you do, and those you serve back in your respective communities.

(00:00:55):

Now, we just had a tasty lunch, I know it was short, but this next session I think will be energizing and very interesting. It is called Forward Thinking, how practitioners can support, engage and foster thriving small businesses. It is being moderated by Baiju Shah, who is the president and CEO of the Greater Cleveland Partnership. With over 12,000 organizations, Greater Cleveland Partnership is the largest metropolitan chamber of commerce in the nation, so that means we're very lucky to have Baiju here. He's got a lot of expertise and thankful that he's moderating, so with that, I'm going to hand it over to Baiju to facilitate this meaningful conversation.

Baiju Shah (00:01:36):

Thank you, Andrew. And I just want to make it clear I had no royal engagements that I had to turn down for joining you here this afternoon. As one of our earlier panelists, one of our earliest speakers said, small businesses are indeed the life force of the US economy, and what we want to talk about this afternoon as you continue your lunch is a panel on the current state of small businesses. I'm joined by three outstanding panelists up here, and I'm going to allow each of them to briefly introduce themselves, and I'm going to start on the far end with Carolyn Cawley, the president of the US Chamber of Commerce Foundation. Carolyn.

Carolyn Cawley (00:02:15):

Great, thank you, Baiju. I'm Carolyn Cawley. I'm president of the US Chamber of Commerce Foundation in Washington DC. You may know that the US Chamber of Commerce is the world's largest business advocacy organization, but I always am asked if there are any myths around that, and so I'll just name three quickly. One is that we're not the government. A lot of people think that we're the Department of Commerce. We're not, we're down the street from the Department of Commerce. We represent millions of businesses, large, medium, and small.

(00:02:47):

The second one is that we own all of the local and state chambers around the country, like the Greater Cleveland Partnership. Also not true. We've got about 1,500 chambers that are members of ours. And third, that we only do advocacy and lobbying. Also not true. We have quite a large foundation inside, which I'm lucky enough to run, and we're doing the community side of that work and the workforce work, so I'm happy today to weave in between. I wear two hats, one at the chamber and one at the foundation, so today I get to tell the story from both sides, so thank you for having me.

Baiju Shah (00:03:26):

Thank you, Carolyn. And we are indeed members of the US Chamber. Next to Carolyn we've got Larry Fulton. Larry is a serial entrepreneur and equity investor. I'm going to let him introduce himself a little bit about his background and experience.

Larry Fulton (00:03:39):

Thank you. I'm Larry Fulton. I'm from the Cleveland area. I spent about 17 years in corporate America. My undergrad degree was in business administration. I got an MBA right here in Cleveland from the Weatherhead School of Management at Case Western Reserve. I did my first small business acquisition in 2003. I bought another company and merged those two businesses in 2005. Did other transactions along the way, including about three more bolt-ons, a joint venture, and then fortunately, I recently sold my first acquisition just last April, and I'm running a small manufacturing company right now here in Cleveland, and I'm also doing a search, so I'm looking for an acquisition as well, so very glad to be here. Thank you.

Baiju Shah (00:04:29):

Great, thanks Larry. And finally we've got Geri Aglipay. Geri is the regional Small Business Administration administrator for the Great Lakes region. Geri.

Geri Aglipay (00:04:37):

Hi. Good afternoon everybody. Baiju, thank you so much for hosting this panel. And I'd like to thank the Cleveland Federal Reserve for also inviting me to this panel. I'm the regional administrator for the SBA overseeing six states here in the Great Lakes region, including OH.

Speaker 6 (00:04:54):

[inaudible 00:04:54].

Geri Aglipay (00:04:54):

All right, there we go right there. Indiana, Illinois, Wisconsin, Minnesota, and Michigan as well. I was appointed by the White House to oversee the operations, including the outreach engagement, lending operations, but also supporting the field offices here in the Great Lakes region. Ohio is one of the areas that I cover, and so it's a strong area as well, creating... 99.6% of businesses are actually small in the state of Ohio, creating over 2 million jobs in the state of Ohio, so I'm excited to be here today.

(00:05:31):

Prior to my role, I was, some of you may know me, I was at a national nonprofit organization overseeing the Midwest operations and National Women's entrepreneurship. I have a background

in entrepreneurship and workforce development policy and business development as well. And I'm actually very pleased because I learned that Larry is a former SBA employee and alumni as well, so you've got two good forces here to champion SBA. SBA is the federal agency that is providing resources for anybody who has a dream of becoming an entrepreneur, and we are the only cabinet-level agency devoted to everything small business.

Baiju Shah (00:06:08):

Wonderful. We're going to have a moderated conversation here. I'm going to start with our three guests to have set the table for a conversation, then we're going to open it up for audience Q&A, so think about your questions as we go through our conversation. In about 20 minutes we'll turn it back to all of you to see what's on your mind for our three wonderful panelists. Now, I'm going to start with a question for each of you just to reflect on. Here we are in June, 2023, we've talked about some of the issues certainly in our listening session just now about what's facing both individuals as well as small businesses, and I wanted to get from each of your perspectives, your sense of just a heat check on what is the current state of small businesses. They are so vital as we know both in numbers, but also jobs for our entire country. I'm going to start, Carolyn, with you. What's your sense of how are small businesses doing here in June of 2023?

Carolyn Cawley (00:07:03):

Can I just start here quick with an audience poll question?

Baiju Shah (00:07:06):

Sure.

Carolyn Cawley (00:07:07):

If we're going to set the table, maybe we can put the place mat down. Do we have a shared definition of what is a small business?

Baiju Shah (00:07:14):

Oh, that's a great question.

Carolyn Cawley (00:07:15):

Right? How big is big? How small is big? How small is small? I think it changes from agency to agency sometimes, and certainly from individual to individual, so if anyone thinks that they have the right answer, I'd love to hear it, and maybe my fellow panelists can tell me how they judge a small business.

Baiju Shah (00:07:36):

Well, so we do have a formal definition at the federal government, so Geri, you want to share?

Geri Aglipay (00:07:39):

Yeah, we do have a formal federal definition for the federal government. Size of small businesses as our economists have also sussed out as well is micro businesses under 10 employees, which also include self-employed entrepreneurs, 1099, but we'll go all the way up to 500 depending on the industry because of manufacturing as well, and according to the economics and the revenues also. When I said earlier that 99.6% of businesses in Ohio were considered small under the SBA definition, that's where we look at small businesses who are creating two-thirds of the jobs in the state of Ohio.

Baiju Shah (00:08:13):

Yeah.

Carolyn Cawley (00:08:13):

Yeah.

Larry Fulton (00:08:13):

Yeah.

Carolyn Cawley (00:08:15):

Well, I think I mentioned earlier that the Chamber of Commerce's membership is several million members across all sectors, and so that gives us a really unique position to not just look at sector or size or geography. And we have a couple of ways that we take a temperature check or take the pulse almost on a daily basis, and certainly monthly and quarterly. One of our most widely cited pieces of research is a report that we do on a quarterly basis in association with MetLife called the Small Business Index. And each one has a theme around it. The next one will come out next Wednesday, so you can go online and look for that, but I got a couple of the data points from our editor as I was leaving yesterday to respond to your question about where are people's heads right now and where are the worries.

