

Self-Employment and Microenterprise: *A Customized Employment Option*

Introduction

Self-employment for individuals with disabilities represents another Customized Employment option that involves matching a person's dreams and talents to economic activity and designing support strategies that promote a successful tenure. Small business ownership represents the largest market segment of new and expanding employment options in the United States. The self-employment rate is growing at more than 20% annually, and microenterprises (companies comprising one to five workers) generated over 40% of all new jobs in the past decade. Currently, small business in this country creates more jobs than the Fortune 500 (Brodsky, 2002; U.S. Census Bureau, 2001; Access to Credit, 1998; Freidman, 1996; Sirolli, 1999).

Anyone can own a small business if proper support, adequate financing, and paying customers can be secured. Individuals with significant disabilities ranging from autism, to cerebral palsy, to schizophrenia, and spinal cord injuries own and operate businesses. Some examples of products and services include:

Construction equipment rentals, accounting and bookkeeping, pet gift baskets, mobile dog grooming, chicken and egg production, art-work and photography, technical and popular writing, snack and drink vending, gourmet dog biscuits, apparel manufacture and retail, property inspection, property management, landscaping, restaurant and catering, jewelry making, truck driving, construction materials cost estimation, computer repair, desktop publishing, computer assembly, small engine repair, power-washing service, firewood delivery, flower arranging, water filtration systems sales, greeting card design, farming, and many more.

Self-employment is a rehabilitative option under the Rehabilitation and the Workforce Investment Acts (WIA). Both systems can help a person with a disability purchase equipment, supplies and services for starting a business. The Social Security Administration (SSA) is actively promoting the use of business ownership to stimulate employment of individuals with disabilities through the Plan for Achieving Self Support (PASS). A PASS leverages an individual's Social Security payments for use in pursuing a career goal, and is one of the few financial options providing actual operating cash to businesses. Although the development and approval process can be cumbersome, PASS remains a critical compliment to Vocational Rehabilitation (VR) and/or WIA resources (Griffin & Hammis, 2003; Hammis & Griffin, 2002).

Key Concepts & Considerations

Self-employment is a basic concept founded on the idea of enterprise ownership by the individual or individuals involved. People may wish to consider owning a full-time or part-time business because it potentially provides the scheduling flexibility necessary to accommodate a disability, it circumvents the often disappointing competitive employment process, it creates financial equity options that wage employment cannot always provide, and it allows individuals to express their talents in the open market. Self-employment is certainly not for everyone, but it is another career option with unique considerations.

1. Self-Employment is person-centered. That is, a small business owned by a person with a disability is typically formed around the person's interests and developed based on the cultivation of a market. The existence of a market does not in itself drive the process. Rather, the person's career aspirations and talents take precedence in designing an enterprise. This employment option seeks a fit between the individual and the marketplace. Many people benefit from a business design team, selected by the person, that helps sculpt the individual's ideas into a profitable enterprise. These teams vary in membership, but typically include an employment specialist, a VR Counselor, a resource coordinator, family members, and various consultants such as Small Business Development Center staff and personnel skilled in benefits analysis.
2. Businesses do benefit from a formal business plan. (It should be noted however, that over 80% of small businesses are successful in the U.S., and since the majority of those do not have business plans, some flexibility in planning is recommended). The process of planning is as important as the plan itself, and of course, a plan is an absolute requirement of both the VR system and the SSA. Support may be necessary in developing the plan for someone who cannot read or write, or has little understanding of the impact of self-employment income on their benefits. Not being able to write the plan is no indication that business ownership is a bad idea. Assistance can be found at Small Business Development Centers (SBDC), Tribal Business Information Centers (TBIC), and the Service Corps of Retired Executives (SCORE), among others (www.sba.gov). Many Community Rehabilitation Programs (CRP) are developing small business capacity and offering assistance as a billable service.
3. Funding for small businesses is available from numerous sources. Many microloan programs exist nationwide for those who can qualify for and afford the payments. The disability services system also provides numerous opportunities for financing that do not load the individual down with debt. The PASS Plan from SSA is certainly a critical ingredient for anyone qualifying. VR can and does fund small business and can purchase skill training, capital equipment, vehicle repairs and insurance, tools, work clothes, adaptive equipment, computers, provide job/business coaching, et al. WIA providers can purchase a similar list of items through Intensive services funds, and many community rehabilitation programs (e.g. Developmental Disability & Mental Health) can use general fund dollars to purchase a wide range of business necessities. A collaborative funding approach is best, with each partner providing expertise and a portion of the financial assistance.

