**Self-Employed or Small Business Owners**

**Labor Market Information Report**

Prepared by the San Francisco Bay Center of Excellence

for Labor Market Research

March 2018

# Recommendation

A traditional gap analysis between supply and demand to determine if an undersupply of workers exists to fill job openings in the labor market, doesn’t necessarily apply in this case. This is because if students completed an Entrepreneurship certificate with the goal of becoming self-employed, they would likely not be filling a position for an open job, but would rather be creating a new job that had not existed before.

Based on all available data, there appears to be growth in the number of self-employed workers in the Bay region and East Bay sub-region (Alameda and Contra Costa Counties) across all occupations over the past five years of about 1.4% annually. If this trend holds then there would be approximately 1,500 more self-employed individuals over the next 12 months in the sub-region. Individuals considering self-employment could work in many different occupations and data is provided for some of the top occupations in the region that have high percentages of self-employment.

However, an individual who is self-employed in an occupation (for example as a Graphic Designer) is actually wearing “two hats” – one as a Graphic Designer and one as the Chief Executive or General and Operations Manager in their role as sole proprieter/self-employed worker. Therefore, data on self employed Chief Executives and General and Operations Managers are provided to quantify the number of self employed workers in these occupations in the region and sub-region.

There is currently supply in the Bay Region of 70 students in Small Business and Entrepreneurship (TOP 0506.40) and annual supply of 37 in the East Bay sub-region. Individuals who are considering self-employment could benefit from education and training in Entrepreneurship.

This report also provides student outcomes data on employment and earnings for Small Business and Entrepreneurship programs in the state, region and sub-region. It is recommended that this data be reviewed to better understand how student outcomes for students taking courses on this TOP code compare to potentially similar programs at colleges in the state, region and sub-region as well as to outcomes across all CTE programs at College of Alameda and in the region. However, student outcomes data reported in the Launchboard is only for students who were matched in the EDD Unemployment Insurance (UI) wage data file. Therefore, self-employed students would not be included in that match. Launchboard is set up to report the Employment Outcomes Survey results where self-reported student employment status does include self-employed as a category. However, when this report was written, that data was not available.

# Introduction

This report profiles data for self-employed or small business owners in the 12 county Bay Region and East Bay Sub-Region (Alameda and Contra Costa counties) for a new Entrepreneurship certificate at College of Alameda. It is important to note that self-employed data is a challenge to obtain. In Burning Glass, the source for job titles, employers, skills and certifications, there is not a filter for self-employed, so Burning Glass data is not used in this report. In EMSI, the source for labor market projections of jobs and annual openings, there is a filter for capturing only self-employed workers, so EMSI data is provided for some of the top occupations in the region that have high percentages of self-employment and for self employed Chief Executives and General and Operations Managers

# Occupational Demand

There appears to be growth in the number of self-employed workers in the Bay region and East Bay sub-region (Alameda and Contra Costa Counties) across all occupations over the past five years of about 1.4% annually. If this trend holds then there would be approximately 1,500 more self-employed individuals over the next 12 months in the East Bay sub-region. Individuals considering self-employment could work in many different occupations and data is provided for some of the top occupations in the region that have high percentages of self-employed workers.

**Table 1. Top Middle-Skill Occupations with High Percentage of Self-Employed Workers in Bay Region, 2015-2017**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Occupation | 2015 Jobs | 2017 Jobs | 2-Yr Change | 2-Yr % Change | Median Hrly Wage |
| Maids and Housekeepers | 23,726 | 24,820 | 2,094 | 9% | $10.96 |
| Taxi Drivers & Chauffeurs | 5,922 | 7,757 | 1,835 | 31% | $9.73 |
| Hairdressers, Hairstylists &Cosmetologists | 9,149 | 9,887 | 738 | 8% | $11.89 |
| Personal Care Aides | 6,108 | 6,700 | 592 | 10% | $10.60 |
| Real Estate Sales Agents | 9,111 | 9,437 | 326 | 4% | $18.79 |
| Landscaping and Groundskeeping Workers | 10,734 | 11,056 | 322 | 3% | $12.61 |
| Photographers | 4,374 | 4,674 | 300 | 7% | $17.03 |
| Janitors and Cleaners | 4,638 | 4,859 | 221 | 5% | $13.35 |
| Bookkeeping, Accounting & Auditing Clerks | 2,655 | 2,863 | 208 | 8% | $18.69 |
| Childcare Workers | 17,747 | 17,929 | 182 | 1% | $7.86 |
| **Total** | **94,164** | **99,982** | **5,818** | **6%** | **$13.16**  |

