



# Graduate to Work E-News

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Future Newsletter Topics:

- Collaborative Funding
- Case Studies
- Protection & Advocacy for Beneficiaries of Social Security (PABSS)

## BREAKING THE CLASS-DISTINCTION BARRIER: SELF-EMPLOYMENT FOR TRANSITION-AGE YOUTH

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### The Challenge

In the United States there is significant evidence that class-distinction predetermines occupation. For instance, boys from poor families grow up to work in blue-collar low-wage jobs; girls from middle-class families attend college and take professional positions; children of the "country club set" choose career-paths that maintain this status. While there are many exceptions, a very strong trend-line for this phenomenon exists (Wharton, 2001).

Anecdotal evidence also exists to suggest that class distinction guides the career futures of children served through special education programs. Low expectations of success are reinforced by out-dated and contraindicated methods of vocational preparedness and job development. This may be the reason why so few transition-age youth graduate from special education with paid jobs; why the jobs they do enter remain part-time and low-wage; and why the predominant careers involve fast-food, entry-level retail, cleaning, and other dead-end service occupations (Wehman & Kregel, 1998; Griffin, et al, in press). It's time to re-think work.

The predominant approach to employment for students with disabilities stands on several false assumptions.

*False Assumption #1:* People with significant disabilities are not welcome in the workplace.

*False Assumption #2:* People with disabilities can choose from a very limited

pallet of jobs (e.g., food service, janitorial, repetitive non-complex tasks such as those found in many sheltered workshops).

*False Assumption #3:* The economy cannot support great jobs for everyone, so people with significant disabilities must take what is available.

Debunking the first myth is easy. Take the example of the Muscular Dystrophy Telethon or other charitable fundraising. These events raise millions of dollars annually. The bulk of this money comes from businesses. Employers think so highly of people with disabilities they give cash donations, and they also volunteer in great numbers to help with these fundraisers. We know the business community wants to help, we simply need to change the message from one of pity to one of economic equality.

Debunking the second assumption is simply a matter of reviewing the data to see the reality of choice limitations. There are actually unlimited occupational choices. By invoking the principle of Partial Participation, emphasizing each individual's competence, portions of jobs, select business activities, and newly created work tasks can be developed. A new concentration on job carving, job creation, and on small business development opens the world to a renewed vision of work. There is certainly more than enough work to get done. As a rancher recently commented on the evening news when asked if the work he does is difficult, he declared, "It's

## Resources:

Griffin, C. & Hammis, D. (2003). Making Self-Employment Work for people with Disabilities. Baltimore: Paul H. Brookes Publishing Co.

Montana Community Development Corp - [www.mtcdc.org](http://www.mtcdc.org)

### Sample Business Plan Web Sites

[http://www.mtcdc.org/bus\\_plan.html](http://www.mtcdc.org/bus_plan.html)

<http://www.businessownersideacafe.com/Welcome.html>

<http://www.ezec.gov/>

<http://janweb.icdi.wvu.edu/SBSES/>

<http://emc.score.org/index.cgi?partner=ASKSCORE&action=first>

[http://www133.americanexpress.com/osbn/Tool/biz\\_plan/index.asp](http://www133.americanexpress.com/osbn/Tool/biz_plan/index.asp)

<http://www.toolkit.cch.com/>

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not that the work is hard, it's that there's so darn much of it." If we are clever, we can figure out how to make doing some of this work profitable to the employer, thus creating an employment opportunity. Focusing on the job/person match is essential and largely commonsense. Transition, plain and simply should not be approached as a *Process*. Rather, Transition should be considered in terms of *Outcomes*.

Finally, considering Assumption #3, we must remember that economies grow and shrink without appreciable effect on the employment rate of people with disabilities. Jobs should be created through a negotiated process using pro-active methods. Waiting for the want-ads to appear, listing just the right job is hopeless. Self-employment, a major Customized Employment option, is one way of creating employment where none seems to exist previously.

Consider Melody, for example. Two years ago she received her Certificate of Attendance from a high school in a wealthy city district. Her passion is art, especially painting still-life and landscape themes. In school, she took art classes, but her unpaid and paid job experiences all involved entry-level food service positions. Why? Because the assumption existed that art-related businesses have few positions for painters, largely because there were never ads for artists in the classifieds; because it was assumed she needed to learn good work habits (i.e., timeliness, attendance); and because the school did not have time for individualized career exploration. Melody's behavior was also a consideration. She was known for being "non-compliant," for showing little enthusiasm in her work experience settings, and for "talking back" when asked to perform menial tasks. By forcing Melody into situations she regarded as boring and undesirable, her behavior reinforced the assumptions her teachers had of non-compliance.

