



GRIFFIN – HAMMIS ASSOCIATES, LLC

FREQUENTLY ASKED QUESTIONS ABOUT SELF EMPLOYMENT

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GHA receives hundreds of inquiries regarding self employment. To help answer some of these, we've collected some of the most common concerns and listed them below. We do encourage you to review our book, [Making Self Employment Work for People with Disabilities](#) (www.brookespublishing.com or www.amazon.com). We realize that all circumstances are unique, but our book on developing a business will answer many questions.

BACKGROUND

Implementing self employment for individuals with significant disabilities involves minimizing the fears of the prospective business-owner, as well as the rehabilitation and local small business development professionals who assist them. The success rate of small business is surprisingly high, despite widely accepted folklore to the contrary. The U.S. Small Business Administration reports that over 79% of small businesses are still operating after the initial eight years. And, the long term trend in employment is smaller firms. Self employment and small business are a defining characteristic of America's economic landscape, and present a tremendous opportunity for those most challenged by the competitive labor market.

Still, many people remain skeptical regarding the viability of individuals with significant disabilities starting, operating, and managing a business. The following concerns and questions are often raised when proposing business ownership for and with individuals with significant disabilities:

Question: Where can I get grant money to start a business?

Answer: There are very few grant programs that give money to individuals. Instead, many who start small businesses rely on personal savings, loans from family members, or micro-enterprise loans. Your local Small Business Development Center can help find financing, but the rates on these high risk loans can be high. For many folks with disabilities, going into debt is just not an option. So we recommend blending funds.

Possible sources include one or more of the following: Social Security Work Incentives such as Plans for Achieving Self Support (see our SSA Work Incentives FAQ listed on our home page) and also for examples from our colleagues at the Rural Institute/University of Montana www.passplan.org and their manual It Doesn't Take a Rocket Scientist to Understand and Use Social Security Work Incentives at http://ruralinstitute.umt.edu/training/publications/7th_edition_rocket as well as the Red Book from SSA <http://www.ssa.gov/work/ResourcesToolkit/redbook.pdf>. For assistance with a PASS or a Benefits Analysis, contact your local Benefits Planning Assistance & Outreach (BPAO) office. You can find a listing of their offices by following the links provided at <http://www.vcu-barc.org/>

Along with SSA Work Incentives, your state Vocational Rehabilitation office can and does fund self employment. Set up a meeting with a counselor to discuss your ideas and support needs. Also, local Developmental Disability and Mental Health Centers can assist enrolled customers through state general funds and in some instance, Medicaid dollars. Schools can use their Special Education funding to support student-owned businesses that teach valuable work skills and that incubate a business idea so that upon graduation the student is not left unemployed. Your local Workforce Center (commonly referred to as a One-Stop Center) can also fund self employment using Intensive Services money provided under the Workforce Investment Act of 1998. Most of these funds can be combined to support business ventures.

Question: What types of assessments are best to determine if someone is right for self employment?

Answer: We do not believe in assessments as a form of predicting someone's suitability for business ownership. There is no data existing that justifies such expensive time-wasting. Assistance not assessment!

Formal paper and pencil tests, vocational evaluations, and assessments that measure interests, vocational skills and traits, or that suggest predictive validity in certain careers through psychometrics are not particularly useful or advised in self employment. Person-centered evaluative approaches to identifying unique gifts, talents, learning styles, hopes and dreams, financial opportunities through Social Security benefits, family support, and

other individualized inventories work best. One successful format is presented in Chapter Two of our book, and should be used in combination with the business feasibility testing outlined in Chapter Three.

Question: If a person cannot read or write, how can they possibly be expected to operate a profitable business?

Answer: Operating a small business is a matter of degree. Many small business owners perform all or most of the necessary functions, but many do not. Writing a business plan, for instance, is outside the expertise of many entrepreneurs, so Small Business Development Centers and a host of business consultants exist to assist. Literacy is not a prerequisite for business ownership. Inventiveness and support focused on accomplishing particular tasks is required. For instance, if someone cannot write, but must complete invoices at the point of product sale, perhaps customers can fill out their own receipts; a touch screen computer at the sales desk can use a graphical interface to guide the owner (or customer); or an employee or business partner can manage these tasks.

Question: How long should professionals support someone as a small business owner?

Answer: Many systems are time limited. Schools, Work Force Investment programs, and Vocational Rehabilitation are among these. Using these services should be done planfully with necessary long-term supports being accommodated through the business design (e.g. having a business, family member, or employee providing assistance), through purchase

of business services paid from sales (e.g., accounting, marketing, sales), or through extended services available from state General Fund and/or Medicaid Waiver dollars used by Developmental Disability and Mental Health programs throughout the country.

Question: How much does a small business cost?

Answer: Start-up costs for small business are as wide ranging as business ideas. Many micro-enterprises start with little or no money and grow over time. Most small business in the United States cost less than \$10,000, and recent examples of businesses owned by people with disabilities show the costs averaging approximately \$5000. On-going support costs vary depending upon the person and their disability, but these supports (e.g. transportation, medications, instructional assistance) would typically be necessary whether a business was started or not.

Question: How does someone finance a small business?

Answer: There are a host of revenue sources available. As traditional developmental disability and mental health services funds become more and more individualized or “portable,” personal budgeting and control of individual rehabilitation and treatment money grows. In the near future, due to changes in state and federal policies, disability funds will be more controlled by the individual with the disability, and many people will be able to redirect their money away from traditional agencies and into their own hands through fiscal intermediaries or families. Individuals will be able, for instance, to create a

personal budget with funding that once went directly to a service provider, to buy very specific good and services they need to succeed. For example, in the near future, someone who generates \$12,000 per year in state funding that goes to the sheltered workshop may be able to redirect those monies directly into a personal plan for a job or business, and draw on those funds just as the adult service provider would, for as long as needed.