(00:09:11):

But the survey of ours found interestingly that this is the sixth consecutive quarter where inflation tops the list as the top challenge. That was 54% of small business owners who were polled, followed by rising interest rates, supply chain and revenue, so it's a pretty consistent story. We learned that half of them have delayed plans to grow, half of them have taken out a loan to cover rising costs, and they're turning to more sources for capital than they were at this time a year ago. More personal loans, family, friends, their own savings. What's interesting about that though is that on the qualitative side, there's still such a sense of entrepreneurial hope and hustle.

(00:10:04):

Half of them are more hopeful about their ability to succeed and grow than they were a year ago at this time, and as Governor Bowman talked about earlier, we're still seeing a high number of new business starts, which is something we'd really like to see. I think 140,000 or so new business applications in Ohio, which is a really great number, so there are a couple of other data points that I can share throughout the conversation, but that's the big picture coming out of our report that will be out next week.

Baiju Shah (00:10:39):

Entrepreneurs are unique in that the glass is always more than half full. It doesn't matter if there's any water in the glass, the glass is always more than half full, and you've got to have that sort of belief given all the challenges to start and grow any type of business. Larry, you've been involved and are involved right now with a number of businesses. What's your sense of how are your... How's your portfolio of ventures? How are they feeling right now at small businesses?

Larry Fulton (00:11:03):

Sure. I think what comes to mind is that there's a number of headwinds that's impacting the national economy. Higher interest rates, low unemployment, high job openings. Obviously, there's a lot of geopolitical issues that's happening right now. China, the United States, China and Taiwan, you have the Russia-Ukraine issues that are happening on the global scale, and those are creating some headwinds that's certainly impacting the economy. However, unemployment being so low, that means a lot of people are actually working, and these working individuals have a lot of money and they're spending their money on goods and services, they're buying things. And I think that's still on a consistent basis, driving the economy and the economy still remains very hot. The elephant in the room, however, that I think is primarily slowing down economic surge is labor unavailability, and because of that labor unavailability, I believe that the demand is not truly being met.

(00:12:09):

The other thing that I'm seeing that would really support some of the entrepreneurial activity around the country is that on the startup side, on the VC side, last year was the second-highest year on record in terms of VC activity across the country. On a little larger, if you go up that scale of business activity, in private equity there's over a trillion dollars worth of dry powder that's sitting on the sidelines looking to do deals. A trillion dollars. That's a lot of cash. And then lastly, I'd say on the banking and finance side, banks certainly because of all the activity that was happening in March, banks are very conservative at this point in time, but they're still lending on good deals.

(00:12:55):

If it was a deal that was going to happen last year, it's still pretty much going to happen this year, but some of the credit standards might be a little tightened. For an example, instead of being maybe a 10% equity requirement to do that transaction, a bank might insist on a 15 or 20% equity requirement. I think banks are primarily looking for loan repayment ability to be stronger in that sense as well.

Baiju Shah (00:13:21):

Yeah. And I want to tease out a couple things that you said there because I think it's important as I talk to audiences about small businesses, oftentimes the picture of the small business is a neighborhood business or a solopreneur, not recognizing that the small businesses also include many different types of diverse goods-producing firms that are completely impacted by global issues and that have supply chains that extend across the world, not just in their local neighborhoods or states or regions. Thanks for flagging those issues, Larry.

Larry Fulton (00:13:52):

Geri, Larry talked a little bit about capital, capital availability, banks changing standards. You're obviously involved in financing all sorts of small businesses across the Great Lakes. What's your sense of how businesses are doing?

Geri Aglipay (00:14:06):

Well, we're really excited about the state of small businesses here in the Great Lakes region and nationwide under President Biden and Administrator Guzman, who is, by the way, she's the highest ranking Latina cabinet member in the president's cabinet, and the president has had the most diverse administration out of all presidential administrations. Under President Biden we are very excited with the Bipartisan Infrastructure Law that was passed, the Inflation Reduction Act, and also the CHIPS and Science Act for small businesses. What this means is an opportunity to reinvest and investing in America to create those jobs. In terms of financing, we've actually... You've heard about the tightening of some of the banks for the credit. We're actually deploying and re-modernizing the SBA with new rules to further broaden access to capital to so many of the small businesses, especially the smallest of the small. Some of those who were left out during the pandemic or who may not have been able to access capital for that.

(00:15:01):

We've also created a program called the Community Navigator Pilot Program, which we are using that forced multiplier effect of a hub and spoke model to meet small business owners where they're at, the smallest of the small, to make sure that they know who the SBA is and access our affordable financing. With the financial products that we have we've also made an effort to modernize our SBICs, which is our small business investment companies. One of the things that we are doing is making an investment specifically with guaranteeing loans so that these companies can deploy debt or equity that has an SBA guarantee on the end to give them the additional support they need for that innovative STEM-based company with the Department of

Defense and such, so that we can support growth in this region, Greater Cleveland region, but also the Great Lakes region for the innovative companies that can also grow from small to larger companies and create those jobs.

(00:15:57):

One of the things, and I would be remiss if I did not point out that June is also Immigrant Heritage Month, that President Biden also acknowledged. We have the potential of immigrant entrepreneurs and the diaspora entrepreneurs. We know that one in five small business, or business owners in general, actually are immigrant entrepreneurs as opposed to native Americans. 80% of them are likely to start up businesses. We've made a concerted effort at the SBA under Administrator Guzman, and my colleague, Associate Administrator Gabe Esparza, he and I were just recently on the road talking about the potential of diaspora-based small businesses, the higher likelihood that they are to understand exporting. 96% of consumers globally outside the United States actually are potential for small businesses here in the Great Lakes region in Greater Cleveland for the diaspora-based communities to actually begin exporting not only their products, but actually services are higher in exporting than products.

(00:16:55):

We tend to think of it as products. It's also consulting services as well. The future looks bright for entrepreneurship. We have seen a small business boom under President Biden, two consecutive years in history of the highest startups of business application. And thank you for pointing out unemployment. I'm sure everybody here has... Most have watched Sesame Street. We actually have had the lowest unemployment in history since when Sesame Street first premiered. You're probably thinking way back when and think wow, but just to give you an idea about the state of the economy moving forward and what we're doing through bipartisan legislation under President Biden, it is really looking positive for the Greater Cleveland area and the Great Lakes region, which we have a tremendous resource also with the Great Lake States and also doing trade and exporting with Canada as well.