Upon graduation, Melody was referred to an adult services agency and vocational rehabilitation. Based on her school records, a plan was developed for her to take a job rolling silverware at a local restaurant. After almost a year of resisting this ill-conceived placement, Melody and her advocates were able to convince the state that she indeed could work part-time painting pottery in a

shop, volunteer and show her work at the local artist's cooperative, and develop a line of paintings and products in her own art business. Without advocacy, Melody would likely have been labeled as behaviorally unfit for employment and would be sitting at home. Instead, her talent was recognized by a local artist and she was hired, even though he had no positions open at the time. And, her small business income continues to grow slowly as she sells paintings. Melody held her dream of self-sufficiency long before graduation; with a little help, she could have been establishing herself as an artist as a teenager, instead of having to wait.

### The Process

Small business ownership is the fastest growing employment sector in the United States today (Brodsky, 2002; U.S. Census Bureau, 2001; Access to Credit, 1998; Freidman, 1996; Sirolli, 1999). Self-employment is also a rehabilitative option under the Rehabilitation and the Workforce Investment Acts (WIA). Both systems can help a person with a disability purchase business equipment and/or assistive technology, training, and the supports necessary to run their business (e.g., legal, marketing, accounting). The Social Security Administration (SSA) is also actively promoting the use of business ownership to stimulate employment of individuals with disabilities, through the Plan for Achieving Self Support (PASS). A PASS

is one of the few financial options providing actual operating cash to businesses, and is a critical compliment to Vocational Rehabilitation (VR) and/or WIA resources (Griffin & Hammis, 2003). Schools are not restricted from exploring small business ownership, and indeed can blend funding with the systems above to create a smooth transition from school to entrepreneurship.

**Person-Centered Planning** is crucial to business development. Basically this approach entails collecting functional information about the student's life, dreams, talents, supports, and relationships. From here, a picture, both literally and figuratively, can be drawn of the best possible future. The action of the Transition team is then concentrated on the achievement of this best of all possible futures.

**Community Referenced Evaluation**, the next component to discovering a



## Resources:

### Examples of application to adults and students:

[http://ruralinstitute.umd.edu/transition/Self\\_employment.asp](http://ruralinstitute.umd.edu/transition/Self_employment.asp)

<http://ruralinstitute.umd.edu/training/publications>

Rural Exchange Vol 17, #3;  
monographs No Lone Wolves;  
People Who Own Themselves

### Social Security (SSA) Question and Answer Forum

We have recently launched the SSA forum. If you want to submit questions about SSA or work incentives, or if you want to join the SSA listserve, please e-mail Kim Brown at:

[brown@ruralinstitute.umd.edu](mailto:brown@ruralinstitute.umd.edu)

\*Note: the SSA listserve is separate from the EMGTW listserve.

To view previously disseminated Questions and Answers visit:

<http://ruralinstitute.umd.edu/transition/SSAworkincent.asp>



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student's possible future through real life exposure and experience, stands in contradiction to formal testing and vocational evaluation. The self determination process employed relies on ecological and not predictive validity. In other words, the Transition team should be interested in discovering where the person feels best, performs best, and learns best. This is accomplished by focusing in on the person's interests, as the team did in Melody's example above, and creating opportunities to experience job tasks and environments in numerous community settings. Paid work experiences, informational interviews with business owners in related fields, apprenticeships, and sometimes classes all go into developing a formal, written Vocational Profile that further highlights the individual's career aspirations and best possible work environments (Griffin & Hammis, 2003; Callahan & Nisbet, 1997; Condon, et al., 2003).



**Business idea generation** is the job of the individual and the team. Often, families are the best source of information, business support, and ideas in this part of the process. Many family members are already self-employed or have experience in business, and are invaluable in designing the approach. Idea generation is a process involving common sense, brainstorming, and interpreting the data derived from the community work experiences. Typically it is best to throw out the first idea as being too basic, too obvious, and too unimaginative. Instead of creating another paper shredding business, for instance, look to the motivations behind a person's interest in shredding. Perhaps it is the only job task the individual has been exposed to, or the money was good enough that interest was sustained for a while longer than with other workers in the same job, or perhaps the person simply likes the co-workers and tolerates the repetitive tasks. And, of course, there are folks who really do enjoy paper shredding and it is a perfect fit for them.

**Referral to VR and WIA** is one of the steps along the way, and can happen at the beginning of the career exploration process or later as development occurs. It is recommended that both VR Counselors and Workforce Center staff have a meaningful role in the development and generation of business ideas because they are experts in understanding the local market and the

support strategies people often need. Do not use these systems solely as funding sources or an opportunity to benefit from years of experience and a breadth of support is lost.