4. Staff competencies in the rehabilitation field are being addressed through numerous small business and microenterprise projects, but the knowledge base remains significantly under-developed. Even though many community resources exist to advise on business plans, few individuals exist who actually write the plans. This support can be critical for anyone seeking public funding and who receives SSA and other benefits. Small business specialists in rehabilitation will need to learn to write and critique business plans, understand basic financial statements, create marketing and sales strategies, test business ideas, and coordinate or perform support services and benefits analyses if they are serving individuals who are unlikely to know or learn these aspects of business. Of course, self employment is viable for people representing a broad spectrum of disabilities, many of whom are already well versed in these skill areas.
5. Training for prospective business owners can also be critical. This includes training to refine a skill required for the production of goods and services in the business, such as attaining a welding certificate, or earning a Chef's diploma. Training also includes attending classes in business ownership, many of which are available at no cost or low cost through local SBDCs. Folks who do not read or write might also benefit from such classes because they provide networking opportunities; a chance to meet potential suppliers, customers, and mentors. Professional staff can also attend and benefit. (One caution is that such classes should not be used as a prerequisite to receiving support for a small business; customized employment is based on individual need and capacity, not on test scores or evaluations of academic potential).
6. Self-employment represents one of the few options to grow wealth for people receiving SSA benefits. For instance, the resource limit for SSI recipients is \$2000. A business owner on SSI can have unlimited resources in their business account, however. This makes it possible to harvest the profit later for major business and personal purchases. SSA also provides the PASS which can provide cash for business development and operations (Hammiss & Griffin, 2002).
7. Family support is traditional in small business and should be cultivated whenever possible (Doyel, 2000). Family involvement takes the form of loans and cash gifts, transportation, assistance with production, networking, housing the operations, bookkeeping, et al.

Examples of Self Employment & Microenterprise

James grew up in a family of upholsterers. He knew the trade and performed the work with great attention to detail. Medications he took for auditory hallucinations caused by schizophrenia, however, interfered with his concentration and job retention. He needed numerous breaks throughout the day and the flexibility to work long hours in the evening. James started his own upholstery shop using funding through a U.S Dept. of Labor Disability project, equipment purchased by the local VR office, and with on-going rehabilitation support from the community mental health center.

Molly shared her interests in technology with her VR Counselor who then paid for a series of Microsoft certification classes. Molly began working as a part-time computer

instructor at the local community college, but panic attacks resulting from her psychiatric disability, and exhaustion stemming from her Fibromyalgia caused her to lose that job. With assistance from the local VR office and a business design team including a local SBDC advisor, she began her mobile computer repair business specializing in assisting the growing community of retirees interested in learning basic computer and internet skills. The business soon branched out to include desktop publishing specializing in formatting and printing local church and civic club newsletters.

Kevin spent many years in a sheltered workshop where his developmental disability and his reputation for combative behavior were used as justifications for restricting his access to community employment. Kevin was enrolled in a state Developmental Disability Council funded project focused on community employment for individuals with challenging behaviors. Kevin's interest in being a mechanic became obvious, but no jobs were available for a young man without experience. After many attempts, a local small engine repair shop agreed to have Kevin disassemble and clean a few motors every week. Because the single-owner did not want employees, a business-within-a-business was created that involved Kevin doing disassembly and parts cleaning. In return for the space to operate this complimentary service, and for mentoring in mechanics from the host business owner, Kevin paid a small percentage of his earnings to the shop. VR support, general fund expenditures from the local DD agency, and a PASS Plan through SSA provided Kevin with hand tools, work benches, a part washer, and work clothes. Today, over 7 years later, Kevin works 20 to 30 hours a week and charges approximately \$30 per hour for his services.

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Cary Griffin & Dave Hammis, Griffin-Hammis Associates, LLC

Small Business Resources On-Line

Name	Address
Griffin-Hammis Associates, LLC	www.griffinhammis.com
FirstGov	www.firstgov.com
U.S. Small Business Administration	www.sba.gov
Association of Small Business Development Centers	www.asbdc.net
Forum for Women Entrepreneurs	www.fwe.org
On-line Women's Business Center	www.onlinewbc.org
National Association of Women Business Owners	www.nawbo.org
Office of Women's Business Ownership	www.sba.gov/womensbusinesscenter.org
Entrepreneur.com	www.entrepreneur.com
Inc Magazine	www.inc.com
U.S. Dept. of Agriculture	www.usda.gov
Senior Corps of Retired Executives (SCORE)	www.score.org
The Rural Institute at the University of Montana	http://ruralinstitute.umt.edu/training http://ruralinstitute.umt.edu/transition
Rural Institute Pass Plans on-line	www.passplan.org
U.S. Dept of Labor	www.dol.gov
U.S. Dept. of Education	www.ed.gov
Job Accommodation Network	www.jan.wvu.edu
Virginia Commonwealth University Research & Training Center	www.worksupport.org
The Abilities Fund	www.abilitiesfund.org