Baiju Shah (00:17:50):

That's great. Thank you. And so I would just say from the Greater Cleveland region perspective, the state of small businesses right now is super strong, but it is this duality that each one of you has noted, which is the optimism, the growth, the demand is clearly there, but the challenges that are both facing, addressing the demand, but also potentially on the horizon. With that, let's start talking about the opportunities that you see for small businesses. What are some of the emerging areas? Geri, you talked a little bit about the legislation that's been passed recently in DC. Can you talk a little bit about what types of opportunities that creates in particular for small businesses?

Geri Aglipay (00:18:27):

Yeah, and isn't just legislation. I would like to point out an opportunity for the current small businesses that have 7(a) loans, one of our flagship loan products, the SBA has actually suspended fees, zero fees for those who have current loans through September 30th of 2023. That means more dollars in those small business pockets and savings of 100s in those fees for that. And we're trying to modernize the SBA and meeting owners where they're at, understanding that life happens, supply chain issues and such as well. With the legislation, let me give you a great example right here in the State of Ohio. The Small Business Exporter of the Year, a few weeks ago, I was very proud and honored to present an award to the Small Business Exporter of the Year who actually beat all the other small businesses in the region to be the exporter of the year in Piqua, Ohio, Hartzell Hardwoods. And with the business trends that we're seeing, and the

CHIPS and Science Act, the investments in STEM and technology, learn that that small business, family-owned small business is also doing business with Intel.

Baiju Shah (00:19:33):

What type of business is it?

Geri Aglipay (00:19:36):

They do hardwoods, but they also make fans. They spun their business off into making fans with the hardwoods because they started off with propeller fans and such with... I think they're multi-generational family-owned. This adjacent business that the family has, less than 50 people, is also benefiting from the investments that we're making with anchor corporations like Intel. And they have a contract with them to clean the air with the fans and supplying that. That's a really wonderful example about how a small business is benefiting from legislation at a national level, and seeing it in action was such a surprise for us, a very good surprise. But I said, "I'm going to use you as an example about how this national legislation is actually supporting small businesses." When we think about the investments with Ohio being the new Silicon Valley and the battery belt way going across from California and such, what does that mean for small businesses to partake in this? But also it's a concerted effort to also diversify the number of small businesses who are doing business with the federal government.

Baiju Shah (00:20:40):

Yeah. Talk a little bit about that because that's another significant push I know from the administration is to really expand federal contracting to small businesses.

Geri Aglipay (00:20:48):

Absolutely. And under Administrator Guzman and President Biden there's a concerted effort because we've seen a decline in small businesses doing business with the federal government over the last decade. We've actually held up a mirror to ourselves and the first time disaggregated the data about what the racial, ethnic, gender makeup of small businesses that are actually getting federal contracts. And we're doing that so that we can have a benchmark for ourselves and deploy the readiness and the outreach and engagement that SBA has on the ground with our partners like [inaudible 00:21:20] with the small business development centers, with the Urban League. We've got a strong, vibrant partnership with the Urban League here to make sure that small businesses understand this is another way to diversify their revenues, that the federal government has a reliable way of also getting paid on time with the revenues and that they can do business with the largest purchaser of goods and services, again services, in the world. We're making that concerted effort.

Baiju Shah (00:21:48):

Carolyn, what are you seeing in terms of small business growth opportunities, emerging areas?

Carolyn Cawley (00:21:53):

Well, I think the theme that you're going to hear probably from this whole panel is about the power of connectivity, and studies have shown that small business owners are more likely to thrive and succeed when they're part of an ecosystem, when they're part of a community, when they've got a mentor, they've joined a chamber, they're in someone's supply chain, they have a wider network that's growing all the time. And so I think this theory of connectivity is really important. As we say a lot, you can't hate big business and love small business because it's one ecosystem that has to work together, particularly on supply chains and skills training, but a couple of things that I wanted to say in regards to supply chains, it's such an important business model. We know that 96% of the people who buy our things don't live here, so free trade is a really important piece of that.

(00:22:55):

But we run a website, a digital journalism site called CO, it's Grow with CO, that has now gotten about 20,000 visitors a day coming for straight-up news you can use business information. Think of like an Inc. Magazine or any of those. We hired a bunch of business journalists from Inc. to come and run CO, but I talked with them the other day to get a finger on the pulse of what visitors are looking for. If we're looking at the top searches, the number one search for the past six months has been identity-based certifications, women-owned businesses, minority-owned businesses, AAPI-owned businesses, so I'm seeing that that is a data point on interest in pursuing those certifications. Interestingly, the second-highest search result over the last 30 days was how to fund my invention. I guess that shows a little bit of hustle and creativity.

(00:24:00):

And then the third is how to avoid burnout when you're running a small business and you're the accountant and the CEO and the logistician and the driver, and you're doing all of those jobs. But this prompted us several months ago to establish what we're calling the prompt pay pledge, and we've had a lot of big companies sign on already because the understanding was that longer payment terms are not advantageous to small companies, to small business owners. And 45 days, 60 days, 90 days can really be a problem, so we've had about 100 companies sign on, like Intuit, JPMorgan Chase, Bank of America. Lots have signed on to commit to pay their small business vendors on quicker turnaround terms, and that has just been really successful. Feedback has been fantastic. But the things that we're hearing about every single day, every table here I think mentioned it, childcare, worker shortage.

(00:25:04):

And we have a couple of programs that I want to talk about. Maybe we can come back again. Veterans and military spouses are a huge overlooked... You wouldn't believe it, but hugely overlooked population full of talent. And there are a lot of good learnings and best practices and case studies around second chance hiring, which everyone wants to do from their heart, but can be pretty scary, and as a business owner, you have a lot of questions. And I think role models and case studies can really help overcome some of those early challenges. There's a lot to talk about in terms of how to cast a wider net, how to look at skills-based hiring, not four year college degrees, which have become a proxy for skills, and it's not a great proxy. There's a lot happening out there with community colleges like Tri-C here with employers, employer collaboratives, there is a lot available, probably more than ever before to a small business owner to start, run and grow and hire.

Baiju Shah (00:26:10):

Larry, I'm going to turn this to you now. As a small business investor and owner-operator, lots of resources that are out there, what would be helpful from a small business perspective in terms of being able to access these resources, or what are some additional policy or program ideas on either the growth side or on addressing some of these hiring challenges?

Larry Fulton (00:26:32):

Really on the access side, I think that there are a number of access points that's needed. Five actually. Access to capital, access to equity, access to a qualified and educated workforce. I think you also need access to mentorship, and then lastly, I'd say access to deal flow. And each one of those... There could be some more, like access to technology, but each one of those are access points that from an entrepreneurial community and access points from an entrepreneurial perspective that you absolutely must have. And so if I can just go into maybe one of two of those points. One point in terms of access to education, here in the state of Ohio, there's 607 school

districts. We are still fortunate here in Cleveland to have the school district of Soland, Rocky River and Chagrin Falls, that's the number one, number two, and number three respectively, school district here in the state of Ohio.

