



**10,000
small
businesses**

F E L L O W S

A Model for Addressing Talent Needs in Small Businesses



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Executive Summary

As our country and economy recover from Covid-19, small businesses must be supported to promote an equitable economic recovery. Assisting small businesses is key to investing in underserved communities, as they employ 50% of the American workforce and are more likely to employ diverse talent. But small businesses continue to face systemic challenges to finding, hiring, and retaining qualified talent. Talent acquisition is both time consuming and costly for small businesses, but there is a strong, local pipeline that is currently under-tapped: community college students. Community college students, who are more racially and socioeconomically diverse, and have less access to valuable internship experiences compared to students at 4-year institutions. Facilitating the connection between these local diverse talent pools and small businesses in communities is necessary for equitable economic advancement.

Goldman Sachs has a track record of excellence when it comes to supporting small businesses through their *10,000 Small Businesses* (10KSB) program, offered across the country. In Fall 2021, Goldman Sachs expanded support for small businesses through a pilot: *10KSB Fellows*. This work-based learning program was designed to support businesses that have gone through the 10KSB program by matching them with a Fellow to support their business needs and provide an opportunity for local talent to gain professional experience. The early findings have been overwhelmingly positive with small businesses filling a need that leads to business growth, pipeline development, new perspectives, community impact, and network building. For Fellows, their experience gives them a meaningful paid professional experience, skill development, mentorship, and networking opportunities. Goldman Sachs *10KSB Fellows*, funded by the Goldman Sachs Foundation, is having a tangible impact on both community college students and small businesses and can further support small businesses in reaching their goals and the professional growth of local talent. The unique program model is an example for high-impact internship programs. Pilot findings support the case for continued investment in connecting small businesses to resources and new talent pipelines, easing the financial burden of finding and training skilled talent, and expanding viable employment opportunities within small businesses.

Small businesses are the backbone of our communities. 99% of all employer firms are small businesses and 50% of the American workforce is employed by a small business.¹ They are critical to a thriving economy in part because they provide career pathways and enable more equitable economic advancement, particularly for historically underserved populations. What's more, the diversity of the workforce employed by small businesses is more reflective of the diversity of the nation as a whole.² Small businesses also have an outsized positive influence on the communities in which they are located, including because they give back to their local communities at high rates, 250% more in comparison to larger businesses.³

While small businesses contribute to vibrant, prosperous communities, they face a host of systemic barriers, including ongoing capacity challenges that slow or prevent business growth. Goldman Sachs Foundation's goal is to ease a part of that burden through their *10KSB Fellows* pilot program that connects local diverse talent at community colleges with small businesses in need of talent to support their business.

¹ "Making Small Big," Goldman Sachs, accessed April 7, 2022. [\[LINK HERE\]](#)

² "Small Businesses Generate 44 Percent Of U.S. Economic Activity," U.S. Small Business Administration Office of Advocacy, accessed April 7, 2022. [\[LINK HERE\]](#)

³ Weston, Bridget. "Small Businesses Giving Back Makes a Big Impact on Local Communities." Score, January 18, 2019. [\[LINK HERE\]](#)

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Challenges Facing Small Businesses and Community College Students

One of the greatest challenges small businesses face is talent acquisition. Small businesses continue to have difficulty finding and hiring qualified candidates. These staffing shortages negatively impact small businesses that do not have the resources to do extensive talent searches. In 2022, survey data showed that 97% of small business owners reported having difficulty hiring for open positions.⁴ The difficulty originates from the lack of resources to both attract qualified candidates as well as create job-specific training programs. These challenges hurt small businesses, as it is costly and time-consuming to complete talent searches.

The need for a consistent workforce has dire consequences for small businesses, with 50% of small business owners reporting that the most common obstacle to hiring is the ability to find applicants with the right skills. Of the small businesses participating in Goldman Sachs 10KSB, 49% expressed a difficulty in meeting staffing needs for crucial roles. The 10KSB program helps small businesses in the U.S. create jobs and economic growth by providing entrepreneurs with a practical business education, business support services, and pathways to capital. 10KSB participants state that the most critical business functions and areas where they need talent include: operations (e.g. developing standard operating procedures and manuals; conducting surveys), accounting (e.g. financial reporting; financial outlooks and forecasts), and administration (e.g. project management; research). The Covid-19 pandemic exacerbated the ability for small businesses to attract talent, with 73% of small businesses saying it was difficult to compete with bigger companies when it comes to compensation, specifically including pay and benefits.



