

# START-UP

# USA

SELF-EMPLOYMENT TECHNICAL ASSISTANCE,  
RESOURCES, & TRAINING

## Self-Employment Q and A: Successful Entrepreneurs with Disabilities Speak Out

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Not until the rise of the corporation at the turn of the 20th century, did wage employment take precedence over personal enterprise in the United States. Today, a new economic shift is bringing more and more people back into business ownership. Currently, 20 million business owners operate one-person companies. Annually, almost 700,000 new businesses are started in the U.S. In 2004, the Small Business Administration reported that 12.2 percent of the general population chose self-employment. In contrast, a slightly higher number or 14.3 percent of people with disabilities started businesses (SBA, 2004).

Since self-employment is beginning to be a vocational option that individuals with disabilities are selecting, START-UP / USA staff talked with several entrepreneurs to learn about their experiences. Their businesses represent enterprises as diverse as web-based sporting goods sales, horse riding instruction and boarding, wildlife photography, specialty pet treats, and computer and peripheral repair. These successful entrepreneurs are located in both rural and urban environments.

Each individual was asked the same set of questions that appear in this fact sheet. Their answers provide insights, encouragement, and cautions for other individuals with disabilities who might want to consider business ownership. The experience of these entrepreneurs may assist others in thinking through their decisions about starting a new venture.

### What is the best part of owning your business?

Interestingly, these business owners' answers were not any different from other typical business owners without disabilities. Their comments revealed that they have increased self-esteem, are doing what they enjoy, and have additional opportunities resulting from their businesses making money. Some of the responses that they gave include the following.

- ◆ "Running my company gives me confidence to try new things."
- ◆ "I have respect within my community and family."
- ◆ "Success gives me the courage to try new things, and now I am thinking of going to college."
- ◆ "I feel challenged and successful, even when I struggle to learn new things."
- ◆ "Owning my business gives me a sense of freedom and independence."
- ◆ "I am able to make money and not lose my medical benefits."
- ◆ "I get to work around horses and drive my 4-wheeler: things I really love."
- ◆ "Owning my business allows me to meet new people, learn new things, and travel to new places."
- ◆ "I don't have to be worried about being laid off!"

### What were the major challenges to getting your business started?

One challenge expressed by most of these entrepreneurs was lack of support from professionals for self-employment. Interestingly though, these same professionals listened and learned alongside the owners. Today, these initial "skeptics" are their supporters and are assisting other individuals with disabilities in starting businesses.

Start-up funding was certainly a concern, but was not seen as the biggest challenge. The issue of benefits planning seems universal, and several of the business owners noted that having a Plan for Achieving Self Support (PASS) was critical to their success. Several of the business owners mentioned that they did not have much in the way of business skills (e.g. sales, bookkeeping) before they started, but that they learned by doing. They

also noted that they are artisans first and business people second. Managing the business is sometimes better done by others (i.e., accountants) so that the owner can concentrate on the daily operations and production. The ability to pay for such natural supports became an integral part of these companies' pricing and costing structures.

Those interviewed said that after several years in operation, assistance with new equipment, taking advanced training, or changing their product or business model to keep up with new customer demands is difficult. They felt that the service system is better prepared to handle start-up concerns than it is for extended supports. Several people recommended that a good support system, thoughtful planning, and saving for business expansion is essential for success.

Several of the entrepreneurs noted that technical training to become certified or to learn specific skills are crucial to maintaining a business. Consistently high quality customer service depends on knowing how to perform the essential tasks without mistakes or wasted materials and time. Mistakes cost money; so being proficient in the core business duties, or having support to get jobs "out the door" is very important.



### What was the most important support service that you received when starting your business?

Several of the entrepreneurs mentioned start-up money as the most critical element in their being successful. Funds typically came from a combination of family loans or gifts, Vocational Rehabilitation (VR) funding, resources from the local One-Stop (e.g., individual training accounts), and capital from a Social Security Administration PASS (Plan for Achieving Self Support). This money purchased tools, equipment, inventory, personal support (e.g., job coach), transportation, and training. The support services available from state Mental Health and Developmental Disability services were also reported as critical for many people's success. Another important support function was having access to trained personnel who helped with business planning [e.g., Small Business Development Center or Senior Corps of Retired Executives (SCORE)], benefits counseling, and extended services largely provided by the Mental Health and Developmental Disability systems. One individual, in particular, gets limited coaching supports weekly, and this coaching helps him learn new skills of value to his customers. Overall, this group of entrepreneurs said that they would encourage policy makers, funders, and local agencies to increase their capacities for assisting people with disabilities in starting businesses.