(00:27:40):

But we also have number 607 out of 607, which is East Cleveland, and also we have one of the largest school districts in the entire country, which is the City of Cleveland public schools system. And so even though we have a brand new CEO to come lead the school system, and all of us, especially people here, policymakers, we need to try to support him to do his job to change the school system... And the reason why that's so important is because as an entrepreneur, as a person in society, I know that you cannot have a thriving entrepreneurial community, a thriving business, even a thriving society with a failing school system. And so Cleveland is just a microcosm of all the major school systems within the United States, and so I think we just need to do a better job securing education because we need these people that are graduating not just from the top one, two, and three schools, but also from all the school systems to be contributing members of society and contributing members of our business. Just really quickly.

Baiju Shah (00:28:54):

Sure.

Larry Fulton (00:28:54):

The other thing would be access to equity that I'd like to point out. If you are a person of color and you're trying to access equity in your house for a HELOC or home equity line of credit, or whatever your purpose is, more often or more likely than not, your home is going to be devalued during that process. Let me repeat that. If you were a person of color and you're trying to access the equity in your house, more often than not, regardless of the location of that house, it's going to be devalued. What does that really mean? Last year, the Brookings Institute, I just looked this up just the other day, the Brookings Institute came up with a study that said the collective equity, lost equity for African-Americans, not just people of color, but African-Americans equaled more than 156 billion, with a B, dollars.

(00:29:55):

And so that's lost equity, that's lost opportunity. That's taking money away from people who could reinvest in their house to beautify their house, to look at higher education opportunities, to look at entrepreneurial opportunities, to hire more employees. Those new employees would pay probably millions of dollars worth of taxes, and so we have a situation here where I think that access point of equity is being disturbed because home appraisers, they're doing what they want. And I think as policymakers, we must make sure that we're following the laws, making sure that they're following the laws that are already in place. I hope that answered your question.

Baiju Shah (00:30:35):

Geri, go ahead.

Geri Aglipay (00:30:35):

Yeah. Thank you, Larry. Yeah, I want to go back to actually a couple points that were brought up regarding the ecosystem workforce development and access to equity. One of those, for workforce development, what we are doing at the SBA here in the Great Lakes region is we are partnering with local community workforce centers and actually having small business owners come and talk about the innovative ways that they're recruiting for their small businesses. That is, again... Traditionally, SBA was known as capital credit counseling, but we also have been doing for a number of years, convening and connecting, so this is our way of convening people and small business owners sharing their stories. The other thing about workforce, brought up

returning citizens, right here in Ohio, the Columbus District office, and actually I'm going to be there in a couple of months, will be signing a strategic alliance memorandum with the Ohio Department of Corrections.

(00:31:29):

We'll be going and working with the governor's offices of the Department of Corrections to actually begin acclimating those who are about to become returning citizens and get them prepared for entrepreneurship as one of the crafts that they're learning as they're learning a new skill or up-skilling as well, because we know it can be challenging to find a job. Second one, access to capital. I like to say there's three kinds of capitals that we would like to deploy equitably for entrepreneurs, social capital, financial capital, but there's also... The social capital, financial capital is a piece of that as well. And how we do that is there are three priorities that we have at the SBA under administrator Guzman. Customer service. How are we modernizing the SBA to meet people where they're at? The other one, equity forward, embedding that in our products, modernizing the rules for lending. That will be coming out August 1st as well, to broaden access to our capital networks and through our intermediary lenders and our CDFIs and community banks as well as credit unions also.

(00:32:32):

And technology. I know you said technology, Larry, could be an access point. It definitely is an access point with e-commerce being a critical tool and small businesses will be left behind if they don't know how to harness technology for their operations. It is beyond marketing, Instagram or TikTok, as some of them think, but it's also how do you harness marketing for tech-enabled operations so that you can use... I'm glad actually I have my phone. Your phone to actually check the schedules of your employees and make it easier, because as Larry said, it's challenging to be that small business owner who's also the accountant, who's also looking at the law, who's working in your business and on your business. We are trying to make it easier to access our resources, our no cost and free counseling and affordable financing products as well, while building those social networks and the knowledge capital. Sorry, number three is knowledge capital, but that's basically what we're doing. Thank you for the access points because you triggered me to remember the three access points for capital that I always say.

Carolyn Cawley (00:33:30):

That's smart.

Baiju Shah (00:33:31):

I'm going to go back to Carolyn. There's a lot here that you guys have just put on the table, and so we're going... Again, we're going to turn it open for questions here in about 10 minutes. And Carolyn, I want to go back to workforce and talent. You put some things on the table, both groups that are probably overlooked, but also examples of how small businesses and companies are working with institutions, whether it's local community colleges or schools. Can you give a couple examples?

Carolyn Cawley (00:33:55):

I love to tell these stories about a couple of things that are really, really working in specific communities because we know that these solutions have really to be place-based and to be responsive to the conditions and the resources and the availabilities in a particular community. But I want to tell you a story, and stick with me for a second because there's a little bit of explaining to do. About eight years ago, a really smart guy on our workforce team had a theory that businesses know really well how to manage their supply chains for all kinds of materials and other things required to do their business. And there's a methodology and a profession and a high

degree of specificity but yet if humans, if employees are our most precious asset, they're not being... The supply chain of human talent wasn't receiving that same level of attention and same level of detail and rigor.

(00:34:57):

And so he had this theory and did a white paper and then had a round table, and then that turned into a conference, and so here we are eight years later where it is an accepted principle of supply chain management that's been certified by the Association of Supply Chain Management. Last week, SHRM, the Society of Human Resource Management, accepted this talent pipeline management credential that we created and launched as a SHRM credential. And as I said, it's taking basic principles and methodologies from supply chain management and using them in the ways that you scout and retain, look for great suppliers, great vocational schools, great community colleges, establish those partnerships. You would never put up a sign in the window that says steel needed and think steel's going to show up, but we do that with help wanted all the time, and we're just very... You would never say, "I think I need about a ton of rebar. I don't know. Bring it Tuesday. A little more, a little less."

(00:36:03):

But we are not as exacting with needs around specific job skills, so that gave birth to the Talent Pipeline Management Initiative. We've been teaching this now in academies in 44 states. Employers, mostly medium and small, and the reason I bring this up here is that one of the most effective components of talent pipeline management is the formation of employer collaboratives. You could be one employer and maybe you need three welders. That's probably not enough for the vocational school or the community college to be responsive to you, but if a lot of manufacturers in the community got together and said, "You know what? Collectively this community needs 100 more welders..." Or how about this, the transition to the green economy, we are 1 million electricians short. Those solar panels, those EVs, the batteries, all of that, we're not prepared for that from a tradesman perspectives.

(00:37:09):

Just to give you a little bit, a couple of examples, one of the tenets of supply chain management is getting employers to specifically articulate what it is they need and then go talk to the suppliers, if you will, to make sure that those needs are aligning. In Phoenix, massive shortage in the healthcare industry, specifically in phlebotomists, in nursing assistants. Every hospital, every medical clinic was having the same problem, so they got together as a group of about 10, they went and pulled together a group of about 10 community colleges and schools and worked it out, established a common language. It sounds simple, but it was actually hard. It's a structured way to define. Now there's a much clearer path, fewer barriers out of training, right into employment.