Currently, there are 7.7 million students enrolled in community colleges, accounting for about 35% of undergraduates. And, on the whole, community college students are more racially and socio-economically diverse than students at four-year colleges. Additionally they often lack strong networks and opportunities that lead to career advancement.⁵ Research proves that local internships are an essential bridge to employment for students going into the workforce. Work experience through internships result in higher rates of full-time employment. 52.1% of seniors applying for jobs who had participated in an internship experience received at least one full-time job offer before graduation, compared to only 38.6% of those applicants who had no internship experience.⁶ Community college students are more likely to be from low-income households and to be people of color, populations that companies have been less likely to recruit from, compared to students at four-year universities.⁷

Community college students are natural talent pools for small businesses. Community college students are often deeply rooted and active in their communities and are more likely to stay in and contribute to economic growth in their communities following graduation. 68% of alumni from two-year colleges remain in the area of their college after attending, compared to 42% of alumni from four-year colleges.⁸ Community college students are an untapped talent pipeline and, if given the right resources and pathways, can help to solve the existing recruitment and hiring challenges that small businesses face.

⁴ "From Pandemic to Prosperity: Bipartisan Solutions to Support Today's Small Businesses," *10,000 Small Businesses Voices*, Accessed May 3, 2022. [\[LINK HERE\]](#)

⁵ ThinkImpact. 2022. "2022 Community College Statistics Report." [\[LINK HERE\]](#); American Association of Community Colleges 2022. "Fast Facts 2022." [\[LINK HERE\]](#)

⁶ Rogers, John. 2017. "Internships as a Bridge to Employment." University of Pennsylvania ProQuest Dissertations Publishing.

⁷ ThinkImpact. 2022. "2022 Community College Statistics Report." [\[LINK HERE\]](#); American Association of Community Colleges 2022. "Fast Facts 2022." [\[LINK HERE\]](#)

⁸ Rothwell, Jonathan. 2015. "What Colleges Do for Local Economies: A Direct Measure Based on Consumption." [\[LINK HERE\]](#)

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Bridging the Divide: 10,000 Small Businesses Fellows

Goldman Sachs has a twelve-year history of strengthening small businesses through 10KSB, funded through the Goldman Sachs Foundation. In 2009, Goldman Sachs made a \$500 million commitment to the program and committed an additional \$250 million in 2020 to serve another 12,800 businesses. To date, the 10KSB program has served over 12,300 small businesses across the U.S. in all 50 states.

Goldman Sachs has expanded their investment in small businesses since the start of the pandemic, recognizing the need to promote equitable economic recovery. The different waves of Covid-19 have continued to have a negative impact on small businesses, with 71% reporting that Omicron adversely impacted revenue. During this time, 87% of small businesses reported the most significant challenge was finding qualified candidates for open positions and 97% of businesses cited that labor shortages hurt their bottom line.⁹ When Goldman Sachs surveyed program alumni, 82% said they would consider a financially-subsidized part-time employee to help them solve business challenges.

Therefore, Goldman Sachs piloted 10KSB *Fellows* to connect small businesses by connecting them to local talent through community colleges and Historically Black Colleges and Universities (HBCUs). The program launched in Fall 2021 in four pilot cities and completed a second cohort in Spring 2022. As an extension of the existing 10KSB program, this new focus on filling workforce gaps ensures durable growth for small businesses into the future. It was intentionally designed to be high-touch, yet replicable, to be grounded in meeting the needs of small businesses, and to provide meaningful employment opportunities for community college students.

Program Components:

Through 10KSB *Fellows*, small businesses are able to fill a need by having a student complete work projects that drive business growth over a 12-week period. Students are able to develop practical skills that align with their interests and fields of study. Small business owners who have completed the 10KSB program are matched with qualified students at community colleges (*Fellows*) who have an interest in the business and have in-demand skills that can help small businesses solve key needs.