*Source: EMSI 2018.1for Self-Employed only***Bay Region** includes Alameda, Contra Costa, Marin, Monterey, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma Counties

An individual who is self-employed in an occupation (for example as a Graphic Designer) is actually wearing “two hats” – one as a Graphic Designer and one as the Chief Executive or General and Operations Manager in their their role as sole proprieter/self-employed worker. Therefore, data on self employed Chief Executives and General and Operations Managers are provided to quantify the number of self employed workers in these occupations in the region and sub-region. As Table 2 shows, over the next five years there will be 153 new self-employed Chief Executives and General and Operations Managers in the region, or an average of about 30 per year. For the East Bay sub-region there will be 57 new self-employed workers for these two occupations, or about 11 per year.

**Table 2. Employment Data for Self-Employed Small Business Owners in Bay Region**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Occupation | 2017 Jobs | 2021 Jobs | 5-Yr Change | 5-Yr % Change | 10% Hrly Wage | Median Hrly Wage |
| Chief Executives | 2,300 | 2,429 | 129 | 6% | $26.28 | $29.91 |
| General & Operations Managers | 651 | 675 | 24 | 4% | $22.02 | $23.00 |
| **Total** | **2,951** | **3,104** | **153** | **5%** | **$25.34**  | **$28.39**  |

*Source: EMSI 2018.1for Self-Employed only***Bay Region** includes Alameda, Contra Costa, Marin, Monterey, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma Counties

**Table 3. Employment Data for Self-Employed Small Business Owners in East Bay Sub-Region**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Occupation | 2017 Jobs | 2021 Jobs | 5-Yr Change | 5-Yr % Change | 10% Hrly Wage | Median Hrly Wage |
| Chief Executives | 694 | 743 | 49 | 7% | $26.34 | $29.97 |
| General & Operations Managers | 189 | 197 | 8 | 4% | $22.11 | $23.08 |
| **Total** | **883** | **940** | **57** | **6%** | **$25.45**  | **$28.51**  |

### *Source: EMSI 2018.1for Self-Employed only*

### East Bay Sub-Region includes Alameda and Contra Costa counties

# Educational Supply

On the supply side, there are 15 community colleges issuing 64 awards annually on Small Business and Entrepreneurship (TOP 0506.40) and one other postsecondary institution issuing six awards annually.

**Table 4. 0506.40 Small Business & Entrepreneurship and CIP 52.0701 Entrepreneurship/Entrepreneurial Studies**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| College | Sub-Region | CC Headcount | Associate Degrees | Certificates or Other Credit Awards | Total Awards |
| Alameda | East Bay | 49 | 0 | 2 | 2 |
| Berkeley City | East Bay | 63 | 0 | 0 | 0 |
| Canada | Mid-Peninsula | 43 | 1 | 1 | 2 |
| Chabot | East Bay | on another TOP or n<10 | 6 | 3 | 9 |
| DeAnza | Silicon Valley | 393 | 0 | 4 | 4 |
| Diablo Valley | East Bay | 135 | 0 | 5 | 5 |
| Evergreen | Silicon Valley | 44 | 0 | 0 | 0 |
| Laney | East Bay | 80 | 0 | 0 | 0 |
| Las Positas | East Bay | on another TOP or n<10 | 4 | 1 | 5 |
| Los Medanos | East Bay | on another TOP or n<10 | 4 | 2 | 6 |
| Marin | North Bay | 41 | 0 | 0 | 0 |
| Merritt | East Bay | 58 | 0 | 4 | 4 |
| Mission | Silicon Valley | 48 | 0 | 0 | 0 |
| Monterey | SC & Monterey | on another TOP or n<10 | 1 | 0 | 1 |
| Ohlone | East Bay | 41 | 0 | 0 | 0 |
| San Francisco | Mid-Peninsula | 102 | 0 | 6 | 6 |
| San Jose | Silicon Valley | on another TOP or n<10 | 2 | 3 | 5 |
| San Mateo | Mid-Peninsula | 45 | 0 | 0 | 0 |
| Santa Rosa | North Bay | 92 | 0 | 12 | 12 |
| Skyline | Mid-Peninsula | 97 | 0 | 1 | 1 |
| Solano | North Bay | on another TOP or n<10 | 1 | 0 | 1 |
| West Valley | Silicon Valley | 79 | 0 | 1 | 1 |
| JFK University | East Bay | n/a | 0 | 6 | 6 |
| **Total Bay Region** | **1,408** | **19** | **51** | **70** |
| **Total East Bay** | **426** | **14** | **23** | **37** |