(00:38:04):

In Michigan, six chemical manufacturers were each having their own problems recruiting. They got together... In fact, one of those chemical manufacturers told us he had turned down a \$10 million contract because he couldn't attract enough workers at the entry level to fulfill, so six of them got together, and their problem was a little bit different from the healthcare industry. Theirs was making chemical manufacturing interesting and attractive to high school students and others who they wanted to stay in town. They didn't want to have that brain drain, so they established a year-long program of bringing projects on site into high schools. Guest lecturer programs. Again, not rocket science in every way, but doing it in a structured way has helped them fill today 98 out of 102 chemical manufacturing jobs in that particular county. There are many more instances like this in Tallahassee, interestingly. Big tech town serving the state government there. They

can't keep them because everyone thinks it's more cool to live in Austin. For them, it was really a retention issue.

(00:39:19):

80 of them, 80 tech companies in Tallahassee have gotten together to use this framework around retention and brain drain. Just very place-based, very specific to that community. Another fact that you should know, and this is I spoke earlier about overlooked individuals, it's a little bit crazy that military veterans and military spouses who are highly skilled would have trouble finding jobs, but it's true. And one of the reasons is that if you don't have a college degree, applicant tracking systems don't scan necessarily for skills, and so a lot of highly skilled applicants just fall right out of the system. And so for that reason, I think more emphasis on skills-based hiring from the employee want perspective, but also the technology perspective and greater awareness around it. Some big companies are doing it, but there are behavior change challenges, there are technology challenges, as I mentioned with the applicant tracking systems.

(00:40:29):

But several states have dropped the four-year degree requirement, the federal government has dropped it for several jobs, and so as small business owners of even up to 500 employees, if you think about does that job really require a four-year degree or what are the skills that I'm actually interested in? That's a whole nother level of learning. And it might also surprise you to know that the unemployment rate among military spouses is more than 30%, and interestingly, one of the most highly educated groups in our population. Because if you're an... I say this as a military spouse myself. If you're an Army wife and you've moved to some pretty rural places and you're living in Fort Knox and you're trying to keep your brain engaged and there's not a lot of employment opportunities there, or your husband's deployed and you can't have childcare, what do you do in that situation? You go back to school. It's a highly, highly educated... One of the groups with the highest percentage of master's degrees, but yet severely underemployed, so we've got big programs around veterans and military spouses as really desirable employees.

Baiju Shah (00:41:47):

A couple of great ideas there that are obviously in execution, whether it's sector partnerships, is what we call these industry collaboratives, and certainly chambers and the Small Business Administration or different places where these convene, and then also just skills-based hiring. And some of our largest employers here, the private employers as well as the publics have gone in that direction, but as you said, lots of change required internal to the organization to accept that transition. Larry, from the employer's perspective, what are some incentives, program ideas or policy ideas that you would suggest that the government's writ large, local, state, federal could look for to support small businesses that want to explore these types of more flexible or innovative workforce solutions?

Larry Fulton (00:42:30):

Well, a couple of things, so before I answer that, I'd like to say from an entrepreneurial perspective, I look at workforce challenges and I talk to a lot of different companies. I'm on the board of this firm called Magnet, a board of a firm called Jumpstart as well, so I'm constantly looking at entrepreneurs and talking to people. I think one of the challenges, if you are an entrepreneur or you're facing the entrepreneurial perspective, that because of the workforce challenges that exists today, you have to be looking at automation. That is a business imperative, and I think from a board level conversation standpoint, you have to be looking at automation, how that impacts your on-time delivery, how that impacts your quality, your throughput, efficiency, etc.

(00:43:24):

The other thing that I think that companies need to be looking at just through conversations are if you are looking towards automating your processes, is using what I would consider more predictive technologies, web 4.0, operational efficiency technologies that would allow the equipment that you have, if it's a press, a CNC machine, a saw, these machines are now the primary driver of the production for a lot of companies. And as these companies automate, they have to track the performance of this piece of equipment, and if you're not, your competition is. And I think that could create a sustainable competitive moat around your business that a lot of companies really should be looking at.

(00:44:10):

Now, in terms of policy, I would say the thing that comes to mind, the forefront of my mind is from an educational standpoint, I talked about earlier, companies now have to train the workforce and that costs money. It's a sustainable expense, it's a predictable, consistent expense now, like rent, and so if you have to train your workforce, which is undoubtedly going to happen in the foreseeable future, this is the new normal essentially, we need money, tax credits, cost of capital reduction, different types of tax incentives to enable that to happen. If my expenses are now increasing because I have workforce training, workforce development, I have the cost of obtaining a new workforce. As a small business entrepreneur, please help me.

Baiju Shah (00:45:07):

Yeah, and-

Carolyn Cawley (00:45:08):

Can I jump in here?

Baiju Shah (00:45:09):

Please, Carolyn, go.

Carolyn Cawley (00:45:10):

We're actually working on something similar to that and we should talk afterward, which is the notion of having skills savings accounts in the same way that you have a health savings account with your employer, and that can really be a game changer for lower income workers who are needing to up-skill at a really fast pace that's just getting faster and faster. And so we just put out a paper on this to say that the health savings accounts and some other things that the fed has put together with the tax code have been useful, but the fact of the matter is that the educational benefits with many employers today are not that well-utilized, and most people who use them are white collar people going to law school at night.

(00:46:00):

It's not very skills-based, it's not really about up-skilling, and we think the ability to up-skill fast and do it in six week increments, particularly if you have a full-time job and a family, you can't afford to leave, go to school full-time, float that reimbursement later for tuition later, so there's a real movement and some thinking around establishing skills savings accounts as a sister to health savings accounts.

Baiju Shah (00:46:31):

That's a really interesting policy idea, and I'm going to ask them to turn down the lights so we can open up for audience Q&A now, but just to comment on that is we go to the audience, in Ohio, one of the most popular programs for assisting employers on the skills training is something called tech credits, tech credentials. And it basically reimburses employers for supporting their employees and obtaining skills in a whole degree of certifications, but it's for jobs that exist at that employer. Now, from a policy perspective, one of the things that we're

concerned about, certainly in the Greater Cleveland area, is the disruption that's coming due to technology may require you to learn skills that are going to be relevant for some other employer or some other job somewhere else. And so this idea of a personal skills-based account that you could take so that you can prepare, might help us get ahead of the disruption that is absolutely going to occur as technology continues to change the labor market. We'll turn-

Geri Aglipay (00:47:26):

[inaudible 00:47:26].

Baiju Shah (00:47:25):

Go ahead, Geri. As we... yeah, let's turn up the lights a bit, let's go ahead, Geri.

