



Task 6B: Economic Opportunity Sub-Grant Final Report

Lead Organization: Sonoma County Economic Development Board

Partner Organizations: Sonoma County Office of Education, Workforce Investment Board.

Primary Contact:

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Sub-Grant Program: Economic Prosperity

Project Type:

Total Grant Amount: \$75,000.00

Total Match: N/A

Geographic Coverage of Project: Sonoma County, CA

Brief Description:

Overall, the EDB is very pleased with the outcomes of the grant-funded *Identifying Opportunities for Promising Entrepreneurs* Program. Through the program, EDB staff managed to significantly exceed the metrics outlined in the original grant proposal and make a significant impact in Sonoma County's local economy. Through this process, EDB staff identified what worked well, what did not, and how the policy and its implementation can be improved in the future.

Outcomes Summarized

- 85 entrepreneurs served
- 9 Businesses Created
- 8 of the 9 Businesses Created were LMI qualified
- 2 Businesses Expanded
- 27 Jobs Created
- \$60,000 in Microlending Facilitated
- One Bilingual Business Assistance Officer Position Added at the Economic Development Board
- Partnership forged to enable future LMI clients to receive free radio advertising and customized marketing campaigns from Sonoma Media Group.

B. Project Description

1.) Goals and Objectives

The Economic Development Board (EDB) had one prevailing objective, supported by three facets of the program. The objective of the EDB was to increase access to self-employment to help low-to-moderate income (LMI) earners find and retain a middle wage job in the \$18-30/hour range. As such, the EDB convened partners that, acting together, could create a comprehensive county-wide program to promote self-employment and entrepreneurship. The three facets are listed below:

Task 1: Entrepreneurship Outreach/Workshops

- Objective(s): Successfully reach entrepreneurs throughout the community by hosting community workshops in high-need areas of Sonoma County.
- Goal(s): Assist at least 30 entrepreneurs, create at least three businesses, and pair at least one entrepreneur with microloan financing.

Task 2: Entrepreneurship Pipeline

- Objective: Create curriculum that promotes entrepreneurship and prepares youth for a future of self-employment and entrepreneurship.
- Goals: Work with partner (SCOE) to develop curriculum by hosting a summit among teachers, administrators and staff.

Task 3 Data-Driven Business Retention and Expansion (BRE) Efforts

- Objective: Survey local businesses to obtain actionable data that can be used to inform policymakers and business owners on how to create higher wage jobs.
- Goal: Use actionable data to guide policymakers and the business community.

Task 4: ID Entrepreneurs at JobLink

- Objective: Identify entrepreneurs through the creation of a successful referral system from JobLink to the EDB.
- Goals: Create a successful and lasting partnership between the Human Services Department (JobLink) and the Economic Development Board that supports the continuation of the referral system, capable of lasting beyond the grant-funded period.

2.) Work Plan

We primarily reached people through our workshops and JobLink referrals. We measured our results beginning with sign-in sheets collected from the workshops, enabling us to quantify how many entrepreneurs we reached. Those who chose to follow-up with EDB staff following the workshops or JobLink referrals would fill out intake forms, which enabled us to collect information pertaining to income level, geographic location, and race. In the end, the majority of people we served were LMI Hispanics.



3.) Role of Lead and Partners

As the lead, the Economic Development Board was tasked with overseeing the smooth and efficient operation of program implementation and execution. The Sonoma County Human Services Department was in charge of working with their staff to relay information about this new program to their clients seeking unemployment benefits. Any of the Department's clients who expressed interest and ability were referred to EDB staff. Finally, The Sonoma County Office of Education (SCOE) was responsible for developing entrepreneurship curriculum in Sonoma County. The EDB provided resources and staffing assistance to SCOE.

C. Challenges and Outcomes

4.) Challenges

One challenge EDB staff faced related to declining referrals from the Human Service Department's JobLink staff. JobLink is an ideal place to recruit potential business owners because the individuals seeking services from JobLink tend to have preexisting work experience, which helps in the loan application process, and also helps to guarantee the future success of a business. However, employee turnover at JobLink produced fewer and fewer referrals as the year progressed. In the future, the EDB will mitigate this reduction in referrals by routinely communicating with JobLink staff and creating specific outreach materials. EDB and JobLink will continue to build upon existing programming to create a more robust program with assessments and Individual Training Account funds.

Another challenge the EDB faced was with the Business Retention and Expansion Survey's response rate. Specifically, the EDB experienced a response rate of roughly 10%. One hypothesis for the low response rate can possibly be attributed to the numerous surveys the EDB sends out to business owners on an annual basis. It is not uncommon for the EDB to send out between 3,000 and 5,000 survey mailings to local business owners for data to inform decisions on various projects and initiatives. In the future, the EDB could look into identifying trade groups/associations to send out mail to their membership. This strategy may increase response rates.

