

# T-TAP

## Training and Technical Assistance for Providers

Virginia Commonwealth University & The Institute for Community Inclusion  
University of Massachusetts -- Boston

## Q & A on Customized Employment: Self-Employment as a Customized Employment Outcome

Supporting individuals with significant disabilities to start their own businesses may seem like uncharted territory to Community Rehabilitation Providers (CRPs). Until recently, self-employment was viewed as an employment goal only for people with disabilities who had a business background and/or were thought capable of designing and implementing a business plan. For many individuals, particularly those who had cognitive disabilities, self-employment was not viewed as an attainable goal.

One reason that this has not been seen as a viable employment outcome is the perception that anyone owning a business must be able to run the company independently. However, most business owners without disabilities are "interdependent" on others to assist them in the day-to-day operations. For instance, an accountant is hired to maintain the company books, or a sales staff is used to market and distribute products. Business owners with disabilities can hire staff to assist with business operations just like any other business owner as well as with other supports necessary for them to be gainfully self-employed. Prospective entrepreneurs with disabilities, their families and friends, and CRP staff involved in supporting these efforts may find themselves with questions about where to begin. This fact sheet will address some of these questions.



**I hear that most small businesses fail. Why would CRPs want to encourage individuals with disabilities to start businesses when they are probably going to fail?**



The myth of the high rate of small business failures has prevented many individuals with disabilities from becoming entrepreneurs. A 2004 *USA Today* article by Rhonda Abrams reported that the most commonly cited statistic for small business failure is 90%. However, Abrams found that the source for this statistic could not be identified.

In contrast, the Census Bureau reported that 76 % of all small businesses operating in 1992 were still in business in 1996. Only 17% of the small businesses that closed in 1997 were bankruptcies or other failures. In 2003, the Census Bureau reported that there were 23 million small businesses in the US accounting for 99.7% of all employers.

There have been a number of national leaders in the area of employment who have successfully assisted individuals with significant disabilities to start and own small businesses. Much of the initial work originated at the University of Montana Adult Community Services and Supports Department. These first successful examples and case studies have impacted the attitudes of providers resulting in more successful examples of self-employment. Self-employment is increasingly recognized as a viable employment option for people with significant disabilities. For example in 2000, Alice Doyel's book, *No More Job Interviews: Self-Employment Strategies for People With Disabilities* was published. In 2002, an entire issue of the *Journal of Vocational Rehabilitation* was dedicated to self-employment for people with disabilities. In 2003, Griffin and Hammis published their book on self-employment titled, *Making Self-Employment Work for People With Disabilities*. Doyel cited a number of advantages to self-employment including the following:

- Work activities that fit personal interests and capabilities,
- Control of the company,
- Workplace supports and accommodations to meet needs and enhance success,
- Connections with other community business members,
- Long-term employment with opportunity for personal growth.



The Office of Disability Employment Policy,  
U.S. Department of Labor



Virginia Commonwealth University



Institute for Community Inclusion at the University of Massachusetts, Boston

Information for this FAQ sheet came from:

**T-TAP (Training and Technical Assistance for Providers)**

Contributors for this issue include:

**Dr. Katherine Inge**, T-TAP Project Director; **Pam Targett**, Employment Services Director and **Cary Griffin**, Griffin-Hammis, Inc..



**The individuals that we have in our program have never held a job in the community, how can we expect them to be self-employed?**



Self-employment does not require that a person “get ready” to work, if a customized approach is used. In customized self-employment, the focus is on the talents and interests of the individual and identifying personal assets. Self-employment uses a strength not deficit-based outlook. A person who has all the necessary skills to own and operate a business may be a rare entrepreneur! In talking with one mother who is assisting her son in starting a business, she stated that the business was reflective of her son’s interests. She went on to say that most business owners don’t have all the skills necessary to single-handedly operate their companies. Her son is no different and would also need to hire employees to help operate his company.

What is important is to identify each individual’s strengths and talents as well as support needs while assembling a team to facilitate self-employment. Self-employment is all about customized supports. The basics are a business plan, a solid marketing plan, management skills, and capital. Where the entrepreneur can lead the way and where support is needed will vary from one person to another and from one situation to another. Some individuals may need more assistance with start up activities; others may need support with operations; still others may need ongoing assistance using a variety of workplace supports. What is crucial is to provide customized supports to assist the person in moving forward with business ownership.



**Why do individuals with disabilities consider self-employment?**



Some people with disabilities will consider self-employment as a career option due to a lack of available employment opportunities in the community. However, difficulty finding a job should not be the only reason that a person decides to start a business. Instead, self-employment should be viewed as another approach to customizing employment for someone who happens to have a disability. Cary Griffin in a T-TAP web cast stated that businesses should not be started because there is an existing market. What are these individuals’ dreams? What are their gifts and talents? Determining an individual’s goals for employment is of foremost importance when deciding if business ownership is the desired employment outcome.



