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Innovation, Entrepreneurship, and Workforce**

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Thank you, Chairwoman Nydia M. Velazquez and Ranking Member Blaine Luetkemeyer, for holding this hearing and receiving my testimony.

I am the President and CEO of the National Association for Community College Entrepreneurship (NACCE). We are a nonprofit educational association representing more than 330 community colleges and universities across the nation.

I was invited here to discuss how community colleges serve as a pipeline for small business support, entrepreneurship, innovation, and workforce development.

Since the COVID-19 pandemic began, conducting “business as usual” has been anything but usual for just about every business across the United States. For current and aspiring entrepreneurs, especially those who are members of underserved populations, people of color, immigrants, women, veterans, and socio-economically disadvantaged entrepreneurs in rural areas, it has been an especially challenging experience on just about every level.

At the same time, record numbers of new businesses have been created. To survive and flourish post-pandemic, these entrepreneurs need support. NACCE’s network of community colleges in nearly all 50 states has assets, tools, and models that are accelerating economic recovery and the advancement of equity at scale.¹ Heightened awareness and deeper engagement with federal agencies and programs will accelerate our impact and the success of these invaluable small businesses.

Entrepreneurship Statistics and Trends

Out of roughly 1,200 public, private, and tribal community colleges across the country, approximately 75% offer entrepreneurship training and support. More than 20% boast direct access to a Small Business Development Center; nearly 100% of colleges not already serving as SBDC hosts have a direct pathway to their local office. While our home state of North Carolina presents a strong model for this collaboration,² partnership models vary based on location and community need.

¹ Rebecca Corbin, Andrew Gold, and Mary Beth Kerly, “Impact ED: How Community College Entrepreneurship Creates Equity and Prosperity,” in *Accelerate to Influencing* (John Hunt Publishing, 2021), Ch. 4. Notes that communities need startup, small business owners, and employees (to fill the growing number of unfilled jobs) who are curious, creative, and innovative, and who are willing to learn and relearn new skills. Entrepreneurship education accomplishes this goal.

² <https://sbtcdc.org/about-us/partners/>

Many colleges engage in a combination of business, entrepreneurship, and workforce support that is not widely known. The breadth and depth of programs and services successfully exist and co-create new services and supports in rural, suburban, and urban areas.

The robust pipeline community colleges provide to small businesses, would-be entrepreneurs, and employers of all sizes (in need of skilled workers) is connected nationally through NACCE's network of professional development, grant projects, centers of practice, and communication channels.³

In early 2021, a sample of NACCE members was surveyed about current activities. The study was conducted by David Tobenkin, a Woodrow Wilson higher education media fellow, and published as “**Gauging Entrepreneurial Activities at Community Colleges,**” reported in the American Association of Community College's *Community College Daily* on August 2, 2021. It states:

Many community colleges with entrepreneurial interests appear to have increased, or at least not reduced, their range of entrepreneurship education and training activities over the past several years despite COVID-19 and resource availability headwinds at some institutions, according to a recently conducted informal national member survey by the National Association for Community College Entrepreneurship (NACCE).

Further, a national surge of new business startups created during the pandemic,⁴ totaling 440,000 as of June 2021, highlights the employment path that entrepreneurship offers people from all communities across the United States.

The challenge and opportunity for NACCE and community colleges is how to increase the survival rate of these startups. Based on an analysis of Labor Market Statistics, Lending Tree has reported from that business failure rates have remained constant, with about 20% of U.S. small businesses failing in the first year, and half failing by the fifth year.⁵ But it doesn't have to be that way.

NACCE's current work through community colleges to foster startups and reduce the failure rate of small business occurs in many ways.

Community College Support Business Creation & Support of Struggling Businesses

Venture Labs: Venture Lab programs introduce, inspire, and encourage technical and creative entrepreneurship. Often seen as “feasibility labs” that provide access to seed grants and guidance to carefully screened teams, Venture Labs serve as a starting point for innovation and learning. A leading example is the InLab@HCC, at Hillsborough Community College in Tampa, Florida.

