Self-Employment for Individuals with Developmental Disabilities

Improving Self-Employment Outcomes – Best Practices

Full Report

Prepared for: Arizona Developmental Disabilities Planning Council

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1. Project Background and Objectives

Background

In Arizona and nationally, individuals with developmental disabilities are disproportionately unemployed, underemployed, and living in poverty. A 2013 policy brief prepared by the Morrison Institute of Public Policy reported the employment rate of working age individuals with developmental disabilities was only 20.3%, compared to the employment rate of working-age individuals without disabilities, reported at 59.9%. Given such longstanding and discouraging employment statistics, the Arizona Developmental Disabilities Planning Council (ADDPC) wishes to explore self-employment and entrepreneurship as a viable career strategy to increase opportunities for individuals with developmental disabilities to participate in the workforce.

To that end, the ADDPC engaged Partners In Brainstorms (PIB) to conduct a research study aimed at improving outcomes and increasing the rate of self-employment among individuals with developmental disabilities.

Objectives

The overall project objective is to take a comprehensive approach to identifying models, programs, strategies, partners, resources, and services to improve self-employment outcomes for individuals with disabilities in Arizona. The entire project spans a two-year period, 2014–2016, and totals seven phases.

Project Year 1 (2014–2015) consists of three phases:

- Phase 1: Work Plan
- Phase 2: Identification of Best Practices for Self-Employment Programs for Individuals with Developmental Disabilities Across the United States
- Phase 3: Identification and Analysis of Self-Employment Services in Arizona

Project Year 2 (2015–2016) consists of four phases:

- Phase 4: Focus Groups
- Phase 5: Statewide Survey
- Phase 6: Final Report and Executive Summary with Actionable Recommendations
- Phase 7: Community Forums

Phase 1, preparation of a comprehensive work plan, was previously completed and the work plan approved. This report documents Phase 2 of the study, presenting the findings from a
nationwide examination of self-employment programs for individuals with developmental disabilities in order to identify best practices.

The objectives for Phase 2 were as follows:

- Identify leading programs aimed at supporting self-employment among individuals with disabilities by providing business development and entrepreneurial assistance.
- Compile and analyze identified best practices, as well as potential barriers to success, of the selected programs to glean insights into what works and what doesn’t.

**Methodology**

Interviews were conducted with key staff of leading self-employment programs and organizations nationwide that provide assistance to individuals with disabilities interested in starting a business. The purpose of these interviews was to discuss their experiences and insights to better identify best practices in self-employment programs.

Based on discussions with the ADDPC team, an extensive literature review of research and case studies, and conversations with experts in the field, a total of 12 program administrators and other key individuals were selected as potential interviewees, representing 11 programs or organizations. Working with ADDPC, PIB developed a detailed discussion guide of key questions. The interviews took place between December 2014 and March 2015, and were conducted by telephone, with each interview lasting approximately one hour. All quotes contained in this report, unless otherwise specified, are taken directly from those interviews.

The table on the following pages shows the organizations and programs represented by the interviewees:

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<td>Small Business Administration – Arizona District Office</td>
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<td>STARTUP-FL</td>
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<td>Syracuse University, Burton Blatt Institute – STARTUP-NY</td>
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The Organization or Program and the Individual

From the literature review and interviews in Phase 2, it became apparent that a discussion of best practices related to self-employment among individuals with disabilities should address the two major players separately—i.e. the organization or program assisting individuals seeking self-employment, and the individual with developmental disabilities seeking self-employment—because there appears to be a different set of best practices for each.

While the success of each affects the other, they rely on different factors for success. Consequently, this report discusses the best practices and barriers to success for organizations and individuals independently.

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<td>Virginia Commonwealth University – Work Support, STARTUP/USA</td>
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2. Findings

START-UP Initiative Led the Way

Many of the leading programs and organizations related to self-employment for individuals with disabilities based their current efforts on the findings from the Self-Employment Technical Assistance, Resources, and Training (START-UP) grant project. In fact, of the 12 selected interviewees for the ADDPC project, 7 individuals have a direct connection to the START-UP project. For this reason, PIB spent considerable time researching the results from the START-UP project.

Background

START-UP was a national initiative and three-year grant program initiated in 2006 by the Department of Labor’s Office of Disability Employment Policy (ODEP). The program’s focus was to assess how to make self-employment a viable option for people with disabilities.

Three states—Alaska, New York and Florida—were selected to pilot models for assisting individuals with disabilities to start businesses. The grant also funded the creation of START-UP/USA, a national project headed by Virginia Commonwealth University that provided intense technical assistance to the state grantees as well as individual potential entrepreneurs through its website, webinars, fact sheets, and case studies. START-UP/USA also collected outcome data from the three state grantees, and culled information from each state’s individual progress and experiences to identify policies and practices that supported or made it difficult for individuals with disabilities to become self-employed.

Each state had its own distinct model and collaborative group of partners focused on making the effort successful. The groups were made up of key stakeholders representing advocacy groups, small business development, university programs, and rehabilitative, training, and employment services for individuals with disabilities. Following is a list of the partners for each state grantee program.
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<th>START-UP Grantee</th>
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<td>• Alaska Division of Vocational Rehabilitation</td>
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<td>• University of Alaska</td>
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<td>• Small Business Development Center</td>
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<td>• Alaska Mental Health Trust Authority</td>
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<td>• Employment for All (EFA)</td>
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<td>START-UP/Florida</td>
<td>• Workforce Florida, Inc.</td>
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<td>• Agency for Persons with Disabilities</td>
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<td>• Florida Division of Vocational Rehabilitation</td>
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<td>• Griffin-Hammis LLC</td>
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<td>• National Disability Institute</td>
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<td>START-UP/New York</td>
<td>• Burton Blatt Institute at Syracuse University</td>
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<td>• South Side Entrepreneurial Connect Project and Incubator of the Walt Whitman School of Business at Syracuse University</td>
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<td>• Institute for Veterans and Military Families</td>
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<td>• Onondaga County Office of Economic Development</td>
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<td>• Office of Vocational and Educational Services for Individuals with Disabilities, New York State Education Department</td>
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Partners In Brainstorms, Inc. – ADDPC Phase 2 Report – June 30, 2015
Best Practices for Self-Employment Programs for Individuals with Developmental Disabilities
Findings from the START-UP Program