**One of the individual’s at our agency makes beaded necklaces as a hobby. Many people who see the necklaces admire them and complement her. Would this be a good business venture?**



The individual in this example needs to decide what she wants to do. What are her dreams for employment? What are her gifts and talents? Does she want to have a jewelry business? Can a market be developed for her necklaces? Will this hobby provide the income needed and desired by the individual? Some of these questions may be answered by considering what Cary Griffin say about the three “C’s” of a business plan: customers, competitors, and capabilities.

Beaded necklaces are currently very popular, which can be validated by looking at mail order catalogues, in stores that sell women’s clothing and accessories, and even by walking down the street and seeing how many women are wearing beaded necklaces as an accessory! A quick search on the Internet auction site, eBay, revealed that there were 4,548 beaded necklaces for sale during the first week in the month of June. So, there are many customers buying beaded jewelry, but who will be this business’ customers? Will the individual market directly to the women in her community through arts and craft shows or flea markets? Or, perhaps she would want to consider marketing her designs through an existing business such as the local department store, an art studio, the local beauty shop, or museum gift shop.

The next thing to consider is who is the competition? Is there something unique about the individual’s designs or quality of her necklaces that no one else is producing? Or, can she produce and sell jewelry to the competition if they can’t keep up with their demand? Previously, it was mentioned that there are many beaded necklaces for sale already online. If this is the targeted market, is the competition going to over shadow the product that is being made by this individual so that there are limited sales? In considering the person’s capabilities, how many necklaces can she produce? Is this sufficient to meet the individual’s employment goals? Certainly producing beaded necklaces and testing the various markets would help in determining who the customer is, how much they might pay, and if income can be generated to sustain the business. It might be that the business begins small and gradually grows. Supplies for beading can be very expensive so increasing inventory over time may need to be a consideration. Can a supplier be located that will allow the individual to produce necklaces at a profit?

Making necklaces for personal use as a hobby is different than selling them for profit. So, basically, there is no easy or quick answer to whether this individual should start a jewelry business. The first step is to determine if the individual is interested in self-employment as her goal and then complete a business plan to determine the feasibility of the proposed business.



**Our agency has done some marketing research and determined that our town could support a bakery and coffee shop. Wouldn't opening a business where our consumers could work and get experience with business ownership be a good idea.**



If the business is owned and operated by the agency, then the individuals working there are employees of the agency. They may gain work experience, but this is not self-employment. An individual with a disability who is interested in owning and operating a bakery and coffee shop should own the business and not the agency.

This scenario may not meet the definition of a customized employment position. If an individual(s) at your agency have an interest to work at a bakery, customizing a job to work at the CRP bakery is possible. First, customization of job duties to match the skills and interests of the employees with disabilities must occur. Offering a person the opportunity to work at the agency business or staying at the facility-based program is not providing them a customized choice. Things that also need to be considered are wages, benefits, number of hours worked, and integration with non-disabled employees and the public. A customized job should provide at least minimum wage with the goal of full-time employment.



**What is resource ownership? Is this the same thing as self-employment?**



Resource ownership is a concept applicable to anyone who is looking for employment. For instance, everyone brings skills and resources to a company when applying for a job. Someone applying for a sales position might need a car to qualify and be hired as a sales person.

Resource ownership is a strategy that specifically identifies a resource the individual with a disability can offer to a company. The individual purchases and owns the equipment/property and is paid wages by the business where they work. If the individual moves to another position, the resource still belongs to them. Resource ownership can empower a person with a disability and provide an advantage when negotiating a customized position and might lead to self-employment and eventually owning their business. Nancy Brooks-Lane gives examples of resource ownership in a T-TAP online seminar. The following is one of her example's.

John wanted to work in a Veterinarian Clinic and is very interested in working with animals including pet grooming. Within a few blocks of his house there was a veterinarian clinic that did grooming. John, with his employment broker, met with the staff and negotiated a position. They talked about what this clinic as a small business needed. [Many small business situations are under capitalized, so it's fertile ground for negotiating positions using resource ownership.]

John used an Individual Training Account from his local One Stop to purchase his resources. Individual Training Accounts were established under the Workforce Investment Act (WIA). Individuals who have been determined eligible to receive WIA funded training can have Individual Training Accounts. John bought a hydraulic table that animals can be put on and raised to a height where he can do grooming and a washing table. John brought these resources to the clinic where he is currently employed and earns wages. His long-term employment goal is to own a dog grooming business.



**I also have hear the term "business within a business" used. What does this mean?**



A business within a business is another self-employment strategy. In this situation, the individual with a disability runs his/her business within the physical setting of an established business. This is not a wage position, and the person's income is from selling a product or service within the "host" business. For instance, the woman who makes necklaces could arrange to set up her business within a local gift shop to sell her jewelry. The shop provides the physical space while the entrepreneur selling the jewelry owns her business. The difference between resource ownership and a business within a business is the payment of wages to the individual who has the resource ownership arrangement with an employer. No wages are paid to the individual using the business within a business model.