Geri Aglipay (00:47:30):

Thank you. I think one of the things that we've been doing in the Great Lakes region with my colleagues who lead up the various district offices in the Great Lakes is I've been talking with community college chancellors, vice presidents and such who are housing small business development centers that are aligned with the SBA, and we've been discussing ways on how we can get them better connected, who are going through the workforce training, through the community colleges like Tri-C, so that they better understand what the SBA is and their resources so that by the time they finish up-skilling or learning a trade, because not everybody's going to go on to college, not everybody's going to get a four-year degree, and as President Biden says, there needs to be an opportunity that he intentionally wants to carve out so that you have good work and good jobs without having a college degree.

(00:48:14):

I am working with my colleagues in all the district offices to intentionally have those discussions so that we better strengthen the ecosystem of support so they know whatever they hang their shingle up as they're going through, whether it's technology, CNC, nurses aid, which a lot of them actually do go on to hang their own shingles, they know where they can get that free assistance. And that's where we can strengthen that workforce and small business development ties as well.

Baiju Shah (00:48:40):

Great. Question in the audience over here.

Speaker 7 (00:48:43):

Yeah, so I'm in northeast Indiana and I realize that every market is different, every region is different, but we're seeing some interesting things in northeast Indiana with the workforce, at least in the rural part of the region. We have employers who are saying that they are short-staffed, they can't get employees, they have signs out and ads out and billboards all over the place. But as a frontline worker who is working directly with people who are seeking jobs, people cannot get jobs. They go to interviews and they don't get hired, so we have employers saying, "We need help, we need employees, we need to get people in our manufacturing plants," and these are not high skilled jobs, you don't need a lot of training for these jobs. They're very frontline jobs in manufacturing, and we have employees who are very qualified for the work not getting hired, so the manufacturers continue to say, "We're understaffed," and we continue to have a whole bunch of people who say, "We can't get jobs."

Baiju Shah (00:49:59):

There's a disconnect there.

Speaker 7 (00:50:01):

[inaudible 00:50:01].

Baiju Shah (00:50:02):

I'm sorry.

Speaker 7 (00:50:02):

Yeah. Is this something you can speak to?

Baiju Shah (00:50:04):

Does anyone want to talk to the gap between employer expectations and the talent pipeline that shows up and how do you close that gap? You are looking like a... Larry, from your experience-

Larry Fulton (00:50:20):

I do have some thoughts to that. There's certainly still persistent low unemployment, but there's an extremely high job openings obviously, throughout the entire country. And as I stated earlier, there's just consistent demand that's driving some activity there. I don't know about that particular circumstance, but what I see is there's employers that are learning to do more with less because they've spent so long now, 24 months, 18 months or what have you, so long now not having the labor that they need to fulfill their demand.

(00:51:01):

And because of that, they've become a much more efficient organization, and as I commented just a few minutes ago about automation, some companies are moving towards automation. They're looking at emerging technologies that don't require as much labor, and so they may be looking at very specific skillsets to fulfill their needs, whereas before they may not have been so picky. I think what we may be seeing, like I was reading a report last week from ENY or Deloitte, and it was referring to this skills gap that is very persistent. However, in the same breath, they were also talking about the pending increase in unemployment because of that same scenario, so I hope I answered that question.

Baiju Shah (00:51:48):

Well, and I think there's also still this ongoing transition within employers in terms of the criteria that they may have and what they have to become comfortable and more flexible with given the situation that we're in from a labor market perspective. I think we had a question over here.

Speaker 8 (00:52:04):

Hello. Yes. My name's [inaudible 00:52:05]. Again, a small business owner based out of Wilmington, Delaware. I wanted to first follow up with that question there. I'm a small business. I have about 20 employees right now, but what we've done was we started a nonprofit three years after beginning, and that right there created a workforce development program, therefore filling my need as I scaled my business, and then also helping other local companies be able to hire from our classes. That right there has been tremendously helpful over the past five years, but as a small business, again, I've used Chamber of Commerce's and I've used the SBA, and one thing I've realized through another program, Goldman Sachs 10000 Small Businesses, is that one policy that should probably be changed that hasn't been in over 22 years is the reauthorization of the SBA. And I wanted to know if anybody is playing in that space right now and what are your thoughts, because I believe that it's going to create more opportunity for entrepreneurs, giving us more education, giving us more resources by making these programs through the SBA stronger.

Geri Aglipay (00:53:10):

Thank you for that question.

Baiju Shah (00:53:11):

Are you able to speak to that?

Geri Aglipay (00:53:11):

Sure. SBA has actually modernized its programs and we don't need to be reauthorized as many federal agencies actually have not been reauthorized for decades. We are still making progress

and modernizing even our lending rules, which I said earlier was going to be coming out August 1st. We did not need reauthorization for that. The SBA has also during COVID as a... Not only did I say we have suspended the fees, which is something that you will see no other financial institution do in the world, but we were the largest, I guess bank, so to speak, that suspended fees during COVID for all borrowers for six months, not paying the principal, not paying interest and not paying fees. Now, if that's not modernizing and meeting people where they're at, that's one of the ways that we have actually risen up to the occasion to support deploying access to capital to more diverse communities, because we know full well that 44% of small business owners who applied for capital were not able to get it because of systemic biases and some of those barriers that we've seen for decades.

(00:54:25):

And we are modernizing our products, making it easier, reducing the barriers, making it easier for lenders to also underwrite for underserved communities because we know life happens. We understand, and we have products to meet people where they're at. As Larry knows, working for the SBA, that maybe in 2008, as far as back with the recession, you may still have some debts because healthcare wasn't affordable then, but we understand that and we've got flexible financing for those credit needs to deploy more capital to women, rural owners, black and brown communities, and all the diverse communities including veterans by the way. And by the way, thank you for bringing up veterans, the VBOC centers. We have two that serves the State of Ohio. The Veterans Business Opportunity Centers do not only serve veterans, we also support spouses and their families as well so that their spouses and their partners also have a chance of chasing that American dream and making it become a reality.

(00:55:26):

I'd like to actually speak to the gentleman from northeast Indiana for rural. I can tell you from observation as regional minister and as a professional, it has come to my attention and others as well that it's very challenging in rural areas to hire because you do have a limited pool of individuals. This has been brought up also in other Federal Reserve spaces as well, but that's where we have the investment in rural revitalization and the Renaissance under President Biden. We've actually expanded governor-identified hub zones so that small businesses that are there can actually get a piece of the pie of doing business for the federal government and create more jobs as well.

(00:56:07):

We are expanding opportunities for small businesses to actually increase the revenues, move into underserved rural areas, particularly rural areas, to help with the economic and community development there. That's the more medium and long-term game, but we are hoping, and we have seen in the past, to see some of those benefits of those governor-expanded hub zones to support rural areas in the United States and here in the Great Lakes region, so thank you for your question. I don't know if you're from Fort Wayne and such, that Northeast area, but well familiar with that. Your Women's Business Center got regional award.