Creating a Collaborative Group

According to the START-UP program’s final report published in 2013, Self-Employment for People with Disabilities, all three state grantees used a general approach that shared the following characteristics:

1. Established a consortium to develop the program, typically involving:
   - State department of labor (associated with U.S. Department of Labor)
   - State vocational rehabilitation (VR) agency (associated with U.S. Department of Education)
   - Small business development centers (SBDCs) (associated with the Small Business Administration)
   - Advocacy groups
   - Universities

Many interviewees noted that, when creating a group of collaborators, it was important to find the “natural partners”—organizations that share a similar mission and are working within the field of aiding individuals with disabilities. Finding organizations that share related issues and concerns makes it easier to join efforts and derive benefits from a broader network and more resources.

2. Developed, trained, and implemented a curriculum for counselors and people with disabilities in:
   - Discovery assessment process for self-employment readiness
   - Support in developing a business plan
   - Support in obtaining financing
   - Support in carrying out the business plan

Crucial to each program’s success was the training that was provided. The START-UP grantees recognized that training was needed for two types of assistance providers, VR agencies and business development providers. Each program provided training and curriculum to both service providers and business development providers. The training empowered assistance providers to be more helpful by helping them become more informed. They were made aware of resources (financial and non-financial) available to the individuals they were assisting, and were able to guide them in the right direction.

Additionally, the states incorporated an assessment process for individuals expressing interest in self-employment. The assessment process provided insight into the
strengths, limitations, and interests of the individual with disabilities; helped determine whether self-employment was a viable option for that individual; and often served to provide direction for individuals regarding industries for which they might be suited. Counselors were trained in administering these assessments. When the assessment process was completed and self-employment was identified as a viable outcome, VR counselors were able to connect individuals with business development specialists and other resources to help them become self-employed. The VR counselors, business development specialists, and others worked closely with the individual in a team effort.

3. **Provided direct assistance to individuals with disabilities**

The programs involved in START-UP concurred that their success was due to the collaborative nature and team effort that was organized around each individual client. Direct assistance was given to the clients at each step of the process, from the VR agency’s support for those expressing an interest in self-employment, to the business development specialist’s assistance in building a business plan.

**Customized Employment**

All three START-UP states used a *customized employment* strategy as the model for assisting individuals with disabilities in deciding whether to pursue self-employment or entrepreneurship. The model is different from a typical VR approach because it is client-directed rather than employer-directed, focusing on the talents, interests, and personal assets of the individual, including business expertise, connections, high-comfort and low-comfort situations, etc. The state grantees specifically utilized a “discovery” process, which is an in-depth assessment created by Griffin-Hammis Associates, an interviewee in this study and a START-UP partner.

The Office of Disability and Employment Policy (ODEP) defines customized employment as follows:

- “Customized employment is a flexible process designed to personalize the employment relationship between a job candidate and an employer in a way that meets the needs of both. It is based on an individualized determination of the strengths, needs, and interests of the person with a disability, and is also designed to meet the specific needs of the employer. It may include employment developed through job carving, self-employment or entrepreneurial initiatives, or other job development or restructuring strategies that result in job responsibilities being customized and individually negotiated to fit the needs of individuals with a disability. Customized employment assumes the provision of reasonable accommodations and supports necessary for the individual to perform the functions of a job that is individually negotiated and developed.” (Federal Register, June 26, 2002, Vol. 67. No. 123, pp. 43154–43149)
**Paths to Self-Employment Before and After START-UP**

According to the *Self-Employment for People with Disabilities* report, one of the most significant findings of the START-UP program in all three states was that the current workforce development system and state VR agencies were not oriented toward supporting entrepreneurship and self-employment for individuals with disabilities, but instead emphasized wage employment. In the majority of cases when individuals with disabilities expressed interest in self-employment to the VR agency, they received little support from the agency and were guided back to wage employment options. If these individuals went out on their own to seek assistance from business service providers, they experienced discouraging results due to lack of support or resources.

The following three charts, reproduced from the *Self-Employment for People with Disabilities* report, depict the processes that an individual can encounter when seeking self-employment through VR services; the third chart compares the trajectory after findings and best practices from START-UP are implemented.

Chart 1 shows the typical process of an individual with a disability seeking employment through a VR agency. The agency providers have no entrepreneurship training or business knowledge, so the option of self-employment is not suggested or supported. Also, the providers have limited knowledge of resources or help available to the client, and typically guide the individual back to the traditional and more familiar track of seeking wage employment.

