

Community Investments Vol. 10, Issue 1 Emerging Entrepreneurs: Small Business and the Disability Community

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Passage of the Americans with Disabilities Act (ADA) in 1990 signaled a new era of integration for scores of Americans. After two decades of advocacy and policy development, the ADA formally recognized that "persons with disabilities had been "subjected to a history of purposeful and unequal treatment" primarily due to stereotypical assumptions that society holds."¹ The law requires that the United States establish new programs and policies based on the goals of respect, inclusion and equality of opportunity.

The ADA prohibits discrimination based on disability. In this regard, one of its most important sections is Title I which seeks to remove barriers to employment and promote equal access to the workplace.

While the ADA has paved the way for significant improvements in employment access, much remains to be done to increase job opportunities for Americans with disabilities. Today, seven years after the ADA's implementation, many people with disabilities continue to be unemployed and underemployed; many live in poverty.

Individuals with disabilities and a growing number of service providers recognize that addressing these problems will require innovative approaches. These approaches must also consider the 21st century workplace, where changes in the economy and global marketplace have resulted in

downsizing, restructured worksites, and the increasing use of contingent, temporary, and leased employees.

Why Focus on People with Disabilities?

Over 50 million Americans have a disability.² Of this population, nearly 30 million are of working age. According to the 1990 census, over 60% (18 million people) of these working-age individuals are unemployed. In short, people with disabilities have been denied access to the employment market and the economic mainstream at exceptionally high rates.

Because of the high levels of unemployment and dependence on public benefits, most individuals with disabilities exist on poverty-level income. The Disability Statistics, Rehabilitation, Research and Training Center reports that:

- Within the working-age population (16-64), 30% of people with work disabilities live below the poverty level, compared to 10.2% of those without work disabilities. Among people with severe disabilities, 35.8 percent have incomes below the poverty level.³
- Within certain segments of the disability population, poverty rates are even higher. On average, women with disabilities employed full-time earn only 65% of the earnings of men with disabilities employed full-time.⁴ Among disabled women who have children less than 6 years of age, 72.9% are living in poverty.⁵ Howard University reports that people with disabilities who are members of racial and ethnic minorities are consistently "at the bottom of the economic ladder."⁶

Profiles of Success

The high unemployment and poverty rates faced by disabled people do not reflect their talents, energies and abilities. People with disabilities, employed at all levels of government and private industry, bring unique skills and abilities to the workplace. A 1995 study conducted by Global Strategy Group,

Inc. found that three quarters of America's top manufacturing, communications, and technology companies are now hiring people with disabilities. A nationwide study conducted by Louis Harris and Associates in 1995 revealed that nearly 90% of surveyed employers were so pleased with their new workers that they supported policies to increase the number of people with disabilities in their companies.⁷ Studies also indicate that the vast majority of unemployed persons with disabilities want to work, but are prevented from doing so by architectural and attitudinal barriers. Furthermore, entrepreneurs with disabilities show the same rates of success as their non-disabled counterparts in starting new businesses.

Historically, people with disabilities have been denied access to the employment market and the economic mainstream at exceptionally high rates.

Why Small Business?

According to the U.S. Small Business Administration, small businesses employ 53% of the private workforce and provide virtually all of our nation's new jobs. Described as the "fastest growing sector of our economy," the number of small businesses in the U.S. has increased 49% since 1982. Between 1987 and 1992, the U.S. saw a 61% growth in women and minority-owned firms (including sole proprietorships, partnerships, and S-corporations). According to recent projections issued by the Bureau of Labor Statistics, small-firm-dominated sectors of the economy will contribute about 60% of new jobs between 1994 and 2005.

Given these economic trends, the changing workplace, and the meteoric growth of small business, people with disabilities and their advocates are looking seriously at self-employment options. Advancements in assistive technology⁸ and the increased availability of personal assistance services, make the self-employment option even more viable.

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Current Support

In the last decade, the growing interest in microenterprise development within the disability community has generated some unique public/private partnerships. Notable examples of self-employment strategies that provide services to people with disabilities include the Small Business Development Center in Ann Arbor, Michigan, which offers business counseling, training, resource identification and development services; the Onondaga Small Business Development Center in Syracuse, New York; and the Business Opportunity Success System (Project Bo\$\$) in Columbus, Ohio.

As government programs build greater flexibility into their guidelines, people with disabilities can more easily explore self-employment. Along these lines, the Social Security Administration has adopted a series of Work Incentives that allow greater flexibility in self-employment for its beneficiaries. Through this year's reauthorization of the Rehabilitation Act, language will be introduced that encourages vocational rehabilitation providers to consider self-employment as a viable option for persons with disabilities.

The President's Committee on Employment of People with Disabilities is developing new Internet resources to support self-employment. The U.S. Rehabilitation Services Administration, the primary funder of vocational rehabilitation for people with disabilities, has dedicated staff to study self-employment options.

