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Self-Employment: Another Road to Self-Sufficiency for People with Disabilities



The microenterprise industry was not created by guidelines in a Federal Register or upon the decrees of a distant state capital. It arose instead in a variety of settings, independent in need, yet independent in action. Its birthright is local, in places such as the inner city of Chicago, the big sky country of Utah, the eastern shores of Maryland, and among the great pines of Maine. Program methods vary with local customs and markets, yet the message is always the same - building individual self worth and financial equity¹

One of the most pervasive stereotypes about self-employment is that it requires a business owner to be the "go out and make it happen on your own" type of individual, the one who succeeds without ever asking for or needing a helping hand—the quintessential owner of the American Dream.

Considering the viability of self-employment as a means to economic empowerment for individuals with disabilities, case studies and real world examples can and do prove the stereotype wrong. With appropriate business planning tools and qualified service providers who can facilitate access to credit, people with disabilities are proving that they can be successful business owners and contributors to their own economic future.

Iowa's Entrepreneurs with Disabilities (EWD) Program is a case in point. Iowa's EWD Program combines skill development, individualized technical assistance services, and equity grants to help disabled entrepreneurs plan for sustainable businesses that result in financial self-sufficiency and, ultimately, gains in individual and household asset levels. Now in its ninth year of operation, the program has helped more than 249 entrepreneurs with disabilities to establish businesses. The program boasts a measured, business sustainability rate of 86%—outperforming even the most optimistic mainstream business success rates measured on business sustainability, jobs created, and asset increases. Of those sustained businesses operated by people with disabilities, approximately 30% now employ other people with disabilities—a value-added benefit. Iowa's experience demonstrates that with proper planning, people with disabilities are at least as likely to succeed and benefit from business operation as those without disabilities.

Despite successes like those demonstrated through Iowa's EWD Program, individuals with disabilities continue to experience attitudinal and systemic barriers to business development. The 1999 Entrepreneurship Committee of the Presidential

Task Force on Employment of Adults with Disabilities identified lack of supportive expertise as a significant barrier to successful self-employment for people with disabilities:

"People with disabilities often lack information on how to start a business or write a business plan. Existing programs for people with disabilities frequently do not support or encourage self-employment and entrepreneurship, and programs promoting self-employment and small business development historically have not been marketed to people with disabilities."

For most promising entrepreneurs with disabilities, equal to the need for qualified business planning technical assistance is access to capital. Together, these two critical components are either frequently the basis for a successful business launch or, conversely, the missing pieces. It is not a trade-off: both technical assistance and access to credit are key elements and documented contributors to any population's success rate at business development. For individuals with disabilities and other disadvantaged populations seeking solutions to the challenge of economic empowerment, the answer is at the doorstep of a willing and welcoming industry in the US: microenterprise development organizations.

In the late 1980's, microenterprise development programs in the US emerged as a logical extension of existing efforts to foster community economic development and alleviate poverty. The programs represented financial institutions and entities that served to advance and lend money or investment in businesses with a social purpose. Yet, confronting a financial sector largely uninterested in serving the poor, a few human service and economic development organizations piloted microenterprise programs modeled after innovative and successful experiences with informal sector entrepreneurs in developing countries and unemployed workers in Europeⁱⁱ

Today in the US, microenterprise programs are nationwide and represent a combination of technical assistance providers and microlenders - some being training-led, some being credit-led, and others combining both.

- Training-led technical assistance services range from early-on, preparatory workshops that explore the advantages, disadvantages and realities of self-employment - to comprehensive business plan development services delivered in group format or at the kitchen table - to targeted business skills development such as bookkeeping and computer skills. Specialty technical assistance in training-led organizations commonly mirrors the needs of particular industries, such as food service or e-tailing (online retailing), and often addresses geographic particulars found in the neighborhoods of inner cities and in rural settings.
- Credit-led organizations are as numerous as their counterparts, but tend to focus on a blend of traditional credit products for micro businesses (term loans and lines of credit) coupled with asset-building programs such as Individual Development Accounts and peer lending models.