⁹ "Small Businesses on the Brink: New Survey Data Shows Omicron Hurting Main Street, Leading Small Business Owners to Overwhelmingly Support Congress Passing Additional Aid," Goldman Sachs. [LINK HERE](#)

10KSB Fellows By the Numbers

Geographic Sites

Baltimore New York City
Cleveland Dallas

Implementing Partners

Goldman Sachs Jobs for the Future
Starling Strategy

Weeks of Internship: 12 weeks

Intern Rate: \$20/hour, 20 hours per week

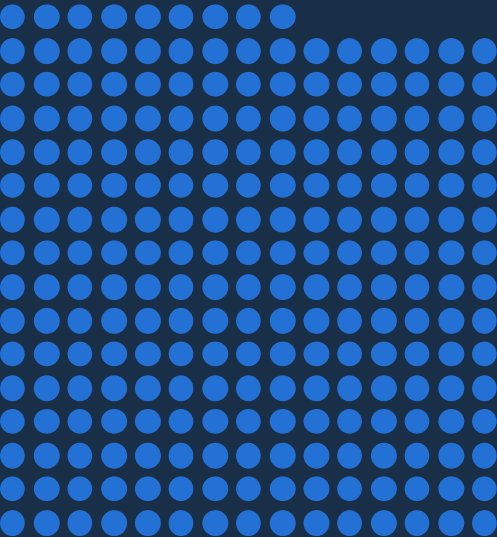
College Partners

Johns Hopkins University Community College of Baltimore County
LaGuardia Community College Cuyahoga Community College
Morgan State University Dallas College

Cohort Data & Demographics

Projects

234 Projects Connecting Small Business Owners & Students

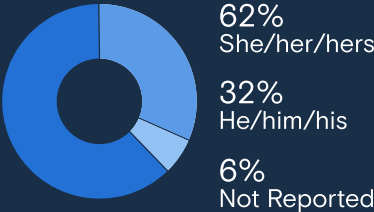


Key Demographics (Fellows)

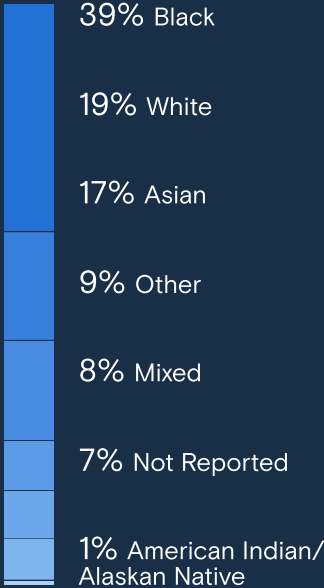
45% First Generation



Gender



Race



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Program Impact

The unique components of the pilot 10KSB *Fellows* program have led to multi-faceted, demonstrated impact for small businesses and Fellows. Though 10KSB *Fellows* remains in a pilot phase, surveys found that the program was highly recommended by both hosts and Fellows with 90% of small businesses and 80% of Fellows saying they would recommend the program to a peer. 80% of small businesses and 81% of Fellows would want to participate in the program again.

“This was a game-changer for our business without a doubt.”

—Jessie Baginski, CEO of Leadership Lake County, Cleveland



Small Business Value

1. Business Growth
2. Pipeline Development
3. New Perspectives
4. Community Impact and Networking

Fellows Value

1. Paid, Professional Experience
2. Skill Development
3. Mentorship and Networking

Small Business Value

Small businesses participating in 10KSB *Fellows* report a variety of benefits, including access to talent and support in addressing a business challenge or project. Through interviews and surveys of participants, hosts highlighted important benefits, which will have a lasting, positive impact on their bottom line:

Business Growth: 81% of hosts agreed that the internship created value for their business and met a business need. More than 75% of hosts found their Fellows completed high-quality deliverables at no direct cost to the business. Program participation has been proven to increase efficiency and help small businesses complete projects that the business otherwise would not have the capacity to do. The average estimated value of the Fellow's contribution to the business was over \$8,500.

“This work is increasing our reach in the community. I got so much out of the program, because it is really enriching and offers so much value to small businesses, otherwise we might not have access to.”

—Jessie Baginski, CEO of Leadership Lake County, Cleveland

Pipeline Development: Partnerships with local community colleges allow businesses to tap into a steady stream of driven students eager for hands-on work experience. In addition to connecting the business to their specific student, the program connects the business to a local community college for future talent recruitment. Participating businesses shared that the program opened their eyes to the importance of providing internship and employment opportunities to early-stage professionals and exposed them to community colleges as a viable local talent pipeline. After participating, many business owners have kept their Fellows past the span of their internship or hired them in a full-time capacity. Those small businesses recognized the ongoing value-add of the Fellow in addition to having already on-boarded them to the business' work and culture.

