



Employment Brief

Disability and Self-Employment: A Formula for Success

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Mission:

To increase employment opportunities for Asian Americans and Pacific Islanders with disabilities nationwide.

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The purpose of this brief is to provide information and resources for people with disabilities to help them consider self-employment as a career option. It is adapted from: Mathis, C. (2003), Disability and Entrepreneurship: A Formula for Success. HalfthePlanet.com¹ and Weiss-Doyel, A., (2001), Self-Employment as a Career Choice for People with Disabilities.²

Regardless of their reasons for pursuing entrepreneurship, people with disabilities are experiencing tremendous success in business. While there are no comprehensive nationwide statistics regarding the success rate of businesses owned by people with disabilities, studies suggest that people with disabilities are at least as successful in business as those who are not disabled.

Information from the 1990 national census shows that people with disabilities have a higher rate of self-employment and small business experience than people without disabilities (12.2 percent of people with disabilities versus 7.8 percent of people without disabilities). Even so, entrepreneurship for people with disabilities is often overlooked by government programs and by many people with disabilities as an avenue from the public rolls to self-sufficiency. The Rehabilitation Services Administration (RSA) statistics for 1997 show that only 2.7 percent of the 223,668 vocational rehabilitation clients with successful closures became self-employed or started a small business. However, RSA's own demonstration programs on client choice reported that between 20-30 percent of their participants chose self-employment, substantially above the rate of self-employment or small business closures reported by state vocational rehabilitation agencies (Mathis, C., 2003).

Why do people with disabilities start their own business?

The Research and Training Center on Rural Rehabilitation Services at the University of Montana conducted the First National Study of People with Disabilities Who Are Self-Employed (University of Montana Rural Institute, 2001). Ninety-one percent of the respondents reported that they enjoyed operating their business, 73 percent reported that they were satisfied with their business, 56 percent said that their business met or exceeded their expectations, and 56 percent described their business as successful. More than half of those surveyed spent less than \$10,000 on their initial investment.

Thirty percent of the business owners said their businesses supplied more than half of their total household income, and 39 percent reported that their income was adequate to maintain a desirable living standard.

“Research has shown that there are nearly as many people with disabilities who own their own business as who work for Federal, state, and local governments combined,” says Tom Seekins, director of the Montana University-affiliated Rural Institute on Disabilities. “When you consider the extraordinary difficulty that people with disabilities have had finding employment, starting one’s own business makes good sense” (Center for an Accessible Society, 2001).

Self-employment can meet a broad range of employment goals for entrepreneurs with disabilities, including:

- Independence
- Need to create their own job
- Flexible hours and working conditions
- Freedom from disability and access related barriers such as transportation, fatigue, inaccessible work environments, and need for personal assistance
- Ability to increase income within SSI or SS guidelines
- Salary commensurate with the work
- Career path for unlimited future growth

Are there entrepreneurial characteristics?

While there are some specific characteristics and capabilities that are found in many successful entrepreneurs, there is no set formula for predetermining self-employment success.

Today the small business experts believe that many people have the potential for entrepreneurial success, if they are willing to put in the time, effort, learning, and commitment that it takes to design and run a successful business. To become successful as an entrepreneur requires dealing realistically with the financial prospects for the proposed business. It means having the willingness to research, listen, and learn about the market and the prospective business, so that projections for success have a firm basis. And it means taking the time that is necessary to do the planning and preparation right, before the business starts up as a full-fledged enterprise.

Is self-employment as a viable an option for minorities with disabilities?

A 1997 report by the Office of Advocacy of the U.S. Small Business Administration indicates that minority-owned businesses are one of the fastest growing segments in the U.S. economy, growing 168 percent over the previous decade with revenue growth at an astonishing 343 percent over the same time period (U.S. Small Business Administration, 2001). U.S. Census data on minority-owned businesses reveals the largest number of these minority-owned firms were owned by Chinese, Japanese, and Koreans, with the vast majority being sole proprietorships (U.S. Small Business Administration, 2002). However, 1999-2000 national RSA work status at rehabilitated closure statistics show 2.3 percent of all Vocational Rehabilitation case closures result in self-employment compared to only 1.6 percent of Asian American and Pacific Islander (AAPI) closures (Kim-Rupnow, W.S., Park, H.C., & Starbuck, D.E., 2003).