Several people said that they have employees or contract for business support services including accounting, production assistance, and transportation or delivery. These services are paid for through company profits. Two owners noted how important these services are since they cover the cost themselves and do not have to rely on an agency.

Finally, one successful business owner forcefully stated his thanks for the services that he received. He said that he lost his job and his life "fell apart" at the onset of his disability. Vocational rehabilitation and the local Community Rehabilitation Program (CRP) "saved me." They provided business coaching, money for certification, and business planning. They were "terrific and encouraging. I would do anything to pay them back."



### Now that you are successful, what would you have done differently?

Interestingly, most of the individuals interviewed noted that they would have changed their approach to advertising and marketing. The owner of a wholesale web-based sporting goods company made it clear that a more powerful website coupled with an advertising blitz could generate greater sales. Others said that their websites were great for generating sales and for maintaining interest from previous customers. All those commenting on their websites wish they had had more money to invest to make them more significant sales channels, more automated to handle sales transactions, easier to navigate, and richer in content.

Overall, those interviewed found that active networking (i.e., asking for referrals, following up on leads from friends and colleagues) was the single most effective means of growing their businesses. However, they were surprised that at first people did not flock to their company or product. Sales calls still have to be made! Almost all of the entrepreneurs said that they had to work hard at sales, and that everyday adding new customers should be the goal of every business. One person commented, "I found that selling wasn't as distasteful as I envisioned; but it is hard work. I wasn't doing nearly enough of it when I started out. I learned the hard way by almost going broke. I have to reach out and ask for work."

Two business owners felt that print and radio advertising were not cost effective for them. Two other individuals said that their Yellow Pages ads were their best investment, bringing in new customers on a regular basis. Even though the cost of the Yellow Pages is increasing, the price remains cost effective and is often the place customers first find out about a company.

Several entrepreneurs noted that joining local business groups had not "paid off." Instead, asking existing customers for leads and additional work as well as being visible within their communities are all important elements in generating sales. Overall, there was consensus that changing people's buying habits is difficult. But, if you have a good product or service and are visible and persistent, customers will give you a chance. One owner commented that he gives a money-back guarantee. He feels that no amount of advertising makes up for a bad product or service!



### How has owning a business helped you in your personal life?

This question elicited an almost unanimous response related to building personal self-confidence and earning the respect of others. During these discussions, it was obvious that many of these business owners have deeply held personal stories concerning their self-worth. Having their own enterprise represents a critical step in proving themselves as adults.

Several owners said that they had felt people in the community saw them as incompetent or perhaps to be pitied. They believe that business ownership changed this perception almost immediately. One owner said that although he has limited speech, customers regularly notice his enthusiasm and passion for his business service. He has many repeat customers, because he shares his customers' interests on an "even playing field." Several other entrepreneurs noted that they have new friends and money to participate socially. They said that their families now see them as contributors.



### What impact has owning a business had on your family?

There was definite dichotomy in the responses to this inquiry. Some felt that they initially sacrificed time with loved ones when they began their business. This included having time to think about having a girlfriend or boyfriend. These same owners suggested that they wish they had been able to balance the needs of family and close friends better. But, that they saw this as a necessary sacrifice to achieve the long-term goal of financial stability and self-direction of their lives. Interestingly, these comments are similar to those made by typical business owners without disabilities (Ward, 2004). But, it serves as a cautionary note nonetheless.

Others that talked with START-UP / USA reported that the supports provided by their families was essential and helped bring them together. Two entrepreneurs said that they own the family businesses. Their shared interests and futures brought the family together in ways that they had never envisioned. These business owners reported being closer, more interested in one another, and happier working towards a common goal. However, this did not mean operations are not without conflict. Disagreements over resources, business direction, and methods all occur, but their common interests always help to resolve these issues.

This group of owners also mentioned that they recreate, travel, and socialize more now that they have money, because they have grown closer together. One owner commented, however; that for some individuals, a family business will not be the answer. To run a family business, it is clear to her that the members have to enjoy each other's company. "A business won't fix a bad relationship," she said.



### What surprised you about owning your business?

Each entrepreneur had unique surprises and some common ones. As mentioned earlier, several said that they were surprised by how much marketing effort it takes to get a business going. In many instances, they have to remind their busiest customers to schedule a new service call or buy additional products. One Internet retailer said that he thought running his company (e.g. bookkeeping, paying the taxes) would be the most difficult task. Instead, he found that marketing "ate up" his time. Repeatedly, these business owners said that networking is the key to success and that the amount of time and effort invested was truly surprising. One individual captured this reality by suggesting it was "not my ability, but my availability" that helped the company grow.