- “If someone with a disability went to their VR counselor, the VR counselor, I think 99.9 percent of the time, tried to redirect them and not even talk about self-employment as an outcome. I think we have like one case closed in the five years previous to us starting our program. Not because people weren’t indicating they wanted it, we just were not providing it. But if the counselor couldn’t talk someone out of it or redirect them, they’d say well, you should go to the Small Business Service Center, you should go here, you should go there. Here are resources because we really can’t help you with that. We don’t think that that makes sense for you as an individual, or however they worded it, and would send the person off into the wilderness. And did that work? No. And then they came back to VR and ended up with whatever other services were provided. And it’s not because those resources aren’t good or they don’t have good materials, or they don’t have good access to get information.”
Chart 1. General Path to Employment for Individual with a Disability

1. PWD Enters Public Workforce System
   
2. Agency Assesses Needs to Support Employment
   
3. Agency Provides Training and Guidance to Prepare Individual for Employment
   
4. PWD Applies for Jobs
   
Wage Employment Oriented

Chart 2, on the following page, shows the path of an individual who is already interested in self-employment and chooses to progress along the path utilizing resources that are available through business services providers. However, without sufficient support, START-UP grantees saw only limited success for these individuals, with most returning to the wage employment path.
Chart 3 shows the path toward a successful outcome for individuals with disabilities seeking self-employment. The VR counselors are educated in entrepreneurship training and are aware of resources available to the client, and the client engages in a discovery assessment conducted by the agency. Moreover, the idea of self-employment is encouraged and supported. The business service providers are trained to work together with the VR counselors and collaborative team, and the individuals are supported throughout the entire process by a business team.
“What we discovered is the individual needed someone working with them through that process. And the support that a person needs may be very similar for a person that has a disability versus a person that doesn’t have a disability. What we discovered, though, especially with our individuals with significant disabilities and developmental disabilities, they were not going to be able to access those resources and be successful independently. They needed a program that could pull that together and like I said kind of help guide that process.”

Chart 3. General Path for Individual with a Disability Seeking Self-Employment after START-UP
Success Factors for Organizations and Programs

The interviews conducted with leaders within the field of self-employment for individuals with disabilities revealed that four areas were crucial to an organization’s or program’s success in assisting individuals with disabilities seek self-employment. These areas are structure, network development, process, and outcome measurement. Following is a discussion of best practices for each area.

Structure

Set well-defined goals and objectives.

Interviewees noted that, when creating an organization or program for individuals with disabilities who are interested in seeking self-employment, it is imperative to agree upon and set goals for both the organization and the client. Many stated that expectations should be established early on, and one interviewee noted that the organization had struggled with not having a clear understanding of their clients’ financial goals, which caused confusion. Several interviewees stated that it is beneficial for the administrative board to meet and define the organization’s mission and desired outcomes as part of its development process. The biggest hurdle was determining whether the goal of the program was to provide individuals with supplemental income or income for complete self-sufficiency.

- “Everyone has different models of business, so you have to be very clear in identifying what the outcome is. Is the outcome complete self-employment or self-sufficiency? Or is it augmenting public benefits? That makes a huge difference and needs to be decided upon up front.”
• “If we could go back and do it over again, I would want to spend more time planning, set the expectations and lay things out at the beginning.”

• “As a funder, if you are looking for external funds, you have to have clear deliverables in terms of benchmarks. This can be very difficult to show when you’re trying to set up people in business.”

• “We have two kinds of self-employment tracks. We have the regular, what I call traditional self-employment where the objective is for the individual to become financially self-sufficient or at least eligible for closure under federal law, which means that they have to earn at least minimum wage for the number of hours they work. And then we have people with severe developmental disabilities in a program called supported business enterprise which is only eligible to people who are eligible for supported employment. And the bar is a little different, the goal is not to become financially self-sufficient, although it’s great if you can, but in that track the individual has to be able to generate enough revenue to at least cover expenses. So our versions of success can vary.”

Gain support from high-ranking administrators.

Several interviewees noted that it can be difficult for organizations and programs to obtain buy-in from service agencies, including VR, until they have assurance from high-ranking agency or department officials that self-employment is recognized as a viable outcome for individuals with disabilities. The majority of interviewees stated that finding a champion in a key administrative role played a significant role in the development of their programs and in gaining support from other organizations and agency staff.

• “We had incredible support from up high. The chief of VR was committed to self-employment and customized self-employment, so he was able to champion our mission. This was integral to our success.”

• “You have got to get the highest level people in the various government agencies involved to be absolutely gung ho excited about the program. It can’t be lukewarm or ‘eh.’ They have to really be able to get up in front of all kind of state and regional meetings and talk about how excited they are. I think one of the biggest obstacles, and this is from when we started to this day, is field staff. There is nothing less entrepreneurial than a government employed social worker.”

Find “natural partners.”

Successful programs are organized as collaborations among many different agencies. A review of START-UP programs showed that most of the models reflected partnerships among key state entities; in Arizona, their equivalents would be the Division of Vocational Rehabilitation, Developmental Disabilities Administration, and the Governor’s Council on Disabilities and Special Education. External entities such as major institutions of higher learning and advocacy groups were also involved.
Interviewees noted that they identified “natural partners,” organizations that were already part of the disability services or business development networks and shared similar missions, so it made sense to bring them on board to join forces in a collaborative effort. They also involved many of these organizations in their planning process or advisory roles. Involving these organizations fortified support within the networks and helped to increase referrals.

**Develop professional and committed staff.**

Finding the right people to staff the organization was imperative to success. Leaders in the field agreed that choosing their staff was one of the essential elements for program success, and that one of the key attributes for a staff member was that they be adept at business topics and passionate about the program’s mission. Several mentioned that their programs had an unstable beginning because they did not have the “right person for the job.”

Most of the interviewees reported that their staff consisted of paid employees; one program was staffed by volunteers.

- “They have to be part social worker and part businessperson, and most importantly they have to love what they’re doing and believe in it.”
- “What we have found is that you need a staff who is dedicated to self-employment, who understand the local resources, have connections with folks like the SBDC or Economic Development Department and lenders.”
- “You have to have staff who can teach complex tasks using a systematic instruction strategy, something that’s heavy on method and understanding reinforcement.”
- “I would recommend hiring someone who understands small business; you can’t expect that of a VR counselor who maybe has always worked for the government that won’t know how; contracting with those folks has been crucial.”