# *Source: IPEDS, Data Mart and Launchboard*

# NOTE: Headcount of students who took one or more courses is for 2016-17. The annual average for Associate Degrees and Certificates is 2014-17 for Community Colleges and 2013-16 for Other Postsecondary.

# Gap Analysis

A traditional gap analysis between supply and demand to determine if an undersupply of workers exists to fill job openings in the labor market, doesn’t necessarily apply in this case. This is because if students completed an Entrepreneurship certificate with the goal of becoming self-employed, they would likely not be filling a position for an open job, but would rather be creating a new job that had not existed before.

Based on all available data, there appears to be growth in the number of self-employed workers in the Bay region and East Bay sub-region (Alameda and Contra Costa Counties) across all occupations over the past five years of about 1.4% annually. If this trend holds then there would be approximately 1,500 more self-employed individuals over the next 12 months in the East Bay sub-region. There is currently annual supply in the Bay Region of 70 students for Small Business and Entrepreneurship (TOP 0506.40) and annual supply of 37 in the East Bay sub-region.

# Student Outcomes

Student Outcomes data from Launchboard is available for students who took courses on TOP 0506.40 – Small Business and Entrepreneurship.

It is important to note that, the student outcomes data reported in the Launchboard is only for students who were matched in the EDD Unemployment Insurance (UI) wage data file. Therefore, self-employed students would not be included in that match. Launchboard is set up to report the Employment Outcomes Survey results where self-reported student employment status does include self-employed as a category. However, when this report was written, that data was not available.

**Table 5. Four Employment Outcomes Metrics for Students Who Took Courses on TOP 0506.40 Small Business and Entrepreneurship**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2015-16** | **Bay** **(All CTE Programs)** | **Alameda****(All CTE Programs)** | **State (0506.40)** | **Bay (0506.40)** | **East Bay (0506.40)** | **Top College in Bay Region (0506.40) Small Business and Entrepreneurship** |
| % Employed Four Quarters After Exit | 74% | 69% | 57% | 65% | 69% | Laney | 71% |
| Median Earnings Two Quarters After Exit | $10,310 | $8,825 | not available in LB when report was run | $9,610 | $10,140 | De Anza | $12,540 |
| Median % Change in Earnings | 46% | 64% | not available in LB when report was run | 37% | 12% | Santa Rosa | 90% |
| % of Students Earning a Living Wage | 63% | 59% | 53% | 62% | 62% | De Anza | 80% |

*Source: Launchboard (version available on 3/2/18)*

# Methodology

Occupations for this report were identified by use of skills listed in O\*Net descriptions. Labor demand data is sourced from Economic Modeling Specialists International (EMSI) occupation data. Educational supply and student outcomes data is retrieved from multiple sources, including CTE Launchboard and CCCCO Data Mart.

# Sources

O\*Net Online

Labor Insight/Jobs (Burning Glass)

Economic Modeling Specialists International (EMSI)

CTE LaunchBoard [www.calpassplus.org/Launchboard/](http://www.calpassplus.org/Launchboard/)

Statewide CTE Outcomes Survey

Employment Development Department Unemployment Insurance Dataset

Living Insight Center for Community Economic Development

Chancellor’s Office MIS system

# Contacts

For more information, please contact:

* Karen Beltramo, Data Research Analyst, for Bay Area Community College Consortium (BACCC) and Centers of Excellence (CoE), karen@baccc.net or (831) 332-1253
* John Carrese, Director, San Francisco Bay Center of Excellence for Labor Market Research, jcarrese@ccsf.edu or (415) 452-5529