Still, efforts to support entrepreneurs with disabilities are in their infancy, and a great number of resources remain untapped. Among these resources are small business technical assistance providers that have successfully provided skills to non-disabled entrepreneurs. Many of these organizations are just beginning to serve the disability community.

IDA Profile

William Malleris, a wheelchair user from Naperville, Illinois, developed Maple Court Apartments, a 48-unit accessible apartment building which is home to at least 20 disabled residents.

David Birnbaum, a deaf entrepreneur, founded Silver Spring, Maryland-based Birnbaum Interpreting Services to provide convenient and low-cost sign language interpreting services.

Heidi Can Arnem, a 30 year-old wheelchair user, owns and operates a successful Birmingham, Alabama, travel agency called Travel Headquarters.

James Gianulis, a quadriplegic and real estate and tax attorney in La Jolla, California, is also CEO of Pacific Companies, a real estate investment firm.

Fred Rehders, who has paraplegia, owns Pegasus, a Garland, Texas-based wholesale screen printing company that he started as an income-producing hobby in his garage.

What Role Can Banks Play?

As a starting point, financial institutions can (and must) provide bank products and services to people with disabilities in the same manner that they support the small- and micro-business needs of other individuals. Further, it is important to recognize that a large percentage of people with disabilities are low-income, and could therefore benefit from a bank's community reinvestment products and services. Financial institutions can work to overcome discriminatory practices that may inhibit people with disabilities from applying (and qualifying) for small business loans. Banks

can proactively do this by incorporating sensitivity training into their fair lending programs.

Through their support of micro-business technical assistance providers, banks can also work with the disability community by learning about successful programs that support budding entrepreneurs. For example, the Federal Reserve Bank of San Francisco has hosted meetings with representatives from Wells Fargo Bank, Computer Technology Program, and the Rehabilitation Services Administration to consider ways to support and finance entrepreneurs. The group's first effort will be to provide assistance to nonprofit, small business technical assistance providers who will receive referrals from California Department of Rehabilitation (CDR) vocational counselors. CDR counselors not only assist their clients in becoming job ready, but also in researching and paying for appropriate educational resources. CDR can also provide limited funds to support the new business endeavors of their disabled clients.

Conclusion

Numerous studies indicate that the vast majority of non-working people with disabilities want to work, but are prevented from doing so by architectural and attitudinal barriers. Not only is there a demand for work, but increasingly, there is a recognition that self-employment is a viable option. The disability community is therefore beginning to look at the experiences of women and other minority communities who have garnered the economic resources to start businesses and create employment markets within their communities.

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¹ West, J. Evolution of Disability Rights in "Implementing the Americans with Disabilities Act Rights and Responsibilities of All Americans," edited by Lawrence O. Gostin and Henry A. Beyer, Paul H. Brookes Publishing Co., Inc. 1993. West quotes (42 U.S.C. §12102[a][7]) from the Americans with Disabilities Act.

² According to the U.S. Census Bureau (1994-1995), approximately 54 million Americans report some level of disability and 26 million describe their disability as severe. The Census Bureau defines disability as difficulty in performing functional activities (seeing, hearing, talking, walking, carrying a bag of groceries) or activities of daily living (getting in or out of bed or a chair, bathing, dressing, eating). A person with a severe disability is defined as one who is completely unable to perform one of these activities or a person who needs personal assistance.

³ LaPlante, M. P., Kennedy, J., Kaye, S. H., & Wenger, B. L. (1996) "Disability and Employment," Disability Studies Abstract, Number 11.

⁴ Bowe, F. (1992), Adults with Disabilities: A Portrait, President's Committee on Employment of People with Disabilities, Washington, D.C.

⁵ Ibid., Source: 1995 CPS data from unpublished tabulations provided by John M. McNeil, U.S. Bureau of the Census.

⁶ Asbury, C.A., Walker, S., Maholmes, V., Rackley, R., White, S., "Disability Prevalence and Demographic Association Among Race/Ethnic Minority Populations in the United States: Implications for the 21st Century," Monograph Series Number Two, The Howard University Research and Training Center for Access to Rehabilitation and Economic Opportunity, School of Education, Howard University, Washington, D.C., 1991.

⁷ Excerpted from a speech by Tony Coelho, entitled "Employing People with Disabilities Makes Good Business Sense."

⁸ Technology that assists people with disabilities in accomplishing everyday tasks. Examples include motorized wheelchairs, computer screen readers, optical character recognition systems and voice synthesizers.

About the Author



Laurie Posner manages the Center on Economic Development and Disability at the World Institute on Disability (WID) in Oakland, California. The Center is a new initiative that was established in January 1997, to advance national research and policy on employment options for persons with disabilities. WID is a non-profit organization founded in 1983 by leaders of the Independent Living Movement which serves as a center for public policy on disability and independent living.

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