**Network Development**

**Leverage existing business development network.**

Many service organizations and business development providers have similar missions; it is important to utilize related organizations without “reinventing the wheel”. The trend amongst successful programs which service individuals with disabilities who are seeking self-employment is that they work closely with the business or economic development service providers in their local geographic region. The most frequently used organization was SCORE and the SBDCs. Interviewees stressed that maintaining a healthy relationship with excellent communication was critical to success.

- “One of the first things that we did was engage our stakeholders and do mapping, which is a beginning level task. You have to ask, ‘Who is available? What are the resources
they bring? What are their vested interests? What are their challenges? What are their experiences working with people with disabilities?”

**Align mission with other service providers.**

When forming organizations or programs, many interviewees noted that they initially met with network providers to align goals and missions to assure that self-employment for individuals with disabilities was an overarching goal. Some mentioned that it would be beneficial to create consortiums and meet regularly to address goals and activities in order to stay abreast of others’ progress within the network. Having a general assembly or group of service providers would increase networking opportunities, open communication channels and aid in building support for self-employment.

- “You cannot do entrepreneurship development in a vacuum because people with disabilities have such complex lives. They touch on so many systems, whether or not it’s the disability entitlement system, food stamps, supportive housing or the treatment systems. So there’s so many factors impacting on their lives, helping folks to address how these intersect with a disability is really important. So from the beginning, we connected with benefits advisement so that early on, people would talk to the navigator at our center and get a better understanding of what kind of benefits they were on, and then get referred on over to the local benefits advisement person so that they sort of knew from the beginning how income could affect whatever benefits they were on. So the important piece is communication and all being on the same page.”

- “You have to bring all the developed service organizations to the table and agree on priorities.”

**VR counselors and business development specialists require training.**

Customized staff training and curriculum is needed to deepen the support and assistance that individuals with disabilities require when seeking self-employment. The overwhelming majority of interviewees said that VR counselors need to gain business knowledge and gain skills in utilizing the customized employment approach. This knowledge allows them to take a more active role when assisting clients in their self-employment journeys, especially in regard to administering an initial assessment. Business and customized employment training not only help VR counselors refer individuals to appropriate self-employment organizations/programs and other resources, but also instills confidence in the counselors to be able to assist clients themselves in an expanded capacity.

Additionally, it was stated that it was just as important that business development specialists deepen their understanding of the additional supports and resources needed when assisting individuals with disabilities. Business development specialists especially need to be aware of funding sources and disability benefits. They also benefited in learning how to work on a business team with other service providers which are centered around the individual.
Many of the leading programs engage their vendors in a thorough training process that provides them with a certificate, resources, and curriculum helping them become skilled in assisting individuals with disabilities seek self-employment. This training is typically taken by VR counselors and business development specialists. One of the early implementers of this type of program was START-UP/Florida. The training, CBTC Certification, is a 10-week certification program for self-employment providers. An interviewee explained the program in more depth:

- “The course basically covers the importance of developing a business plan and goes into depth about learning the components of a business. We also cover where you can go for assistance and resources. The course details the discovery process- how to discover personal genius, the importance of really having solid business concepts developed. It really helps give people kind of an idea of what the component of helping individuals who experiences a disability consider self-employment is.”

- “What we have found is that our folks need more support, especially with understanding their benefits. The SBDC didn’t understand funding sources for individuals with disabilities.”

**Gain trust and support of service providers.**

Some service providers may have attitudinal barriers and may not consider self-employment a viable option for individuals with developmental disabilities; however, it is highly important to gain their trust and support within the network for a self-employment program to be successful. The majority of interviewees reported that sharing success stories was highly advantageous when developing trust among the organizations participating in the network and gaining support. They had to “see” that it was possible that individuals with disabilities could be successful starting their businesses. See Appendix A for examples of START-UP/New York’s success stories.

- “I think we constantly have to reaffirm, share success stories, share examples, demonstrate that yes it can be done and here’s what it looks like to continue to get the buy-in.”

- “You have to create an awareness program to show people that self-employment can be successful. You have to change people’s perceptions.”

**Process**

**Utilize a “discovery” process initially to determine the feasibility of a project.**

A discovery process is an assessment that helps the individual with a developmental disability gain a deeper understanding of his/her skills, capacities, and business concept. It helps to refine the business idea based on the individual’s strengths and interests. A discovery process was used in each of the START-UP programs, and the majority of organizations and programs that
were interviewed incorporated a discovery type assessment for each client. Research based on the START-UP/Alaska findings showed that clients who went through the discovery process were more likely to launch than those that hadn’t (Heath et al. 2013). Overwhelmingly, interviewees lauded the implementation of a discovery process in a self-employment program geared toward individuals with disabilities. They also stated that a key to success was the ability to be adaptable and responsive to each individual’s needs, and that this capability was what set them apart from other technical providers. See Appendix B and C for process examples from START-UP/Alaska and START-UP/New York, respectively.

- “I saw that discovery was a huge help for people that didn’t know what they wanted to do. It helped them to solidify and figure out how to best operate their business. It’s a great way to explore career options. It can definitely help some people.”
- “I talk a lot more people out of going into business than I help go into business, which is just as much a success as the other. Owning a business isn’t for everyone, and it’s better that they figure it out up front.”
- “We have to know our strengths and weaknesses, we have to forget our weaknesses, but focus on our strengths- that’s part of evaluating the resources.”
- “We run a person through a variety of activities that help us understand their skills and the tasks that they know how to do or can learn, the kind of supports they need, and things to avoid in their life. Then we drill down and find three vocational themes that are really like large categories of jobs. We expose the person to the fact there are unlimited ways to make money tied to that theme, tapping into the community and showing them that they can make a living. It’s a rigorous system but from it, we get really good information. We’re able to seeing what supports are necessary, what the instructional strategies are and proper conditions for success.”