Others said that, to their surprise, funders were largely opposed to the idea of business ownership and recommended wage employment. In each case, the individual had to explain why company ownership made personal and professional sense. This included how the business accommodated their disability or passion. They also had to demonstrate why their vocational ideas would be profitable. One person replied, "Frankly, it is surprising that more people with disabilities are not self employed. It makes perfect sense for so many people."

A young lady who thought the rehabilitation system would embrace her business idea offered a unique perspective. She was challenged with multiple hurdles, because her mother would act as her primary support. The professionals argued that a business should be independent, not interdependent. She reasoned, quite eloquently that, "The system has staff turnover. My mother isn't leaving me." Over the years, she's proven that family support is a valuable ingredient to her success.

One owner was surprised to learn that he was charging too little for computer repair services. He thought that his low price would bring in work. "Some chicken is better than no chicken," he said. But, when he was forced to raise prices to cover expenses, he realized that the increase brought respectability to his business. Evidently, his new prices are in line with customer expectations, because he just got a contract with a major Fortune 500 company!



## What advice would you give to others who want to start a business?

Repeatedly these business owners advised that substantial thought and resources be put into networking and marketing. Without this effort from the beginning, sales revenue will lag. Planning therefore is essential. Both a business plan and a benefits plan are recommended. Several entrepreneurs noted that having a business advisor is preferable to going it alone. This advisor could be a friend, family, rehabilitation counselor, or colleague in the same profession.

One person suggested going into business on as large a scale as possible and don't worry about failing. He said failing, big or small, feels the same! "It's better to go in with as much money, energy, and passion as possible."

Another person suggested knowing the critical skills for producing the products or services. He said that repeatedly performing these tasks makes one a better businessperson. But, thinking through the processes and practicing are essential to reducing mistakes and to increasing customer satisfaction.

One entrepreneur said, "be ready for business on opening day." In her case, she had a rush of customers and did not have enough products to satisfy initial demand. Eventually she caught up, but she thought she'd lost or disappointed a number of customers because of poor planning.

Numerous enterprise owners encouraged others to build a solid relationship with their VR counselor and any other vocational service provider with whom they might be working. They noted that their VR counselors might have challenged their initial ideas. However, the counselors worked hard to make the businesses successful by funding them at appropriate levels and seeking out other resources and support agencies.

Several enterprise owners noted that tax laws and requirements can be quite confusing and obscure. They emphasized knowing what taxes will need to be paid and when, putting mechanisms in place to pay those taxes, and making sure to plan for the costs when pricing products and services. The local Small Business Development Center is a good source for understanding state and local taxation and licensing requirements (see: [www.sba.gov](http://www.sba.gov)).

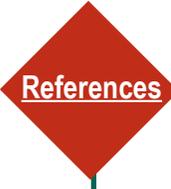
Finally, most of the entrepreneurs that talked with START-UP / USA recommended obtaining assistance with the impact of Net Earnings from Self-Employment (NESE) on their specific benefits (e.g., SSDI, SSI, housing subsidies, VA benefits, food stamps). Knowing about and using Social Security Work Incentives (PASS, Impairment Related Work Expense, Property Essential for Self Support and others) can have a tremendous impact on income and net worth. In one instance, a state case manager who did not understand Property Essential for Self Support (PESS) told a business owner that she had too much money in her business account. The case manager also said she was in jeopardy of losing her Medicaid, even though her earnings were below the state threshold. The entrepreneur "spent-down" her business savings only to learn that she could have continued to use these funds to grow her company.



## Summary

In summary, several entrepreneurs suggested they have a long way to go before considering themselves successful! They want better earnings, employees, and a greater market share. They also want improvement in their personal lives. In the grand tradition of capitalism, they continue to work not just for money, but also to have families, and a sense of belonging.

Many of the comments made by the entrepreneurs who talked with START-UP / USA seem to indicate that self-employment for individuals with disabilities is similar to the experiences of business owners without disabilities. Starting and operating an enterprise may be simultaneously frightening, exhilarating, challenging, liberating, and even profitable. From what many people with disabilities report, the risks and hard work far exceed other vocational alternatives.



## References

- ◆ Small Business Administration (2004). The small business economy: A report to the President. Washington, DC: Government Printing Office.
- ◆ Ward, J. L. (2004). Perpetuating the family business. NY: Palgrave MacMillan.

**For additional information on Social Security Work Incentives (e.g., PASS) visit:**  
<http://www.ssa.gov/redbook/eng/main.htm> or <http://www.passonline.org/>

**For additional information on SCORE visit:** [www.score.org/](http://www.score.org/)

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