Baiju Shah (00:56:42):

Quick comment, then I see two questions out in the audience. Go ahead, Larry.

Larry Fulton (00:56:45):

Okay, so I'll try to make this very quick. From an SBA standpoint, I think an affiliate program called SCORE that talks to that access of mentorship that I mentioned earlier, enhancing that program could be vitally important. Already, SCORE has over 10,000 volunteers that donate over a million hours worth of time to help small businesses, and so what I mean by expansion is

expand the marketing, expand the budget to make sure that everyone knows about such an organization that could be vitally important. Even on this stage right now, I have two SCORE volunteers that hold me accountable. I meet with them once every three weeks and they ask me the hard questions, they keep me accountable. They don't let my excuses stop my progress, and so that's one thing I like to mention. The other thing is going back to I think point number two that I made earlier, access to equity. Access to capital, access to equity. Access to equity, so in addition to the home equity scenario that I pointed out is access to equity for all entrepreneurs, minority, non-minority entrepreneurs, it's very challenging.

(00:57:58):

And so I think having more access, more flexibility, not necessarily reliance or reduction in loan structure, but actually terms maybe a relax or a reduction in perhaps equity contribution. Every capital stack has essentially a few different capital access tranches. One would be cash or equity that's going to come into a deal from a buyer. Sometimes you might see that from a seller as well, and then you have your senior debt. And in addition to that senior debt, which typically comes from a bank, you also might have an interest-only balloon payment at the end type of mezzanine financing.

(00:58:41):

And then for public transactions, there's a whole other different type of capital, but for small businesses, you typically have equity and you have debt. A lot of entrepreneurs, particularly African-American entrepreneurs, don't have access to equity because of the scenario that I pointed out earlier, or just because of life circumstances. A lot of non-entrepreneurs of color just don't have access to equity, so I think having collaborations with banks facilitating these types of discussions around how do you bridge that gap for entrepreneurs to actually have equity contribution, perhaps different terms like I spoke of earlier, that might bring down that equity contribution, might significantly help entrepreneurs.

Geri Aglipay (00:59:25):

And Larry, you make a good point because with the products that we have and the new rules coming out, we are actually making permanent, for example, the Community Advantage Loan program. Now, that began under President Obama in order to deploy more dollars to black and brown communities, low, moderate income, small business owners in rural and urban areas. We have seen that a success with so many small business owners, but there were lenders that were a little unsure of whether or not it was going to be a pilot or was it going to be made permanent. It is now with the new rules being made permanent under the SBA, and that's the type of lender I like to make it akin to. They understand life happens, they're the... If you've seen *A Wonderful Life*, they're like the George Bailey Banks versus Mr. Potter, but they have flexible capital standards, underwriting standards that they currently have with those small business owners who may be low, moderate income, may be in an underserved area, may be in a rural area.

(01:00:19):

And they meet them where they're at with that availability to pay and the assets that they have, knowing that they have little assets, because we know at the SBA and I know full well personally owning a small business, speaking of home-ownership, is the next best way to build wealth in America. And that is our commitment to equity and making sure that we are modernizing our programs and products and making sure that more people know about these flexible capital products, but also on the equity end, as I mentioned earlier, our small business investment companies as well and the innovation. I'm always excited to see what Baiju shares in Greater

Cleveland with the manufacturing and advanced manufacturing. We have SBIR and STTR grants.

(01:01:00):

Now, those are grants for small business owners who are doing innovative research and development in the STEM-related fields, and if there is someplace that I personally would love to see diverse small businesses grow, its investments in those high growth tech STEM-related industries because that will also accelerate inclusive economy here in the Greater Cleveland area, but also the Great Lakes area as well, because we are investing in America and retaking... Most people don't realize historically we were the ones that invented the microchip years and years ago, and we are harnessing that mantle and leadership again.

Baiju Shah (01:01:39):

We have a question over here and then we've got over here, so start over here, sir.

Speaker 9 (01:01:42):

Yes. To that point, especially going back to the conversation regarding workers, and you guys have alluded to it earlier regarding curriculum-based solutions, and I think you got to look at a solution that goes before high school. We have so many young people that are turned off to trade options and other career sets before they even get to the 9th grade, and we have to do a better job of preparing them. But then on the flip side, we have a situation where there's a population of young people out there, we're talking between 25 and 40, if you want to call that young, between 25 and 40 that did not get the support necessary within some of their educational processes. And they're difficult to support through these training endeavors, and so what do you see as a mechanism to help that population, because I think that might be something we've seen in Northeastern Indiana where we have this population of folks who are somewhat difficult to train or haven't had the experiences?

Baiju Shah (01:02:46):

Yeah. Geri, do you want to take this?

Geri Aglipay (01:02:47):

Yeah, let me show you something really exciting. And again, the straight grade of O-H-I-O that they're doing in Columbus area and Dayton area as well with the district offices there, we have partnered and formally signed an agreement with Wilberforce University, HBCU, but we are also working with the public schools there through the mayors as well to deliberately go in and do a training for the high school students who may eventually go to Wilberforce or maybe they'll go to the Ohio State University and such, but we are beginning to open the doors that entrepreneurship is a path no matter what their craft or intention is.

(01:03:25):

I'm very excited that we signed that strategic alliance memorandum with Wilberforce, but also working intentionally with Mayor Mimms in Dayton, with Mayor Williams in Riverside as well, and other mayors to make sure that they identify the high schools that they feel are at risk and most need to get SBA exposure with the mayor's offices as well. And it looks like we're going to soon be expanding that partnership with Wright State also, so we are beginning to do that. This is the, what I personally call the and also approach. We work with the chambers and also the mayors, and this is what I feel is good government at the national level, the regional level, and at the local level working together to expand the idea and the concept of entrepreneurship no matter what your trade or study is.

Baiju Shah (01:04:09):

Right. Next question is back there. Go ahead. Yes ma'am.

Marrea Walker-Smith (01:04:13):

Marrea Walker-Smith, Chester County Economic Development Council. I just have two points here. One, I definitely want to commend you for trying to identify opportunities to release funding into the community, but what we are finding is that funding is only one aspect of helping people build their business. People get loans and build their business, but then they don't have a marketing plan. They do not know how to scale their business, how to identify new consumers, and so then they're faced with essentially new debt and no way or no skills to really help them to pay for that debt or to scale up their business. That's my first question. Are there any programs that you can think of that works lock and step with the funding that's being distributed in addition to helping people grow their business?

(01:05:18):

My second point is really about vocational training, and I think this gentleman over here touched on that. In the African-American community, success is measured by, oh, you got accepted to college. And when we talk about public schools, we know that vocational training is basically being cut specifically in a lot of the low, underperforming school districts, and so how do we get that funding back into the schools so that students can access that vocational training? I know in Tennessee they've seen an increase in those types of programs simply because the community college fee is free, so is that a model that could simply be implemented across the country so that would be an incentive for more students to consider vocational trades?