**Maintain extensive knowledge of funding sources available for individuals and their impact on the individual’s other benefits.**

Finances pose a potential challenge for individuals with disabilities who are seeking self-employment. The two main sources of concern, according to interviewees and research are:

1. Finding funding to start a business
2. Understanding how potential income from a business would impact an individual’s benefits.

Interviewees stated that higher success rates occurred when service providers and business development specialists had extensive knowledge of funding sources specific to individuals with disabilities. Many of the programs worked with individuals to utilize the Social Security Plan to Achieve Self-Support (PASS) program. According to the Social Security website, PASS is “an SSI provision to help individuals with disabilities return to work. SSI eligibility and payment amount are based on income and resources (things that the individuals owns). PASS lets disabled individuals set aside money and/or things he or she owns to pay for services need to achieve a
specific work goal. Applicants can purchase supplies to start a business, equipment and tools, etc.”

Also recognized as a best practice is ensuring that service providers are well versed on benefits and the effects of self-employment on the individual’s existing benefits. Interviewees stated that many of their programs worked closely with benefits counselors to help the individual understand their financial goals and how their benefits would be impacted. Several interviewees mentioned that they worked extremely close with their local Work Incentive Planning and Assistance (WIPA) office, as well.

Some of the organizations/programs which were interviewed had funds within their organization which were able to the clients as a grant. Interviewees stated the ideal situation (if possible) was for the organization/program to have their own source of funds to lend out or to give clients.

- “Most of clients are not bankable, so we really push PASS plans. I’m waiting for the day when bankers are going to want to work with our clients but until then, we do the best we can.”
- “My biggest advice is get to know your PASS cadre. I work so closely with them because we have the same goal- to get individuals off of benefits who have the capacity to do so. Their life will be better, and the community prospers more, it’s as simple as that.”

Incorporate use of business plans.

Interviewees generally differed in the types of business plans they used, but agreed that business plans aided individuals in the planning process. They also noted that the business plans were not necessarily traditional in form and could be quite short because it is important to permit flexibility in the format based on the individual’s capacity and need.

Interviewees varied in how they handled the writing of a business plan. Following are some examples and remarks from the interviews:

- One program used the SBA business plan template and worked closely with SCORE to write the plan. They used SCORE counselors who had to review the individual’s plan and “sign-off on it”.
- Some organizations/programs implement courses that help individuals write business plans. The courses are basic and include topics such as “How to Write a Business Plan”.
- A few organizations/programs work closely with business technical providers like SBDC to help the individual write the plan.
- One program has a review committee of outside community members who meet monthly to review individuals’ business plans. The committee includes a business attorney, commercial lenders and an assistant director of a Rehabilitation Service Commission.
• “We believe in a rigorous business plan, not because business plans predict the future, but because it makes us think about the future and helps us make decisions about the viability of the business.”

• “Our business plan program is not just about writing a business plan. It’s helping a person get to a place where they can actually, confidently take their competencies and translate those into a successful business.”

Outcome Measurement

Develop system to track outcomes.

While many interviewees reported that tracking outcomes was often more of a challenge than a success, the majority noted it was highly important to do so. Interviewees responded to varying degrees of how they captured data, but most had to rely on follow up phone calls. The difficulty in tracking outcomes seems to lie in deciding what outcomes are desired. Many leaders of organizations/programs were adamant of setting up a tracking system at the beginning. They also mentioned that it was important to make sure the client was aware of the process from the beginning and privy to what type of information would be collected.

Identify and define milestones.

Many of the interviewees said that they used milestones as a way to track outcomes and successes. Most organization/program leaders agreed that the following data is important to track:

- Business start, obtainment of license
- Recorded one sale
- Recorded profit
- In business for any pre-determined length of time

Milestones also helped the organizations/programs share successes with other agencies in the network to gain support, and the success stories also helped raise awareness of their services.
Success Factors for Individuals with Disabilities

The following points were identified in interviews as being highly important for a successful outcome for an individual with a disability who is seeking self-employment:

Choose/design business to be individual-driven, engage in a discovery process.

Several interviewees noted that an individual’s success was largely due to the connection that the individual had with the business concept in relation to his/her capacity, interests, skills, and resources. Interviewees noted that the discovery process was instrumental in helping the individual assess these elements to discover if the business was viable or not. Utilizing a discovery process at the beginning of the process increased clients’ degree of success with the businesses.

- “A lot of the businesses that have been organized around people with disabilities-the idea has come from someone else and the idea doesn’t pertain to the person. It’s
usually market-driven, rather than a person driven idea. It’s not someone in a group home saying, ‘Ed did a really good job making cookies last night, so he should start making them and sell them at the farmer’s markets on Saturdays. That’s a really bad way to go at business development.”

**Determine feasibility of project.**

Based on discussions with interviewees and research, it appears that many of the clients who are seeking self-employment have no shortage of excitement about their concept; however many seem to lack an understanding of the business’ actual feasibility as a successful, viable source of income. For this reason, interviewees resoundingly support an initial assessment process in which a business development specialist or VR counselor helps to paint a picture of the business’ feasibility. This process helps to align the individual’s financial needs and goals, in relations to their strengths, assets, and limitations. Often times the assessment period is linked with the discovery process. Sometimes during this process individuals realized that they actually do not want to go into business.