As noted in the first “Question” above, both Vocational Rehabilitation and the Work Force Investment Act (WIA) programs support small business. Emerging demonstrations of Individual Training Accounts (ITAs) and Intensive Services funds from WIA providers are proof of the viability of enterprise development. And, VR funds, Tribal VR funds, and WIA funds can all be used together (if purchasing different items or services for the individual), and can be further blended with SSA Work Incentives and developmental disability, mental health, or other disability system funds to create a well-funded business start-up or expansion.

Question: How long can we expect a small business to last?

Answer: The life expectancy of small businesses varies considerably. Most businesses change over time, adapting to market changes, customer preferences, the health of the owner, and in the presence of other opportunities. Many small business owners take on new products, move to different locations, sell out and use the profits to start new

ventures, so longevity is largely a function of the business model and the owner's plans or opportunities.

Question: Should families be involved in someone's small business?

Answer: Family support is evident in many small businesses. This is a most critical natural support and is traditional in America, and across the globe. Families hire sons and daughters, make them partners in existing businesses; launch new enterprises with them, or otherwise loan or give them money to support a start-up or expansion. Many American families send their non-disabled children on to college with savings they put away over 20 years. Similar planning and saving should be a part of any family that can afford such expenditures.

Question: How small a business is too small?

Answer: A business should generate revenue for the owner and employees, if any. Typically businesses grow in stages, as do profits. A careful approach should be used to generate enough money to live on, while guaranteeing the safety net of various benefits systems such as Social Security and subsidized housing until such time as these resources are no longer required. Individuals facing unemployment or sheltered employment almost always earn more money in their businesses than the national average earned through sheltered work.

Question: Can a business possibly sustain interruptions caused when a person is medically fragile or requires numerous break periods for medical and therapeutic treatments?

Answer: A small business naturally accommodates a host of personal needs. Some business owners close on Wednesday afternoon to allow for golf games; others close Wednesday afternoons for physical therapy. However, a business with limited hours of operation may suffer significant financial setbacks, so having an employee or business partner who can carry on in one's absence is a wise strategy.

Question: Entrepreneurs are known to work 100 hours a week; to do it all from sales to bookkeeping. How is my daughter going to know how to do this coming out of a special education resource classroom?

Answer: Many business owners work long, hard hours; many do not. Profitable businesses allow owners to hire others to do much of the work, and most small businesses, in reality, do not take 100 hours a week to operate. Still, the work can be challenging especially to someone who has been deprived a work ethic through unpaid "experiences" that devalue work and the worker, who has improper work supports, or who has been sheltered from typical expectations of career achievement. Starting a part-time or after school business may be a worthwhile family activity that counteracts low expectations commonly afforded children with high support needs.

Question: There are few jobs in rural America. How can a business survive in such a depressed environment?

Answer: Despite the folklore, rural communities are rich in opportunity. People still buy goods and services locally, and products produced in rural areas can often be sold in more populated communities. The challenge remains one of matching a person's dreams and talents to a marketable idea. Taking a person-centered approach leverages the skills and passions of the individual and matches it to community needs. The person, and not the market, however, always come first in order to insure commitment to the process. There are always unmet needs and uncompleted work in all communities. Matching a person who can do the work or fill the need with the customers is the challenge that is proving successful in rural communities worldwide.

Question: Why not go to the sheltered workshop first and learn work and social skills?

Answer: Using a sheltered workshop to teach valued work and social skills might be like using a Ouija Board to improve team communication, to paraphrase management consultant Don Blohoiak. Segregated settings, especially community monuments such as workshops, stigmatize people with disabilities and make them stand out as different and incompetent. These facilities, and any other segregated models be they recreational or educational, interrupt the natural flow of personal interaction and activity common in communities. Learning valued work and social skills occurs only in typical environments.

Question: Many students and adults with disabilities appear unmotivated by money. How can we expect them to run a business?

Answer: Many students and adults with significant disabilities have not been exposed to family or professional expectations of career success. Bright futures are seldom anticipated by medical personnel who advise parents of infants with disabilities, so prenatal dreams of children growing up to be firefighters, doctors, or plumbers yield to the realities of speech and other therapy schedules. Transition aged students, if they receive any inclusive vocational training, are often exposed to entry level jobs through unpaid work experience. Unpaid work experience can be especially helpful to students, families, and educators in discovering individual talents and passions. However, unpaid work can be somewhat unnatural and demotivating if these are the only opportunities offered. Most youth who have paper routes, flip burgers at MacDonald's, or babysit, or mow lawns expect to be paid and draw a critical connection between effort and reward. Eliminating pay is counterproductive. Furthermore, earnings in sheltered workshops average much less than a dollar per hour, effectively breaking any logical connection between work and financial reward. Creating opportunities to use personal talents, to explore various work environments, and to learn the connection between effort and pay is essential for all people.

Question: The business community, and business-related agencies such as SBDCs, are not always welcoming to people with disabilities. How can we get them to help?

Answer: While most business development professionals have little exposure to individuals with disabilities, they are obligated by law to assist, if publicly funded, and are generally welcoming. Approaching any person for assistance necessitates an educational process. Come in with some ideas and do not expect full-service from an SBDC, TBIC or other program; they are underfunded and overworked. However, they are willing partners and are generally excited by the opportunity to start a new venture. Our relationships to date with many SBDCs have been outstanding! Check the Small Business Administration's (SBA) web site (www.sba.gov) to locate consultation services nearby.