The microenterprise lending programs are diverse. Their characteristics, such as their structure, goals, and methods differ enormously according to their geographical location, political environment, and populations targeted. Despite these differences, they all share the common goal of making credit accessible to everyoneⁱⁱⁱ. At a growing pace, "everyone" includes microentrepreneurs with disabilities.

However, as good as microenterprise groups are at assisting in the development of successful entrepreneurs, and as much in need of technical assistance as the disability community is, an apparent disconnect is confounding the process: the microenterprise industry doesn't have much experience serving individuals with disabilities and the disability community doesn't know much about the microenterprise industry.

Since 2000, The Abilities Fund has been working as a conduit between the existing microenterprise industry and individuals with disabilities along with the organizations that serve them. At the core of The Abilities Fund mission is the belief that with training and technical assistance through the nation's network of microenterprise organizations, a community of prepared, well trained business owners with disabilities will succeed at accessing the capital they need to launch sustainable business ventures. As well, as the microenterprise industry learns to address the business planning, capitalization and asset-building particulars of serving entrepreneurs with disabilities, they will build their institutional capacity to impact yet another disadvantaged population.

Over the last year, with funding from the Rehabilitation Services Administration, The Abilities Fund launched an initiative to link microenterprise service and credit providers to individuals with disabilities seeking to build asset levels by income generated in their own businesses. The Capital Access Program (CAP) now operates in ten states through twelve microenterprise organizations and has the potential to serve hundreds of entrepreneurs over the next few years. Each participating organization was selected based upon their experience delivering quality training and technical assistance to disadvantaged entrepreneurs coupled with access to flexible credit and a desire to learn about programs and policies specific to individuals with disabilities.

Will it work? While the CAP initiative is still in its infancy, the potential is in place to exploit the availability of resources to a group of entrepreneurs who know better than to turn away a helping hand - particularly when it leads to economic outcomes that include increased personal and household assets. The assistance that the microenterprise industry promises is one that has effectively met the needs of disadvantaged populations in the past and that looks forward to serving the disability community in the future. We should welcome them, educate them about disability, acclimate them to the culture, and embrace their presence. The residual effect will be a nation of individuals with disabilities, who once thought the American dream of business ownership was available only to the likely suspects, who now own the dream themselves. They will build businesses, build personal and household asset levels, and serve as role models for others with disabilities long into the future.

Spotlight on an Entrepreneur with a Disability- Charles Schwab



Charles R. Schwab is Founder and Chairman of the Board of The Charles Schwab Corporation. Mr. Schwab started his San Francisco-based firm in 1971 as a traditional brokerage company and in 1974 became a pioneer in the discount brokerage business. Today, the company is one of the nation's largest financial services firms, serving 7.5 million active investors with approximately \$1 trillion in client assets as of February 29, 2004. Mr. Schwab has dyslexia- a learning disability that makes reading and writing difficult. Information and photo courtesy of <http://www.aboutschwab.com/> and The New York Times Sunday, Nov.23, 2003 "In Learning Hurdles, Lessons for Success" By Rob Turner

*** Patti Lind is the co-founder of The Abilities Fund, a national non-profit committed to the economic advancement of people with disabilities and devoted to the fullest expression of their entrepreneurial spirit in all its diversity, strength, and boundless originality. Please view The Abilities Fund online at www.abilitiesfund.org**

ⁱ Hein, Else, & Pigsley (2001). Microenterprise Works: Success Stories Across the Nation. The Association for Enterprise Opportunity. See <http://www.microenterpriseworks.org/meworks/AEOSuccess-FINAL.pdf>

ⁱⁱ Nelson, C. (Fall 2000). Microenterprise Fact Sheet Series: Issue 1: Microenterprise Development in the United States: An Overview. Arlington, VA: AEO/FIELD: The Aspen Institute

ⁱⁱⁱ Sinclair, M., Munroe, D. 1998. Microenterprise: An Overview.