- “At the beginning of our process, we implemented something called ‘entrepreneurial awareness’ which helped people figure out how their business could be viable and feasible in their life. And so by helping individuals discover more about that occupation, more about the capabilities that are needed, more about the market, more about the financing, more about the support they have in their lives and who can assist them, oftentimes, we found, that they get to the point of lifting off and say, ‘you know, now that I understand what it is to own and operate a restaurant, and what my skills are, and I’ve done the research on the restaurants in this area that I would compete with, maybe I don’t really want to operate a restaurant’. Maybe what I can do even better is to become an excellent caterer or wholesaler to other restaurants. So you help folks to identify and discover their skills and their gifts, their capabilities, and really to research it.”

- “So we start with the financials, because in that process I get to ask a lot of questions about what their understanding of what it is to run a business, how much money they want to make, what they think they need for equipment, tools or inventory, and what type of training. In every business situation, no matter what the level of the cognitive competency is of an individual is-usually, they have paid a lot of attention to the service or product that they’re excited about, but they’re clueless as to the financing or the pricing or some of the other elements.”

**Increase general business knowledge and develop business plan.**

Based on findings and experience, interviewees voiced that many of the individuals with disabilities who were seeking self-employment required training and education in basic business knowledge. Several organizations/programs utilized varying tactics to increase individuals’ basic business knowledge. Examples included incorporating the use of online resources, developing basic business classes, courses and curriculum, and utilizing network
partners’ services and courses like those of SCORE and the SBDC. Specifically, interviewees agreed that the following actions helped to improve business knowledge for individuals with disabilities:

1. Go through process of writing a business plan.
2. Work one-on-one business technical provider.

**Find the right supports and develop a “business support team.”**

Interviewees were in total agreement that creating an extensive support group around individuals with disabilities who were seeking self-employment was absolutely necessary. This component was referenced numerous times throughout the interviews as a significant determinant in an individual with disability’s success as an entrepreneur.

Many organizations/programs implemented teams made up of a variety of people to support the individual including family members. Some referred to these teams as “business teams.” The majority of interviewees relayed that it was imperative to determine the individual’s needs at the beginning of the assessment process. During this time, areas where the individual needed extra assistance or support were identified. The initial exploratory phase is appropriated as a time to identify resources which were available to them including, people. Some programs required that the team members sign commitment letters, stating their promise to fulfill their role as team members.

Additionally, in terms of support, interviewees also cited that clients experienced a higher rate of success when engaged with mentors from similar businesses or within peer groups of other individuals with developmental disabilities who are business owners. Several organization and programs have monthly groups meetings to share stories and support amongst entrepreneurs with disabilities.

- “A client’s success is contingent upon their team development. Our requirement was that they had to come with a support person. Having them come with a support person was more important than anything else. We had them sign commitment letters which outlined what they would be asked to do. Usually it was a family member. We walked them through the whole process of how long it would take.”
- “The power of peer support and the power of connecting peers to each other to assist each other in technical as well as individually supportive ways we know helps recovery. We all can agree that it’s better in a workplace when we have people that can support us. We started a monthly networking meeting where individuals who were involved in our program could get together for lunch and talk business and exchange some of their challenges and successes and help each other out.”
- “I would definitely advocate for any person with a disability to have an unpaid staff person there at all the meetings who says, ‘Yes, I am here and committed to helping this
person. I think any business person needs a person to help them, whether it’s for accounting or taxes or emotional support. It’s a team effort.”

• “I’ve seen that it ends up being a family business. In order to make it successful the whole family has to be involved, because maybe that person doesn’t drive. The family will help drive or help out in another substantial way. There has to be incredibly strong infrastructure around the person.”

• “Generally, what we do is we have a team, an interdisciplinary team, around the person that the person has been sort of direct in pulling together. If I’m working with, let’s say, a kid of transition age, you want their family and their teacher and their VR counselor and the adult agency that’s going to pick up support after graduation, I want them all in the room. And individually we will craft a means for this person to be employed. It’s really the only way we’ve found that works.”

• “One of the big components is having what’s called a business design team. And that goes to kind of all the individuals that surround that person, kind of modeled maybe a little bit after the circle of support idea. We really embrace the model that you need a team and as you move through the process, you determine who else needs to be a part of that team for one person. Whether it’s family members or friends or whoever, and then having the self-employment specialist type person, that really has a background, training, and understanding of self-employment and can help pull that team together. Also, it might be other business owners that operate similar businesses to what their business concept is. It might be someone needs an accountant on their team, or it might mean they need another self-advocate on their team. But it just depends on the business because they’re all so individualized. So having that person that’s going to kind of take the lead with the individual is so important.”

Provide follow-up on ongoing support.

Several interviewees stated that individuals with disabilities who had started a business would have better success in the long run if they were able to receive ongoing support and assistance after the business launch. They stated that while a business may be started, that does not signify that the business would be able to be sustainable. Interviewees stated that it was important to be able to provide follow up with clients after they had started their business.

• “Businesses usually don’t fail at startup, at least not businesses for people with disabilities. They fail after people get established and the system starts to emancipate, which is what it ought to do. The problem is that equipment wears out, markets change, there wasn’t a robust business plan done, families get tired, people get tired. So being able to step back in, and this is a problem because the system wants to be rid of people; they want to, like I said, emancipate people. But we’ve got to work on that because we know that, at least in our work when there’s a business failure, it’s because somebody didn’t provide long term follow up support and a lot of people and a lot of families don’t really have access to that.”
3. Potential Barriers to Success

For Organizations and Programs

Misconceptions among support service and technical assistance providers.

According to the interviewees, many service providers harbor misconceptions that individuals with developmental disabilities lack the capacity to run a business. Interviewees communicated that within the field of employment services for individuals with disabilities, there is a culture that does not see self-employment as a viable outcome. This causes an initial mistrust of an organization/program whose mission is to aide individuals with disabilities who are seeking self-employment.