These statistics are particularly relevant now because of trends in the national economy. The very nature

of work is changing. Government and private sector employers are reducing their workforces, shifting toward more contingent employment, including temporary, part-time and contract employees. These trends are increasing the demand for contract services and goods and many people are responding by starting small businesses or becoming self-employed.

Research shows that self-employment works for individuals with significant disabilities of all types—including traumatic brain injuries; sensory disabilities; autism, cerebral palsy, and other developmental disabilities; psychiatric disabilities; and physical impairments. With more than 80 percent of men and 54 percent of women with disabilities unemployed in the United States, the risk of attempting small business ownership is minimal compared with the possibilities of success (U.S. Census Bureau, 2001).

Why are people with disabilities so successful in business?

The following traits commonly attributed to people with disabilities, may contribute to their success:

Creative Problem Solving—The same ingenuity that enables a wheelchair user to retrieve the Froot Loops from the top shelf in the supermarket can be used to effectively deal with business dilemmas.

Flexibility—People with disabilities are accustomed to adapting to the everyday changes that come with disabling conditions. These same strategies can be used in business to adapt to constantly changing market forces.

Grace Under Fire—The ability to handle stressful situations with grace and dignity without compromising one's principles is invaluable in business. Living with a disability is the perfect practice ground for refining this skill.

Persistence—People with disabilities aren't accustomed to giving up easily, and this persistence translates well into the world of business.

Sense of Humor—It is nearly impossible to live with a disability without developing a sense of humor. Whether you're dealing with a disability or a business issue -- a good sense of humor helps keep things in perspective.

Willingness to Ask for Help—People with disabilities understand that accepting help from others can actually make a person more self-sufficient. The same is true for a business.

Resourcefulness—Individuals with disabilities have learned how to make the most of two of life's most precious resources--time and money. In business terms, this is called bootstrapping!

How do you determine if you can be an entrepreneur with disabilities?

Although there are many people who would like to start their own business, there must be a system to determine who is actually capable of opening a potentially successful business. The best method is giving prospective entrepreneurs the chance to determine for themselves if they can succeed in a step-by-step process. Given the proper information, training, and experience, they usually will make their own decision whether they can succeed or not.

There is no downside to this procedure. People who learn about self-employment can either take the necessary steps toward entrepreneurship or they can return to conventional employment as a means of self-sufficiency. Either way, they will have learned about both the business world

and themselves. If they decide on conventional employment, they will have acquired entrepreneurial skills that are sought today by many employers. Additionally, people who have been given this opportunity, but return to the goal of conventional employment, often work more positively to find a suitable job.

Resources for Entrepreneurs with Disabilities

The following is a selection of resources for persons with disabilities who are interested in starting their own business in the United States.

If you have a disability and are considering starting your own business, contact the Office of Disability Employment Policy's new Small Business Self-Employment Service (SBSES) for information. The SBSES site <http://www.janweb.icdi.wvu.edu/sbSES> includes links to other entrepreneurship sites, including the SBA and state vocational rehabilitation programs. It also provides information on a variety of other technical assistance resources for writing business plans, financing, and other issues specific to developing a small business. Individual assistance is available at 800-526-7234 or 800-232-9675 (V/TTY).

The Office of Disability Employment Policy has also initiated a range of activities with other Federal agencies to ensure that Federal employment programs for people with disabilities will promote small business ownership as a career option, and that potential entrepreneurs with disabilities know about the process and resources for starting a business. Information on these programs can be obtained from the Office of Disability Employment Policy's web site at www.dol.gov/odep. Additional websites include:

- The Abilities Fund <http://www.abilitiesfund.org/>
- The Disabled Businesspersons Association <http://www.disabledbusiness.com/>
- HalfthePlanet.com <http://www.halftheplanet.com>

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