(01:06:21):

And last but not least, again, we have to start to understand the new generation of population that we're serving. While we are thinking about mechanical engineering and things of that sort, social media and social media influencers, there are kids that are at home in their pajamas and making videos and racking in \$100,000 dollars a year. How do we get that kind of training, because that's really where everything is headed, digital design, e-commerce for global business models, how do we introduce those kinds of training skills as part of vocational as well?

Baiju Shah (01:07:05):

Great. All right, so three questions that I'm going to ask you guys again in the interest of time to do quick answers. I'm going to throw the first one, Larry, to you, because you talked a little bit about the importance of mentorship and the SCORE program. How do we make sure that as individuals get funding, they also get access to these other resources so that they don't just take on debt?

Larry Fulton (01:07:24):

Yeah, exactly. I was going to talk about SCORE. SCORE, that acronym really means the Service Core Of Retired Executives, and these are individuals that are retired, they have a wealth of knowledge, they are in a variety of different markets and industries. They've either sold their business, they've moved on to bigger and better things in their life, but they want to give back and they give back unprecedented amounts of their time. I've found SCORE to be very, very helpful. For an example, I had a series of SCORE volunteers. If one doesn't necessarily be, or one if... If one of the volunteers, sorry, is not necessarily a good fit for me, I can replace him or her to make sure that the skills gap that is present can be solidified. SCORE is I think a wonderful opportunity. It's a free service and all you have to do is look on score.gov I believe, or score.org, and so that's certainly an opportunity there.

(01:08:31):

In terms of... just very quickly here, I think about that there should be more marketing towards some of the SBA services, like for an example, is there an app for that? And what I mean by that

is when you go on your cell phone, there should be an app for SCORE, or maybe even some other organizations that you need education or entrepreneurial training for, but particularly the SBA. I did a Google search last night, I didn't see the sba.gov on an app, and so my thought is initially, there should be an app for that. It should have entrepreneurial education opportunities, it should have the ability to pay back your loan, it should have the ability to set an appointment with a SCORE volunteer, it should have the ability to do a deal to get financing, etc. Certified or qualified portals that would allow that, and I think that would help bridge some of the opportunities there. I hope I answered that question.

Baiju Shah (01:09:37):

That's great. And so I'm going to throw the vocational training both for jobs that do exist and then the jobs of the future to you, Carolyn.

Carolyn Cawley (01:09:45):

It feels like every year they say that the jobs that our children will have haven't even been invented yet, so who knows what we'll have in another 15 years. I was talking with a woman at the reception last night, if you're here, I'm sorry that I don't remember your name and maybe you can stand up and add to this story, but I think that part of the solution here is we have to dig into skills in a really meaningful way in skills-based hiring, in skills training, in skills identification with a great deal of specificity and understanding the adjacencies. And so the woman I met last night was telling me that at the community college where she's the head of student affairs, they were surprised to find that some of the most proficient STEM students who were working on chips under microscopes with very sophisticated tools, miniaturized tools, the students who were the most adept at that were artists, had artist backgrounds because they had an affinity for seeing pattern and they had an affinity for working with such small things. I just think that was a really interesting example of adjacent skills.

(01:11:02):

In terms of places where an entrepreneur or a business owner can go, I agree 100%. We see it all the time that grant money is great, but it's mentorship and having an executive from SCORE that really helps. Two and a half years ago we launched an initiative called the Coalition to Back Black Businesses that was done in partnership with American Express and the four national Black Chambers of Commerce. I wish we had enough money in the fund to give a grant to everyone, but we've been able to provide grants to almost 1,500 black small business owners. What they get with that is the grant and a year of one-on-one mentorship. It's twice a month, it's someone who's accountable to them for their specific next level of need, their what I need now is a business plan, what I need now is a marketing plan, whatever their thing is.

(01:12:01):

I think that mentorship piece can't be undervalued or understated. Goldman Sachs 10000 Small Businesses I think was mentioned over here. I have only ever heard good things about that and the wraparound services that come with that. The third is, it's actually an online platform out of Texas called Hello Alice. She uses a tremendous amount of AI and tech to create online communities in really geo-targeted ways. Communities of affinity groups, of location groups, of industry groups, and there are a lot of mentor hours from executives that are being plowed into Hello Alice, so those are three that I think could be helpful.

Baiju Shah (01:12:46):

We have time for maybe one more question. Right here in the middle.

Speaker 11 (01:12:49):

Good afternoon. We spent a lot of the last session... Sorry, that's way loud. We spent a lot of the last session talking about affordable housing and childcare, so I wonder if you guys have any input on what role employers have to play in assisting with the cost of housing or childcare for their employees?

Baiju Shah (01:13:06):

I'm going to turn this to really small businesses in particular, but Carolyn go.

Carolyn Cawley (01:13:09):

I'm happy to take childcare. It has been a tent pole of our work ever since... Actually predating COVID. And if anyone can remember back that far, childcare was kind of relegated to... It was like paid family leave and women's issues and not taken very seriously as a workforce issue, and of course the pandemic changed all that. We still have a million women who have not returned to the workforce citing childcare as the principal barrier. I'm sure there are many. And that's to all businesses, including small businesses. We think that employers need to really get in the driver... If employers can't get the employees they need, and childcare is a chief barrier, there need to be solutions. We created a guidebook and a roadmap for employers to understand the two dozen or so different things they could do, and it needs to be right for the size of their company and the profile of their employee and what's available in their community.

(01:14:13):

Because the other part of the untold story on childcare is the childcare providers. Small businesses, overwhelmingly women, overwhelmingly women of color working on razor tight margins and not a lot of runway for credit. And they went out of... They were among the first to go out of business during COVID, so I think what can employers do? I think they really need to look at the employee population and match that with the community. The example I'll give you, we worked with an auto manufacturing plant that was being built in North Carolina. They had to hire 3,000 people or this plant wasn't going to turn on, and it was a real problem, they couldn't. And the number one problem that came back in all of these interviews was childcare. In addition, compounded by the fact that they have a 24-hour manufacturing facility, so it was not just regular 9:00 to 5:00, it was night shifts and lots of odd hours.

(01:15:13):

And so what are their options? They could build a childcare facility, they could offer subsidies, they could do a number of things. What they ultimately decided was right for their employees and for the community was to form partnerships with the small business childcare providers and be their steady source of business. And so in that way, being a preferred pipeline, if you will, of children who needed childcare, and that allowed families to go back to work. It's what I said earlier, I think it's very place-based and it's really digging into your specific population and your specific community, but it's the number one problem, hands down. It's the issue for our time.

Baiju Shah (01:16:00):

Well, with that, we're going to have to close this session. Please join me in thanking Caroline, Larry, and Geri.

Carolyn Cawley (01:16:07):

Thank you.

Baiju Shah (01:16:10):

It's been a wonderful panel. From here, all of you will be heading across the hallway to the breakout sessions, which will start promptly at 1:35. Thank you.