- “There are a number of vocational rehabilitation counselors who are kind of working under the idea that most self-employment efforts are not successful and that it’s a challenging use of time and resources to invest in self-employment because it can be expensive with a low success rate. But that’s not necessarily true, it isn’t true if the person is given the right opportunity.”
- “What we’ve been experiencing was VR counselors were more and more biased self-employment didn’t work. They were scared of a self-employment case that it would go on forever and spend a lot of money and never get a good outcome. There was just a lot of fear based on making decisions.”

Limited business knowledge among support providers.

Support providers, including VR counselors, lack business/entrepreneurship skills. Therefore, when an individual with a disability has questions about self-employment and starting a business, VR counselors struggle with being able to help the individual. Additionally, according to interviewees, they typically possess limited awareness of self-employment resources or tools available. The counselors are not able to refer individuals to the respective business development agencies. In combination, these factors contribute to creating reluctance amongst support providers to assist with or refer self-employment as an option to individuals with disabilities.

Duration of time before change is seen.

Many interviewees stated that a daunting challenge they faced while creating an organization/program that assists individuals with disabilities in seeking self-employment was the amount of time it took to see change, especially within the service provider network. Several interviewees relayed that obtaining “buy-in” from the VR counselors could take a long time, due to employee turnover and an established culture of not supporting self-employment.

- “It just takes time; it’s not something that’s going to happen overnight. We did START-UP for five years and all three states had varying successes. It just takes time to actually change systems, but you have to be patient.”
Outcome measurement and data collection.

Many of the interviewees noted that collecting outcome data could be extremely difficult, for several reasons:

1. Due to the nature of small business, it was hard to prove whether a business was “successful”; therefore, defining metrics could be trying. Although a business may start, it could close within a year. Sustainability is hard to measure.
2. Clients were not always comfortable sharing their income/expense data.
3. Once clients started their businesses, it was not always easy to stay in communication with them.
4. Data is typically all based on word of mouth from client.

- “We did milestone sheets. Collecting data is really hard. Having a wage employment is really clear, and we can tell how much you’re working, but the most challenging thing for us is determining what is the metric that shows that you are making a profit, because it depends. The typical VR metric is ‘Are they employed? How many hours are they putting in?’ It’s hard to say. The metric you might have may be seasonal. We looked for launch, did the person get a license and did they have at least one sale. Beyond that, we can call and ask questions, but it’s hard to come to, we ended up looking at quality of life and starting a business.”
- “We had trouble tracking successes, so we ended up not doing it. The ones that were successful, started. But in two years, a lot can happen so it’s tough to get an idea of the sustainability of it.”
- “In terms of vocation rehabilitation they want to see success in 90 days. But you need to find benchmarks and tracking for the program which signify more longevity and sustainability. You also have to have access to real income data, not just someone’s anecdotal information.”

For Individuals with Disabilities

Service providers may lack business skills and entrepreneurial knowledge.

Services that provide employment assistance may not have the business knowledge or skills necessary to effectively assist individuals with disabilities who are seeking self-employment. For this reason, clients are often redirected to find wage-employment. Interviewees specifically stated that although VR counselors are adept at their jobs, they typically are not knowledgeable in the basics of how to start a business. Therefore, they are often incapable of offering assistance to individuals who are interested in self-employment. These individuals are either persuaded to find wage employment or left to their own devices to find resources to help them start businesses.
**Business technical providers may have limited capacity.**

Interviewees noted that business technical providers, including the SBDC and SCORE, did not have the ability or resources to provide additional support to individuals with developmental disabilities who are seeking self-employment. Several interviewees stated that although the services were helpful, individuals with disabilities who were seeking self-employment benefitted more and had a greater chance of success when they had ongoing support. The extra support was typically found from a “business team,” including a business technical provider to work closely with family, the client, and other advantageous peers.

- “We found that our folks need more support, especially with the benefits, there are some really cool things that can happen if people have access to it. The SBDC didn’t understand the funding sources."
- “The SBDC and SCORE and other technical providers are great, but they understand business for the able-bodied world with a more traditional approach. When you add a disability, especially a significant one, they can have a difficult time with it. The accountability is different. For example if you’re blind, they might tell you to go out and do market research, but that’s difficult for someone who isn’t sighted. They understand business, but understanding how to make adjustments based on a disability challenges issues, that they can’t readily address."
- “The issue has been the ongoing support. I think agencies just – they don’t have the infrastructure built to do long term support for folks. And you’re not talking hours and hours of work generally. You’re talking a few hours in making sure that people have the support that they need to keep their business going."
- “You walk into the Small Business Administration and they have you fill out some forms on your business concept, or here’s where you can go for business loans, or after you’ve drafted your business plan, we’ll have someone from SCORE look at it and see if the bank might fund that. All that might be helpful, and it might be great to have someone from SCORE look at our business plan, but how do we even get to the point of having a business plan if I had a developmental disability? I don’t know how to write a business plan and get funding and get started to do that or market my business. But I have the skills to tell people about it and to actually build the materials and probably sell them once I’m going. You wouldn’t get the level of support that you needed walking into those organizations, that’s what we discovered with the existing resources.”

**Finding capital is difficult.**

Interviewees noted that finding financing to start a business was often one of the biggest hurdles that individuals face. Disability and poverty are often linked, and for this reason, individuals with disabilities often experience challenges when trying to find funding to start their business. Interviewees reported having witnessed many individuals with disabilities having trouble securing financing at a traditional bank due to a number of reasons, including lack of capital and experience. Many individuals have to use innovative ways to fund their business, including utilizing benefits and government incentives or non-traditional funding sources.
Several of the organizations/programs interviewed stated that they have funds available to clients; clients could apply for these through a grant-like process that alleviated this challenge.