Vocational Rehabilitation policies on self-employment vary from state to state, but the Rehabilitation Act does indeed consider business ownership a reasonable outcome of services. Counselors can use their general case services funding for self-employment and they can use their supported employment allocations, as well. VR can pay for such things as business classes, business plan development, marketing services, business/job coaching, work experience, vehicle repairs, capital equipment, tools, and other necessities of a small business. Workforce Investment programs, such as One-Stop Centers, have less experience with both disability and self-employment, but the U.S. Department of Labor, their funder and administrative unit in the government, is clear that business ownership is a reasonable outcome of services (Callahan, 2003; Griffin & Hammis, 2004).

**Skill building and business training** is also available through the VR and the WIA systems, as well as through many Small Business Administration (SBA) programs. The list is long, but the SBA funds, or supports in-part, such programs as the Small Business Development Centers (SBDC); Women's Entrepreneurship programs; the Tribal Business Information Centers (TBIC); the Senior Corps of Retired Executives (SCORE); community kitchens where space to produce food products is available at low cost; business incubators that provide mentoring, production space, and office equipment to start-up enterprises at low cost; and numerous special projects (Griffin-Hammis, 2003; SBA, 2004).

Business training involves a multi-week commitment, attending a series of classes once or twice a week. Those attending are interested in starting an enterprise or expanding an existing one. This setting, a good inclusive setting for many people, can lead to profitable business relationships. Sometimes, however, it appears that these classes are used to screen people out if they cannot grasp the academics involved. This is, of course, discriminatory against people with significant disabilities. The issue in

## Upcoming Trainings

- **March 2, 1:00-2:30 pm**  
**Job Development Teleconference**  
Presenter: Norciva Shumpert
- **March 14, Miles City 8:30 am-3:30 pm**  
**March 15, Glendive 8:30 am-3:30 pm**  
**March 16, Billings 8:30 am-3:30 pm**  
**On-site: Customized Job Development**  
Presenters: Ellen Condon & Kim Brown
- **April 4, 1:00-4:00 pm**  
**METNET: An Introduction to Self-Employment for People with Disabilities**  
Presenter: Cary Griffin
- **May 6, 1:00-4:00 pm**  
**METNET: Launching your Business; Is the idea feasible? Who is your market? What do you need in your business plan?**  
Presenter: Cary Griffin

You can register for a training by emailing Kim Brown at least five days in advance at:

[brown@ruralinstitute.umt.edu](mailto:brown@ruralinstitute.umt.edu)





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self-employment is support, so if someone cannot read or write and produce a business plan, if they have someone else working with them who can perform these tasks, then funding should continue based on the business idea, not on the person's perceived limitations. Small business ownership for individuals with significant disabilities is based on the principle of partial participation (Brown, et al., 1987). Simply stated, a person who performs part of a task still has value and can contribute in a work setting. This concept is the foundation of outsourcing in business, where tasks are carved out for other sub-contractors to perform, and of the rehabilitation concept of Job Carving where emphasis is focused on the contribution of the individual in a worksite and not upon the tasks they cannot perform or do not enjoy (Griffin & Targett, 2000).

**Financial and Benefits analysis** is another key aspect in any vocational planning. During person-centered planning, it is critical to add a financial map to the process. When developing a business or working with an ongoing small business, there are a series of critical factors that need to be accounted for by small business owners with disabilities who receive Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) benefits. SSI and SSDI have different policies and laws regarding self-employment than are used for wage employment. In some cases, significant monetary gains occur as a result of small business earnings and resource exclusions. In other cases, substantial losses occur if not planned for. Preparing a small business benefits analysis is a very important initial step. Further, both Medicare and Medicaid present opportunities for small business owners in health care coverage and long-term living supports, or can have critical impacts if SSI and/or SSDI are lost due to poor benefits planning. Self-employment allows for wealth accumulation in the SSI and Medicaid systems through a work incentive called Property Essential to Self Support (PESS). This policy allows a small business owner with SSI and/or Medicaid to have unlimited cash funds in a business account and unlimited business resources and property. Such opportunities do not exist in regular wage employment. A single person receiving SSI is required to have less than \$2,000 in cash resources if employed in a wage job. PESS neutralizes that resource limit and allows the individual to accumulate wealth in the business account that can be harvested later for personal and business purchases.