5.) Outcomes

Overall, EDB staff is pleased with the results of the program. Although there are new methodologies to be explored, as well as different strategies to increase efficiency, the EDB is pleased with the impact this grant-funded initiative has made. In the end, the grant-funding enabled us to assist in the creation of 9 new businesses, 8 of which were created by a LMI entrepreneur. These businesses led to the creation of 26 new jobs in Sonoma County, which is estimated to have had a direct economic impact of roughly \$932,000 and a total impact of about \$1.5 million. The EDB was also able to obtain actionable data from a survey that went out to over 800 businesses and received 62 responses pertaining to workforce development and high wage jobs. Finally, the EDB and the Sonoma County Office of Education has built consensus among key stakeholders in the education system that shows the promise of leading to comprehensive entrepreneurship curriculum that may be integrated into the County's Career Technical Education Program.

Of the entrepreneurs we served, the majority initially qualified as LMI, and the primary ethnicity of our entrepreneurs was Hispanic/Latino. These results helped support the creation of a new fulltime position at the EDB, *the Bilingual Business Assistance Officer*, to assist Hispanic entrepreneurs in Sonoma County in the future.

D. Replicability and Dissemination

6.) Replicability

This program is easy to implement and can be done in counties throughout California with Economic Development Departments or similar agencies. This program can also be applied to private non-profit organizations that focus on economic/business development. The key to successfully creating a comprehensive program lies in strong partnerships with appropriate agencies and organizations.

7.) Tools and Resources

- **Identifying Opportunity for Promising Entrepreneurs**

Out of all the methods utilized to reach the community and, more specifically, low-to-moderate income earners, workshops and networking yielded the best results. These workshops led to a higher number of entrepreneurs contacted and generated referrals through word of mouth. Workshop attendance averaged about 10 participants. Those who chose to follow-up with the EDB were immediately put into the pipeline and received assistance.

The EDB also hired a part-time bilingual employee to help EDB staff communicate with many of the Hispanic clients we assisted. This was important to better our program, and was crucial to accessing the Hispanic Community. The EDB found that by contracting the help of a bilingual individual active in the Hispanic Community to assist with referrals. The program experience demonstrated success among Hispanic individuals.

- **Entrepreneurship Pipeline**

The first objective to starting the discussion about the benefits of entrepreneurship curriculum and student-run businesses was to convene as many stakeholders as possible under one roof. SCOE successfully achieved this by holding the Student Entrepreneurship Summit, which brought together policymakers, administrators, district staff, teachers, students, and parents. This created excitement and buy-in from the schools, the students, and the teachers. An additional methodology SCOE is employing is the execution of a regional business plan competition among Napa County and Sonoma County Schools. SCOE staff believes that this will promote entrepreneurship among both students and the community.

8.) Sharing and Dissemination

All of the findings of this program has been showcased at several of the EDB's events in 2014 and 2015 including: The State of the County, The Spring and Fall Economic Forecasts, and regular presentations to the community and Board of Supervisors during Economic ad hoc meetings. All of the findings of this program will also be accessible on the EDB's website www.sonomaedb.org

E. Recommendations and Next Steps

9.) Recommendations

Contained within the report will be policy actions the Board of Supervisors can take to continue strong business and workforce development in Sonoma County to stimulate high-wage job creation. These recommendations are as follows:

1. Increase awareness about the EDB's and Workforce Investment Board's new Workforce Programs Manager whose role is to connect employers with talented employees and available hiring credits;
2. Investigate methods and technologies that can streamline the licensing and permitting process, such as Open Counter online zoning and mapping software;
3. Increase workforce training through career technical training and entrepreneurship training at all Sonoma County High Schools, the Santa Rosa Junior College, and Sonoma State University;
4. Develop adequate numbers of affordable housing in Sonoma County.

10.) Next Steps

Throughout this program, EDB staff has identified ways to increase the efficiency of the program and further reduce financial barriers-to-entry LMI business owners face. As EDB staff continues this work, staff will implement two new additions to the current program: 1.) Pop-up spaces that will enable entrepreneurs to "test" their business model and avoid locking into an expensive long-term business site lease, and 2.) Free promotional radio advertising to market our LMI entrepreneur's businesses. On March 2nd, 2015, the EDB entered into an agreement with local broadcasting company *Sonoma Media Group* (see appendix). Under the terms of the agreement, Sonoma Media Group will provide comprehensive, 13-week marketing campaigns to our LMI entrepreneurs. EDB staff hopes that this will help the entrepreneurs rapidly develop a sustainable customer base and increase their business' viability.

As for developing entrepreneurship curriculum, EDB staff will continue to assist the SCOE in their efforts to promote student-run businesses and develop entrepreneurship curriculum. The next step of this effort includes:

- Share SCOE's short film on student-run businesses with local and state policymakers;
- Conduct industry advisory meetings between industry leaders and Career Technical Education teachers;
- Engage local non-profit agencies to increase access to student entrepreneurship among underserved and disengaged students.

Additional next steps include enhancing our current methods of outreach. In order to reach a larger number of people, the EDB may need to modernize its current outreach methods. Currently, the EDB



relies on other agencies, such as local chambers of commerce and non-profit service agencies, to send out information about the EDB's Business Assistance resources and upcoming workshops. Although this is a successful model that yields results, the EDB can reach a larger audience by utilizing paid media. Of all the entrepreneurs the EDB assisted, few were under the age of 35. By diversifying advertising and outreach methods, the EDB could potentially reach a larger audience across the community - particularly emerging young entrepreneurs.