**How could individuals with significant disabilities afford to start a business? Where would they get the capital? I thought that an individual who is receiving social security couldn't have more than \$2,000 and still maintain benefits.**



There are a number of resources a person can access to start a small business. Vocational rehabilitation is a supporter of small businesses and self-employment. The Workforce Investment program can provide funds to assist in business start-up including writing business plans. As in the resource ownership example, individual training accounts from a One Stop may be used for purchasing services or re-sources. In other cases, families have contributed the capital needed for an individual to start a small business, and of course there are

banks and small business loans. In addition, an individual can use Social Security Work Incentives such as a Plan for Achieving Self Support (PASS) to fund the business. Property Essential for Self-Support is another work incentive for people receiving Supplemental Security Income (SSI). It allows a business owner to have resources beyond the \$2,000 limit under SSI, which restricts people in being able to build equity in a business. Most case studies of small businesses show start-up costs in the \$4,000-5,000 range and employ 1- 5 individuals. Refer to the resources listed at the end of this document and on the T-TAP web site at [www.t-tap.org](http://www.t-tap.org).



### What other business specific supports are available?



There are numerous business resources available to entrepreneurs, such as, associations, books, magazines and other publications; many of which can be accessed through the Internet. There are resources related to accounting and taxes, advertising and marketing, credit services, customer services, equipment, franchise and business opportunities. There is also a wealth of general small business resources through associations like the American Management Assoc. and the National Assoc. for the Self-Employed. For a home-based business, resources include the American Assoc. of Home-based Businesses and National Assoc. of Home Based Business.

Start up assistance can also be found through associations like the Assoc. of Small Business Development Centers or National Business Incubation Assoc. There also are helpful government listings like the US Dept. of Labor, US Small Business Administration, Internal Revenue Service or US Dept. of Commerce. States also have resources. For example, assistance may be found at the States' Small Business Assoc. District Offices, Small Business Development Centers, and States' Commerce and Economic Development Depts.

Specific disability and business start up resources can be found at US Dept. of Labor, Social Security Administration, The Job Accommodation Network, The Rural Institute at the University of Montana, The Rehabilitation Research and Training Center on Workplace Supports and Job Retention at Virginia Commonwealth University. The following list of resources is provided for additional information.

## References

- Doyle, A. (2002). Self-employment, choice, and self-determination. *Journal of Vocational Rehabilitation* 17, pp115-124
- Griffin, C. & Hammis, D. (2003). *Making self-employment work for people with disabilities*. Baltimore: Paul Brookes Publishing, Co.
- Griffin, C., Hammis, D., & Geary, T. (in press). *The job developer's handbook: Practical tactics for customized employment*. Baltimore: Paul Brookes Publishing, Co.

## Resources Available Online

- Frequently Asked Questions About Self-Employment, Cary Griffin & Dave Hammis  
<http://www.worksupport.com/documents/FAQSelfEmployment.doc>
- Griffin-Hammis Associates -- <http://www.griffinhammis.com/>
- Self-Employment for Individuals with Disabilities -- Online Seminar with Cary Griffin  
<http://www.t-tap.org/training/online seminars/griffin/griffin.htm>
- Small Business and Self-Employment for People with Disabilities -- Office of Disability Employment Policy at: <http://www.dol.gov/odep/pubs/ek00/small.htm>
- Social Security Considerations for Small Business Owners with Disabilities, 2nd Edition, 2002 -- Developed by: Griffin Hammis Associates, <http://www.t-tap.org/training/online seminars/griffin/smallbusiness.swf>
- The Small Business and Self-employment Service (SBSES) -- <http://janweb.icdi.wvu.edu/sb ses/>  
The SBSES is a service of the Office of Disability Employment Policy of the U.S. Department of Labor, which provides information, counseling, and referrals about self-employment and small business ownership opportunities for people with disabilities. SBSES, located at the Job Accommodation Network.
- United States Small Business Association -- The mission of the Small Business Association is to maintain and strengthen the nation's economy by aiding, counseling, assisting and protecting the interests of small businesses and by helping families and businesses recover from national disasters. -- <http://www.sba.gov/>

**For additional information, you may contact:**

**ODEP -- (202) 693-7880 or T-TAP, Dr. Katherine Inge, Project Director -- [kinge@atlas.vcu.edu](mailto:kinge@atlas.vcu.edu) or (804) 828-5956**

**For more information on T-TAP, please visit:**

**<http://www.t-tap.org>**



T-TAP is funded by the Department of Labor (DOL), Office of Disability Employment Policy (ODEP) cooperative agreement # E 9-4-2-01217. The contents of this product do not necessarily represent the interpretations or opinions of DOL. Virginia Commonwealth University, is an equal opportunity/affirmative action institution providing access to education and employment without regard to age, race, color, national origin, gender, religion, sexual orientation, veteran's status, political affiliation, or disability. Privacy Policy. If special accommodations or language translation are needed contact Katherine Inge at: [kinge@atlas.vcu.edu](mailto:kinge@atlas.vcu.edu) or Voice (804) 828 - 1851 | TTY (804) 828 - 2494.