

# California Small Businesses Drive Economic Opportunity, Empowerment for Low-Wage Workers but Face Hurdles Post-Pandemic

*New Report Produced by Next Street and Sponsored by The James Irvine Foundation Details Challenges, Offers Solutions*

SAN FRANCISCO, CA, USA, March 11, 2024 /EINPresswire.com/ -- California's small businesses are an engine of economic opportunity, but many are struggling to create high-quality jobs post-pandemic, according to a new [report](#) funded by a grant from The [James Irvine Foundation](#) and produced by mission-driven advisory firm Next Street. Based on a comprehensive, multi-year study, the report explores the role that small businesses play in the creation of quality jobs for low-wage workers, identifies the gaps of California's small business and workforce development efforts, and proposes a set of solutions to spur quality job creation and economic mobility for workers.

As part of the report release, Next Street will host a virtual conversation – “Drivers for Economic Opportunity and Empowerment” (March 19, 12-1 PST / 3-4 ET) – to unveil key findings and recommendations related to

California's small business pathways for low-wage workers. The conversation will include stakeholders from the small business landscape in California, where attendees will have the opportunity to engage, learn more, and ask questions. Attendees can register for the event [here](#).



Today Next Street and the James Irvine Foundation released a report on the state of small businesses in California.

## next street

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 **The James Irvine Foundation**

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We hope that this report spurs continued dialogue and action to support California's small businesses so they can offer their local workforce good jobs with greater economic mobility."

*Don Howard, President and CEO, James Irvine Foundation*

"Our goal is a California where all low-income workers have the power to advance economically, and achieving that goal is only possible if small businesses can begin and thrive in our state," said Don Howard, President and CEO of The James Irvine Foundation. "Small businesses have been resilient in the face of unprecedented challenges, particularly in communities with fewer resources, and continue to create jobs and economic opportunity. We hope that this report spurs continued dialogue and action to support California's small businesses so they can offer their local workforce good jobs with greater economic

mobility."

"Small businesses are engines for inclusive growth in California and across the country," said Next Street Co-CEO Michael Roth. "To keep the small business sector healthy and strong, we must continue to assess where there are gaps that are keeping these businesses from providing the high-quality jobs that workers are seeking. We think this report is an important step in that direction."

### The Pursuit of High-quality Jobs

Small businesses in California are drivers of economic opportunity. With more than 4.3 million small businesses in the state, these businesses employ half the state's private sector workforce, contributing more than \$400 million in employee payroll and salaries annually.

In the aftermath of COVID-19, the state's small business sector has struggled to fully recover. In addition to economic pressures from inflation, small businesses now face questions from their workers seeking better quality jobs. These businesses have struggled to create high quality jobs related to salaries, benefits and opportunities—posing a threat to the important role they play in the state and its communities.

The report underscores the need for California to build its social infrastructure to foster entrepreneurship and small business sustainability, which will expand quality job creation.

### Recommendations and Calls to Action

Included in the report are a number of recommended public policy reforms that will impact how small businesses register, operate and sell their products while also addressing crucial small business worker needs, such as 1) expanding access to diverse small business capital, 2) creating trusted avenues for business support to build management expertise, 3) increasing channels to access market opportunities, 4) connecting small businesses with local workforces, and 5) fostering targeted support for small businesses to spur quality job creation.

Additionally, the report lays out calls to action for stakeholders:

- For providers serving small businesses, understand the local demands and gaps, tailor products to small business needs, and increase accessibility for historically underserved (BIPOC- or women-owned) businesses.
- For funders who seek to invest in ecosystems and solutions, aggregate pools of funding to support the ecosystem and invest in small business and workforce solutions.
- For convenors in respective local and regional ecosystems, facilitate partnerships and collaboration and establish regional coalitions to coordinate initiatives and share best practices.
- For advocates working to advance local and state-wide small business priorities, champion and elevate small business voices, advocate for public policy reform, and increase awareness of small business and worker needs.

## Methodology

To understand the spectrum of entrepreneurial and workforce development supports, this research analyzes the ecosystem of stakeholders across the state to understand the assets and gaps of the provider landscape supporting, financing, and purchasing from small businesses in California. The research in this study focuses on the state of California with a secondary focus on The James Irvine Foundation's Priority Communities: Fresno, San Bernadino, Riverside, Salinas, and Stockton. The Irvine Foundation and Next Street selected these communities based on quantitative and qualitative research prioritizing anchor communities, need and opportunity, and alignment and readiness.

## About Next Street

Next Street designs and develops solutions to connect entrepreneurs and small business owners with the right resources at the right time, with a focus on small businesses facing disproportionate barriers. With a proven track record of nearly 20 years, an ongoing commitment to becoming an anti-racist organization, and an extensive network of small business advocates, operators and investors, Next Street accelerates the impact of institutions and advisors on small businesses and provides millions of small businesses with the experts, tools and capital they need to thrive. Learn more at [nextstreet.com](https://nextstreet.com).

## About The James Irvine Foundation

The James Irvine Foundation is a private, nonprofit grantmaking foundation dedicated to expanding opportunity for the people of California. The Foundation's focus is a California where all low-income workers have the power to advance economically. In 2023 it provided \$180 million in grants toward that goal. Find out more at [Irvine.org](https://Irvine.org).

Jennifer Byrne

Next Street

+1 202-257-6495

[jennifer.byrne@tbg-corp.com](mailto:jennifer.byrne@tbg-corp.com)

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