³ Rebecca A. Corbin and Ron Thomas, “Community Colleges as Incubators of Innovation: Unleashing Entrepreneurial Opportunities for Communities and Students,” (Stylus Publishing, 2019). This book is a compilation of essays with data and case examples co-written by 18 college presidents, faculty, and policy leaders working in diverse communities. It highlights how community college entrepreneurship programs can help students and communities to thrive in uncertain and ever-changing times.

⁴ <https://www.npr.org/2021/07/15/1016628762/the-covid-small-business-boom>

⁵ <https://www.lendingtree.com/business/small/failure-rate/>

Throughout the pandemic, dozens of successful businesses – many founded by veterans, immigrants, and other under-resourced women and men – have been launched and supported through InLab@HCC.⁶ In addition to academic entrepreneurship programs and certificate programs, an Everyday Entrepreneurship Venture Fund offers grants to would-be business owners who don't have other access to capital.⁷

Incubators: Designed to accelerate the growth and success of entrepreneurial companies by providing support services including co-working or dedicated space, mentorship and coaching, common business services, and networking connections, incubator services have rapidly expanded due to demand. NACCE estimates that nearly half of our nation's colleges engage in, or plan to engage in, the provision of incubator space and service, whether on campus or via civic/community partnerships. Incubators can also exist virtually. A successful national model was created at Arizona's Maricopa Community College System, one of the nation's largest community college districts, with the launch of the Center for Entrepreneurial Innovation (CEI) on the campus of GateWay Community College. Using tools such as a Discovery Triangle, in which employers and other community stakeholders focus on projecting future needs, business startup and growth is accelerated.⁸

Makerspaces: The makerspace movement was designed to move learners from consumption to creation, providing a place to learn, explore, share, and create using everything from hi-tech to no-tech tools. Makerspaces bring together diverse community segments to create prototypes of innovations through the use of 3D printers, laser cutters, studio recorders, soldering irons, and even sewing machines. Providing hands-on learning, supporting critical thinking skills, and boosting self-confidence, makerspaces sponsor entrepreneurship and can be used as incubators and accelerators for business startups. In 13 Appalachian states, throughout California, and everywhere in between, NACCE has supported the expansion and acceleration of makerspaces to support businesses and would-be entrepreneurs.⁹

Workshops and Seminars Open to All: Whether noncredit workshops stem from an entrepreneurship or business program, these courses are often community-focused and designed to establish relationships and increase awareness of services available. Nearly 80% of community colleges engage in this or similar activities, which may include programming and

⁶ Hillsborough Community College InLab@HCC, <https://www.hccfl.edu/academics/inlabhcc>

⁷ The Everyday Entrepreneur Venture Fund (EEVF) was started by philanthropists Chip and Stuart Weismiller with a \$1 million investment. In 2020, NACCE assumed program responsibility for the EEVF. During the pandemic, an additional \$1.2 million was raised to support the program. As a result, more than 100 new businesses in 11 states have been created. <https://www.nacce.com/eevf>

⁸ Rebecca A. Corbin, Ron Thomas, and Eugene Giovannini, "Community Colleges as Incubators of Innovation: Unleashing Entrepreneurial Opportunities for Students and Communities," in *Building an Entrepreneurial Ecosystem: Innovate and Flourish* (Stylus Publishing, 2019). Explanations of the discovery triangle, the hub and spoke model, and lean canvas are included in this chapter.

