



Fact Sheet

Key Facts about Disability and Self-employment

- ✚ **Over fifty million Americans have disabilities.** Of those, one in five lives in poverty, usually due to unemployment.
- ✚ **Only 19% of those disabled are traditionally employed.** (Disability Statistics Center, University of California San Francisco, 2005) -- this is down from 25% in 1994. Loss to productivity as expressed in the GNP is around \$5 billion annually, not to mention outlays for public assistance.
- ✚ People with disabilities find their ways into careers as small business owners at roughly **twice the rate the able-bodied do**, expressed as a percentage of their total population. The self-employment rate for the general population is about 8%.
- ✚ Yet in state vocational rehabilitation case closures, **only 2-3% of all cases result in self-employment**.
- ✚ VR counselors are usually unaware of the skills and issues necessary for starting and running a business. The majority have been working for public agencies for their entire professional lives. While they would like to see their clients do well, **when it comes to giving business advice they don't know where to start.**
- ✚ Administrators, often no more schooled in business than the counselors, fear having their self-employed clients become more like black holes into which the agencies pour money. As a result, **VR clients are often subtly discouraged** from embarking on their own businesses.
- ✚ A 1998 addendum to the Rehabilitation Act states that vocational rehabilitation service providers must **increase high quality employment outcomes** for people with disabilities "through new provisions that emphasize telecommuting, self-employment and small business operation as legitimate employment outcomes."
- ✚ Since 2005 over half of the states have begun to re-evaluate their policies and guidelines with an eye toward **complying with the federal mandate**, but until now a knowledge gap has persisted.
- ✚ As well, research now suggests that some common beliefs about new business startups don't hold water. A 2007 study by Stephen Teeter showed that, while VR support for self-employed clients remains low, small business startups are much more likely to succeed than has been believed. SBA and US Department of Commerce statistics indicate that **over half of new ventures do succeed**, and that less than 1/3 of those that quit the business within the first five years do so because of financial distress.
- ✚ The state of Iowa has an Entrepreneurs with Disabilities program that shows a 92% success rate. When VR programs are willing to seek expert help and get involved with their clients' business aspirations, **business startup by the disabled can and do succeed.**