“The program opened my eyes to a different talent pipeline.”

—Stephanie Franklin, President & CEO of Franklin Law Group, Baltimore

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New Perspectives: Many hosts noted that their Fellows brought valuable new ideas and insights to their small business. 10KSB *Fellows* also gave hosts the opportunity to better understand and practice their people management skills and look at their business processes with a critical eye. Hosts shared that through the program they have improved their onboarding and historical documentation and are now more prepared to hire and manage a multi-generational workforce.

“It was really exciting to have fresh eyes and a fresh brain to help us understand how we could do it better.”

—Jaime Echt, The Crafter’s Workshop, New York

Community Impact and Networking: 10KSB *Fellows* authentically incorporates community-building and networking components. Small businesses owners can seamlessly give back to their community by providing career development to community college students, while having access to a national and local network of peer small businesses.

“[The program] has helped me fill-in staffing needs and the opportunity to give back to my community through mentoring and teaching my Fellow.”

—Stephanie Franklin, President & CEO of Franklin Law Group, Baltimore

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Fellows Value

In addition to the benefits experienced by small businesses, 10KSB *Fellows* provides meaningful advantages to participating students from community colleges. Participating students indicated the following benefits:

Paid, Professional Experience: The program removes a key barrier for students who lack inroads to paid, structured internships and other career opportunities. 10KSB *Fellows* allows community college students to increase their income and add to their employment experience in a real-world, yet supportive setting. 87% of participants stated that the internship was a meaningful work experience.

“[The program allowed me] to make a connection between school and what it means in the real world...”

[This was my] first stepping stone into the working world [which is something] that many college students aren’t getting.”

—Stuart Ross, Fellow, New York

Skill Development: Fellows gain applicable professional skills through hands-on projects that yield tangible results in areas like communications, operations, data and database management, web-based media, and more. Fellows cite the ability to apply what they learn in their academic studies in a professional setting as one of the primary benefits of the program. Fellows grew and developed their problem solving, ability to take initiative, time management, and confidence, with 83% of them reporting that they gained new skills and knowledge that would contribute to their future goals.¹⁰

“[The internship] opened my mind for how many career paths are open for me.”

—Stuart Ross, Fellow, New York

Mentorship and Networking: Mentorship and professional networking have been proven to be key to a successful career. 10KSB *Fellows* carefully matches students with a host committed to managing and coaching them over the 12-week period. Many hosts also facilitate networking opportunities for their Fellow and generously share their experience as an entrepreneur. The program exposes Fellows to new connections and unexpected career pathways.

“[Fellows] broadened my knowledge base and helped me critically think about my career that I wouldn’t have been able to otherwise without this experience.”

—Rodney Horton Jr, Fellow, Baltimore

¹⁰ Our survey of Fellows

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What Makes 10,000 Small Businesses Fellows Unique

Not all internship programs are created equal. 10KSB *Fellows* has several important design components that make it a win-win for small businesses and community college students. The investment, preparation, and wrap-around support provided are key to success.

Robust Network of Partners

First, it brings together targeted, under-tapped resources, each in a distinct position to support the program. Goldman Sachs Foundation has a twelve-year track record of supporting small businesses and investing in community colleges through the overarching 10KSB program (previously described). Goldman Sachs brought together community college partners for on-the-ground implementation and access to business and student networks. The program is grounded in Work-Based Learning principles with input from Jobs for the Future and leverages the project management and community engagement expertise of Starling Strategy.

Targeted Small Business Owner Engagement

10KSB *Fellows* is available only to 10KSB alumni – a network of diverse, growth-oriented businesses. These businesses have opted into an active national network committed to their continued development. They have received rigorous training, including in areas of people and team leadership, which they can lean on to support management of their Fellow.

Rigorous Matching and Curation

As the program is tailored specifically for small businesses' growth needs, matching them to a student is an individualized process led by the community college partners. Small businesses are paired with a community college student with skills and interests that directly align with their business

needs, leading to higher engagement and commitment from the participants. This approach further eases the burden on small business owners around identifying and selecting talent for their businesses, saving time and effort.

Comprehensive Training Curriculum

Small businesses and Fellows are provided group and one-on-one trainings, templates, and resources that prepare them for and continually guide them through a successful internship experience. These include goal-setting and performance management checklists, regular feedback surveys, and peer learning and reflections opportunities. These trainings are designed such that students build on their on-the-job experience to help them build skills that will serve them throughout their careers, and hosts are provided the tools and guidance to support their Fellows at each stage. When challenges arise for the small business or Fellow, the community college partners are ready to step in and support.