⁹ Rebecca Corbin and Amy Schulz. "Community Colleges and the Creation of Entrepreneurial Ecosystems." *Entrepreneurship Magazine*, October 7, 2017. <https://www.entrepreneur.com/article/300894>

workshops designed for specific communities such as women, veterans, and populations of color.¹⁰

Entrepreneurship Certificate and Degree Programs: More than 25% of our nation’s community colleges offer some form of certification in entrepreneurship. These programs include studies in innovation and creativity, business funding, marketing for employment and growth, and more. They are proven tools for instilling entrepreneurial vision and desire, and helping students recognize opportunities, make informed decisions, and stimulate job growth across the nation.¹¹

Workforce Development: Community Colleges Engage with Philanthropy, Government, and Industry

NACCE has been leading in the college entrepreneurship space for the past two decades and has experienced particularly rapid growth since 2016.¹² This growth has been fueled many new partnerships with corporations, philanthropy, and government,¹³ with a focus on promoting workforce development by teaching students the critical thinking skills that employers are demanding and supporting business creation for community economic development.

We also engage with the philanthropic community, including supporting the Philip E. and Carole R. Ratcliffe Foundation’s Pitch for the Trades. This competition challenges college faculty to come up with innovative ideas for infusing their classes with lessons in entrepreneurship related to manufacturing, agricultural technology, and other skilled trades.¹⁴

Working effectively with government entities including the Appalachian Regional Commission (ARC) for many years, NACCE has increased its expertise in ecosystem mapping and entrepreneurial mindset training that has provided new models of how community and technical colleges can help coal distressed communities.¹⁵ This work in Appalachia sparked a statewide makerspace initiative in California.¹⁶

^{10, 11}NACCE Member Survey, in partnership with the Woodrow Wilson National Fellowship Foundation’s ECMC Higher Education Media Fellow David Tobenkin. A summary of this survey can be found online at *CC Daily* in “Gauging Entrepreneurial Activities at Community Colleges.” <https://www.ccdaily.com/2021/08/gauging-entrepreneurial-activities-at-community-colleges/>

¹² While NACCE will celebrate its twentieth anniversary in 2022, its growth has accelerated over the past five years, increasing its offerings, resources, and expanding its annual organizational budget from \$1.2 million in 2015 to more than \$9 million in 2021. <https://www.nacce.com/about-us>

¹³ NACCE partners with large corporations, nonprofit organizations, foundations, and small businesses. These partnership leverage strengths and help co-create new resources. <https://www.nacce.com/current-nacce-partners>

¹⁴ The Ratcliffe-sponsored Pitch for the Trades was funded with a three-year grant for \$900,000 that supports faculty innovation and also provides seed funding for startups through NACCE’s EEVF program. <https://www.digitaljournal.com/pr/2021-nacce-pitch-for-the-trades-presents-panel-of-distinguished-judges>

¹⁵ Amelia Schulz and Rebecca Corbin, “Evolution of Education Ecosystems Applied to Innovation Education,” in ISAM (Case Western Reserve University, 2017). Paper No. 071. <https://assets.pubpub.org/umt323ct/21584640396578.pdf>

¹⁶ 16 Rebecca A. Corbin and Ron Thomas, “Community Colleges as Incubators of Innovation: Unleashing Entrepreneurial Opportunities for Students and Communities,” in *NACCE, A Retrospective* (Stylus Publishing, 2019).

Workforce Development Case Examples: The Tennie Group and Chapel Hill Tire

In early in late 2019, prior to the pandemic, NACCE relocated its corporate headquarters in Cary, North Carolina, leasing space from Wake Technical College.¹⁷ While the pandemic soon shuttered the NACCE offices for several months, the collaboration and innovation in North Carolina accelerated in 2020 and 2021. In part, the growth was due to engagement in the ecosystem of institutions including community colleges, Historically Black Colleges and Universities (HBCUs), state government, small and large businesses, and nonprofit organizations such as the Cary Chamber of Commerce.

In the summer of 2021, North Carolina State Representative James Roberson – who was the former Mayor in Knightdale, North Carolina, and a recently retired campus leader at Wake Technical Community College – helped NACCE connect with key entrepreneurs who understood the value of community colleges.