**Feasibility of business concept may not be understood.**

Individuals can become enamored with their business idea, but fail to address the feasibility of the project. Several interviewees noted that individuals often lacked a sense of reality when it came to the viability of starting a business. Initially, the client might be excited about the business concept; however, they were unable to quantify how they would make money in the business. Interviewees stated that there was a need at the beginning of each process to analyze the business concept in relation to the individual’s financial goals and available resources.

- “It’s so important to get VR counselors to do feasibility studies for someone or for a business plan because many times the person may not understand whether he or she really wants to own a business. They say they want to own a business, but when they do a deeper analysis they determine, either they might determine that wage employment is better for them. The point is that they need to make informed choices.”
- “Most people fail in business because they’re in the wrong business. They read an article or on a whim, they want to start but little do they know it won’t fit their expectations.”

**Limited knowledge of basic business concepts.**

Interviewees voiced the belief that many individuals with disabilities were limited in their knowledge of basic business concepts. Several interviewees stated that many of the individuals were lacking skills and awareness, specifically in marketing and financial literacy. As a result, individuals were often unsuccessful in creating a significant business plan or understanding the feasibility of a business concept.
4. **Summary of Key Factors Crucial to Success**

As presented in the figure below, several integral components have emerged that appear to be crucial to the overall success of the organization or program and the individual with a disability:

- Business Support Team for Individual with a Disability
- Implement a "Discovery" Process
- Provide Training for Service and Business Providers
- Develop a Network of Engaged Stakeholders and Resources

As was previously noted, the effort to increase opportunities for individuals with disabilities to become self-employed must examine the two major players: the organization or program and the individual with a disability.

According to interviewees, two key factors in starting an organization or program that serves individuals with disabilities are:

1. Providing training for service and business development providers
2. Developing a network of engaged stakeholders and resources

Regarding individuals with disabilities, the two key factors for consideration are:

1. Developing a business support team around the individual with a disability
2. Implementing a discovery process when the individual first expresses interest in self-employment

Implementation of all four components helps ensure that individuals with disabilities are given opportunities to achieve their goals and aspirations of becoming self-employed.
References


Social Security Website, [http://www.socialsecurity.gov/disabilityresearch/wi/pass.htm](http://www.socialsecurity.gov/disabilityresearch/wi/pass.htm).


Appendix A. Examples of Start-Up/New York Success Stories

Cameo Grooming and Day Care

Heidi Grosse and her fiancé, Greg Tiemann, are retired from the armed forces and both have service-related disabilities. Upon leaving military service, they trained to become certified dog groomers, and decided to use their savings to develop a business. Grosser had begun to put together a business plan for a dog-grooming business, using a software program, but she found the program confusing. Furthermore, to qualify for veterans’ benefits, the business plan had to be reviewed by an experienced business advisor. The VA recommended the couple to the SBDC. Working closely with SBDC Business Advisor Nancy Ansteth, at the Onondaga Community College SBDC, they soon had a business plan that passed the scrutiny of the VA. They persisted again when they encountered zoning issues in connection with their contemplated building site. Cameo Grooming and Day Care opened in July 2007. The total funding consisted of $345,000: $150,000 in owner equity for building upgrades; a $155,000 mortgage held by the building owner, and $30,000 for equipment. They offer pet products for sale in their retail store, Cameo’s Curios. In October 2007, Cameo Grooming and Day Care was honored by the Syracuse Chamber of Commerce as Economic Champions of Central New York. Says Heidi Grosser, “Many thanks to Nancy Ansteth and the SBDC for all of your help with our business plan. You made a confusing process much easier.”
Phillip Moore was one of the first participants of the Start-Up NY Program. He has reopened his family-owned business which focuses on auto detailing and repairs. In the heart of Downtown Syracuse, Moore’s business is a sole proprietorship marketing to individuals and businesses in the Syracuse University area. Within 2 miles of his business location are Crouse Hospital, SUNY Upstate Medical University, Syracuse University and all the small businesses surrounding each.

This business was started by Mr. Moore’s family over 40 years ago. Operation was suspended for a short while as the owner examined several options for continuation and expansion. He has now identified reliable, competent mechanics with whom he can rebuild the shop.

As a participant of the Start-Up NY program, Mr. Moore has been able to access financial assistance. By working closely with the SBDC Advisor as part of this program, he has been able to complete his business plan which he has presented to VESID with a request for assistance acquiring tools and equipment for updating his shop. Moore’s Detailing & Service Center continues to thrive, building on its reputation and on the quality of service it delivers.
Appendix B. Example of Client Process from Start-Up/Alaska

Stage I

- Recruit participants
  - Consent/Assent Form
  - Assign code
  - Demographics & Work History Questionnaire

Orientation to Customized Self-Employment for Participants and Supports

- Perceptions on Self-Employment Survey
  - Participants & Supports
- Quality of Life Questionnaire
  - Participants Only
- Program Orientation
- Training Satisfaction Survey
  - Participants & Supports

Do participants want to continue?

Yes → Go on to Stage II
Best Practices for Self-Employment Programs for Individuals with Developmental Disabilities
Appendix C. Example of Client Process from Start-Up/New York

**STAGE I**
Entrepreneurial Awareness
- Orientation and business concept development
- Self-assessment, Team Building & Discovery
- Go/No-Go decision

**STAGE II**
Nascent Entrepreneur
- Benefits & Financial Planning
- Market research
- Business Concept Development
- Business training
- Networking

**STAGE III**
Early Start UP
- Business planning
- Market research
- Financing/accounting

**STAGE IV**
Sustained Growth
- Profitability
- Expansion
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