Fair Wage Compensation

To ensure great diversity and equity within the program, 10KSB *Fellows* offers interns a fair wage.

Alignment with Work-Based Learning Elements

10KSB *Fellows* is designed to incorporate elements of Work-Based Learning to provide community college participants with increased career opportunities. Work-Based Learning is defined as a student or worker completing meaningful job tasks in a workplace that develops readiness for work, knowledge, and skills that support entry or advancement in a particular career field.

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For community college students, 10KSB *Fellows* offers career exposure and career engagement opportunities, two pillars of Job for the Future (JFF)'s Framework for Work-Based Learning (WBL).¹¹

Career Exposure opportunities bring participants to work-places for short periods of time with the goal of gaining introductory information about an industry and associated occupations. During 10KSB *Fellows*, students are introduced to a new industry, while learning more about entrepreneurship and the importance of small businesses to their local economy and community. Career exposure through WBL also allows students to contextualize their learning by applying it in the field and then taking that lived experience back into the classroom.

Career Engagement opportunities enable students to gain knowledge about a field of interest while building basic technical and professional skills. Coupled with career exposure, 10KSB *Fellows* provides tangible professional experiences for students to build their skills, within a core business function. Participating students are then trained to compellingly include their accomplishments and speak to the skills they built during the internship on their resumes, LinkedIn profiles, or employment interviews.

A **Work-Based Learning** experience not only benefits students but also employers. Studies of businesses that invest in Work-Based Learning find that when intentionally designed and effectively administered, they offer many benefits to employers, including improved productivity, increased innovation, improvements in employee engagement, and increased workplace diversity and inclusion.¹²

Elements of Work-Based Learning in 10,000 Small Businesses Fellows¹³

1. Support entry and advancement in a career track: 10KSB *Fellows* provides participants with opportunities to build knowledge and develop skills that can be industry-specific technical skills and/or general professional skills (i.e., communication, data analysis, etc.) important to nearly all employers.

2. Provide meaningful job tasks that build career skills and knowledge: The program provides students with an opportunity to apply knowledge gained through their academic studies in a professional environment. Furthermore, small

businesses benefit from their Fellow working on complex business projects that help address core business needs.

3. Offer compensation: All students are compensated for their participation in the program, making this opportunity more accessible to a wider group of participants who may not be able to pursue the opportunity otherwise.

4. Provide comprehensive student supports: Participants in 10KSB *Fellows* have access to additional support through advising and coaching from community college representatives.

These elements of Work-Based Learning fold into two of the core pillars previously described: Career exposure (students get a short-term industry introduction) and career engagement (students get basic technical and employability skills).

¹² "The Business Case for Work-Based Learning," Jobs for the Future, last modified March 16, 2020. [\[LINK HERE\]](#)

¹³ "How to Develop an Effective Work-Based Learning Program," Jobs for the Future. [\[LINK HERE\]](#)

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Fellow Profile

Stephanie Franklin, CEO and small business owner, and Rodney Horton Jr, 10KSB Fellow, were matched in the Fall 2021 cohort of 10KSB Fellows.

As President and CEO of Franklin Law Group, Stephanie advocates for the civil rights of abused and neglected children. As an alumna of the 10KSB program, Stephanie became involved in 10KSB *Fellows* because of its partnership with HBCUs and community colleges. She wanted to be able to work with early career Black learners and workers while increasing their exposure to the law and supporting her business. In her words, “[I] wanted to give back, mentor a young person; but also needed help with the work.”

Rodney was a senior at Morgan State University majoring in Social Work and graduated in May 2022. He joined 10KSB *Fellows* because he needed a consistent form of income and saw this an opportunity to develop professionally. During the internship, Rodney worked on a major class action lawsuit which allowed him to apply what he was learning in the classroom to real-life scenarios.

As a social work student, Rodney provided Stephanie and her team with a different perspective. Rodney was able to apply his educational background to provide clients with the trauma-informed support they needed and connect those clients to resources. With Rodney’s support, the firm was able to serve more children, as well as provide social work expertise that wasn’t available on staff at the firm. When Rodney looked back at his experience and how it compared to



his in-class learning saying, “Everything is not as black and white as in a textbook; books lay out situations in theory but [that is] not the same as the real experience.” Being a Fellow has broadened his knowledge and increased his critical thinking skills. Rodney shared that the program also allowed him to expand his network, leading to more professional contacts.