These case examples demonstrate how industry can benefit from engagement with community college students and with best practices offered at NACCE and through community college entrepreneurship programs.

On a Zoom call this summer with Darrell Tennie, founder of the **Tennie Group**, I met his team of leaders who had professional titles and key responsibilities in areas of social media, customer outreach, business development, and operations for his growing multi-state accounting firm. Mr. Tennie hires first-generation and immigrant college students from Wake Tech, mentors them, sets them on a career path, and invests in their career development. He leverages their strengths of being able to speak multiple languages and being resourceful as a competitive advantage. He recently shared with me that he is opening an office in Las Vegas, Nevada, where he plans to use the same business model to grow in that region. This community college workforce approach is scalable across the nation.¹⁸

Performer is a small business that specializes in human resource support for smaller organizations. The company approached NACCE about providing a design thinking¹⁹ session for **Chapel Hill Tire** to engage its employees in designing a business solution to move to a 100% paperless system. I facilitated a 90-minute session, held in an automotive garage (with masks, social distancing, and garage doors open for safety). During the program, executives, sales staff, and the automotive employees engaged in design thinking to identify problems and to ideate about solutions for accelerating their move to be 100% paperless.²⁰ This type of training and engagement with industry and government is available across the United States through NACCE and our network of community colleges.

¹⁷ <https://www.waketech.edu/post/wt-news-story/4444>

¹⁸ The *Making Our Way Forward* podcast launched in February 2021 has listeners in more than 425 U.S. cities and 31 countries. This episode features Darrell Tennie and his work with Wake Tech students. <https://www.buzzsprout.com/1589815/episodes/9391934>

¹⁹ Design thinking is a process in which people work together to define a problem, ideate about solutions, develop and test a prototype, and then iterate until a suitable solution is found. NACCE offers a Design Thinking Center of Practice for colleges and other partners. <https://www.nacce.com/design-thinking-center-of-practice>

²⁰ Mollie Hodl, “Design Thinking Gets Traction at Chapel Hill Tire,” in *Community College Entrepreneurship* magazine (A publication of NACCE, Spring/Summer 2021).

Rebuilding the U.S. Economy and Advancing Equity through Community Colleges

Studies have confirmed the benefits of entrepreneurial thinking, such as preparing students for an unknown future and helping develop creativity and collaboration skills. An entrepreneurial mindset also helps students handle changes in technology, business, and society in general.²¹

On October 6, 2021, as part of our annual national conference, NACCE held a Future Building Summit²² in Minneapolis, Minnesota. The goal was to convene innovative thinkers from across the nation, and we brought together community college faculty and leaders from 41 states, along with leaders in government, philanthropy, industry, and the nonprofit sector, to chart a unified course of economic recovery and equity. We will use what we learned, in combination with facilitated ideation and design thinking strategies, to chart a new course of economic recovery and equity by leveraging the assets at community colleges.

In summary, NACCE is committed to developing uniquely collaborative approaches to helping small businesses not simply return to normal, but fully thrive in the “new normal.” We’re proud to help “connect the dots,” leveraging the invaluable tools already in existence at our nation’s community colleges to link both new and existing entrepreneurs with successful business, nonprofit, and government leaders. It’s a proven and powerful way to help these small businesses access the critical services and assistance programs they need to innovate and drive economic growth in their own business, their community, and our country.

²¹ Rebecca Corbin. “Fostering an Entrepreneurial Mindset: Programs and New Ways of Thinking Will Help Community College Leaders and Students Better Navigate Post-Pandemic Challenges,” in *Trustee Quarterly* (A publication of the Association of Community College Trustees, Fall 2021).

https://www.acct.org/files/TQ_2021_Fall_Entrepreneurial_Mindset_NACCE_Rebecca_Corbin.pdf

²² NACCE Future Building Summit includes the agenda, video recordings, and upcoming events planned for 2022.

<https://www.nacce.com/nacce-2021-future-building-summit>