**Testing feasibility and refinement of the business idea** is often confusing. One of the simplest methods of testing ideas is to draw up a brief survey and ask people at the local mall, on the street, or via telephone a few short questions about the idea. James, for instance, established a retail urban-wear clothing shop. To test his business idea, he surveyed shoppers asking them:

1. Are you interested in purchasing the latest in urban wear?

2. Would you shop here for those items if such a store existed?

3. What items would you be most interested in?

Another option for testing the idea is to do a competitive analysis. That is, survey the community or do an internet search for similar businesses to identify other possible competitors. Visit some of them and discern their unique market niche. Planning a similar business then involves differentiating the enterprise from the others. For instance, there are thousands of jewelry makers. Their designs differ though, and appeal to various customers. Some sell high cost items, others sell lower cost goods for the budget conscious. Still others use precious stones whereas another jeweler employs precious metals. Some rely on classic styles while others produce modern designs. The role of testing is to meld the owner's interests with those of the marketplace to find a match. Then, marketing and sales approaches are refined to attract customers and motivate them to buy.

Perhaps the most efficient and functional method of testing business ideas is to simply sell a few. Wash cars for a few weekends; sell your jams and jellies at a couple county fairs. If customers seem pleased, perhaps a business is born.

### The Business Plan

**Writing the business plan** derives from all the steps above and puts the information in a logical sequence. The plan is essential in acquiring funding through most systems, and banks or loan funds will certainly require a comprehensive plan as well. Business plan templates are available from numerous sources including your local VR office, [www.sba.gov](http://www.sba.gov), and the local SBDC. Before writing the plan, check with the funder to ask which format they prefer or require. Briefly, most plans will ask the prospective owner to elaborate on the following:

**Product/Service.** A precise statement describing the Product or Service is written, followed by an examination of the Market Environment and Location. This statement includes information regarding the market and reasons why the business will succeed. This section also includes a short assessment of the person's situation and support strategies, their talents, the availability of SSA Work Incentives, their love for making the product or delivering their service, and a discussion of why this business makes sense for them.

### The 3 Cs

First, the business's potential **customers** are examined:

Who are they?

Where do they live?

Why would they buy this product/service?

Are they one-time buyers or will they want/need more?

## BREAKING THE CLASS-DISTINCTION BARRIER, cont.

- Is price a consideration for them?
- What quality of product/service do they expect?
- What level of customer service will they require?

The **Competition** evaluation is similar:

- Who is the competition?
- Will it be easy for another competitor to enter the market with a similar idea?
- Will the business compete on price, quality, or both?
- Is there a plan to turn competitors into partners or suppliers of needed parts/services?
- What makes this business's product/service better or different than the competition's?

The **Capabilities** of the business are summed up by posing a series of questions emanating from the Customer/Competitor analysis:

1. How many customers can we potentially reach?
2. How many repeat customers will we have?
3. Will our competitors supply us with raw materials or component parts? Can we supply them with finished items or sub-assembly work?
4. How will we grow into other markets such as opening other retail outlets, securing contracts from wholesale buyers, or creating an internet presence?



**Marketing Mix.** This portion of the plan expands on the information collected about customers, competitors, and capabilities. Based on this information, the target market is clarified.

**Pricing** is determined not simply by the labor and materials used in producing the product. The price also includes burden costs such as salary and benefits, rent, legal fees, business licensing, insurance, shipping and handling, tooling and equipment, communications, advertising, depreciation, and other fixed and variable costs. There is also a psychological aspect to pricing. Some customers seek bargains, and at other times they insist on high priced name brands. Knowing the market helps determine the price.

**Distribution and promotion** refers to where and how customers get the product, and the methods used to attract customers (i.e., networking, advertising, sales, marketing). Distribution planning includes determining the boundaries of the sales territory; reserving shelf space; form of delivery; and the planned approach for reaching the customer. Promotion refers to the method used to advertise and market the business and its goods or services.

**Operations** concerns production of the product or service, and using appropriate processes and support strategies. Listing the tools and equipment necessary for production is an essential component here.

**Contingency plans** are also necessary in the Operations section. If a supplier is unable to deliver, alternative suppliers should be known. And if the business is seasonal, perhaps a tourist related service, a plan for bad weather should be outlined so that the business does not falter.

**The Financial Plan** is perhaps the most critically developed and managed portion of the plan. Here the Benefits Analysis is merged with available funding, and the long term (2 to 5 years generally) estimation of income and expenses. Typically the business develops an operating budget, a cash flow projection, a break-even analysis that illustrates when sales income exceeds expenses, and a PASS if applicable.

### Conclusion

This brief article is meant to offer small business ownership as another option for Transition-age youth. Waiting until graduation to start a small enterprise is neither necessary nor advised. Many adolescents babysit, wash cars, or have interests that can translate into good after-school, weekend, and summer businesses. Waiting until graduation to plan a career results in poverty and isolation for many graduates. With a little planning, family support, and school/community resources, small business creates opportunity when none may have appeared obvious.

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