To Stephanie, the 10KSB *Fellows* program is especially unique because of the opportunities it brings together: Supporting business owners, sourcing untapped talent through community colleges and HBCUs, and Goldman Sachs Foundation funding. She shared that the 10KSB *Fellows* program gave her business exposure to a different talent pipeline, while giving Rodney exposure to people at other firms and agencies. Stephanie is now exploring offering Rodney a full-time position after graduation.

Stephanie and Rodney’s experience with the 10KSB *Fellows* program demonstrates the incredible power of intentional internship experiences that provide growth opportunities for students and small businesses alike; as Stephanie shared, “the 10KSB *Fellows* program is a win-win... sometimes when you’re older, you can think that you’re only giving, but this program really benefits both parties.”

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10,000 Small Businesses Fellows: What's Next?

10KSB Fellows is aligned with a federal policy push encouraging increased investment in next generation training programs and workforce development opportunities targeting underserved populations. Local communities benefit from matching local talent from community colleges and HBCUs with local small business owners for meaningful work-based learning experiences, aligning with the American Jobs Plan and other legislation.¹⁴

In order to support equitable economic recovery, the needs of small businesses should be at the forefront of all efforts – local, state, and federal. As small businesses continue to recover from the pandemic, there is both an opportunity and a necessity to reimagine our workforce and talent pipelines. 10KSB *Fellows* addresses small business workforce needs that are crucial to business growth by connecting high-caliber, under-tapped talent to meaningful employment opportunities and networks. However, internships such as 10KSB *Fellows*, can only do so much. Systemic barriers facing small businesses and the workforce will require policy changes and support to be holistically addressed.

In collaboration with the Bipartisan Policy Center, 10KSB *Voices*, the advocacy initiative for 10KSB graduates, released a report – *From Pandemic to Prosperity: Bipartisan Solutions to Support Today's Small Businesses*. This report highlights key challenges facing small business owners and bipartisan ways that Members of Congress and other government officials can support small businesses. Investment in workforce and developing new talent pipelines in the following three ways will remove significant burdens on small businesses, allowing them to continue to support employees and serve their communities.

1. Ease Financial Burdens:

- Renew the Employee Retention Tax Credit or create other similar incentives for small businesses. These can offset

the financial burden that comes with finding, hiring, and training new talent.

- Subsidize the costs related to training and certifications for small business owners in relation to workforce development.
- Create less costly and less administratively burdensome options for small businesses to offer retirement plans and student loan repayment options for employees.
- Invest in intermediaries that provide workforce skill development and key stakeholders that ease burden of finding and training talent.

2. Access to Information

- Increase awareness for small business about paid leave options and support them in navigating and accessing available benefits.
- Centralize resources by creating a guide that covers all available tax credits related to workplace benefits for small businesses.
- Increase awareness of grants and funding that will ease small businesses' financial burden of administering programs and initiatives (i.e. paid apprenticeships or internships, capacity-building grants, etc.).
- Invest in sector strategies to bring together small businesses in the same industry to address challenges in their sector or region and collectively address skill development and hiring challenges.

3. Workforce Policy and Support

- Invest in Work-Based Learning (WBL) and apprenticeships, proven ways of getting people the skills they need for in-demand careers, which would benefit from policies supporting the development of more opportunities like these.
- Support intermediaries that connect workers with services – taking the burden off of small businesses and workers.
- Modernize career exploration to address the insufficient knowledge about small business career opportunities so that students can make educated and comprehensive decisions about their careers.

¹⁴ "FACT SHEET: The American Jobs Plan," The White House, last Modified March 31, 2021. [\[LINK HERE\]](#)



In addition to pushing for these recommendations, the 10KSB *Fellows* program will continue to be refined and will build on the lessons-learned from the first year of the program. 10KSB *Fellows* represents a proven model for solving pipeline challenges facing small businesses. Existing and new internship programs can learn from the key features of 10KSB *Fellows*: Design principles based on small businesses' needs, individualized matching, on-demand support, integration of work-based learning elements, turnkey templates and resources, and meaningful networking opportunities.

Learn more about 10KSB *Fellows*—
visit us online at www.10ksbfellows.com.