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Increasing Consumer Opportunities for Self-Employment in Vocational Rehabilitation

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RTC:Rural

Research & Training Center
on Disability in Rural Communities

PROGRESS REPORT

INCREASING CONSUMER OPPORTUNITIES FOR SELF-EMPLOYMENT IN VOCATIONAL REHABILITATION

October 2021

SELF-EMPLOYMENT

Self-employment is an important employment option for people with disabilities, particularly those living in rural communities where economic choice and opportunity may be more limited.

Self-employment offers:

- Opportunity to remain close to established support networks
- Non-traditional work hours as a disability accommodation
- Flexibility (or consumer control) to get to and from work when transportation options are limited
- Alternative worksites that minimize barriers such as inaccessible buildings and workspaces

Given these aspects, it is understandable that people with disabilities are self-employed at nearly double the rate of people without disabilities (10.3% vs. 6.1%),¹ and rates are even **higher among rural populations.**²

- People with disabilities are self-employed at higher rates than people without disabilities.
- Few Vocational Rehabilitation (VR) consumers become self-employed, partly due to VR systems and knowledge barriers.
- The VR Self-Employment Guide addresses barriers within the VR system.



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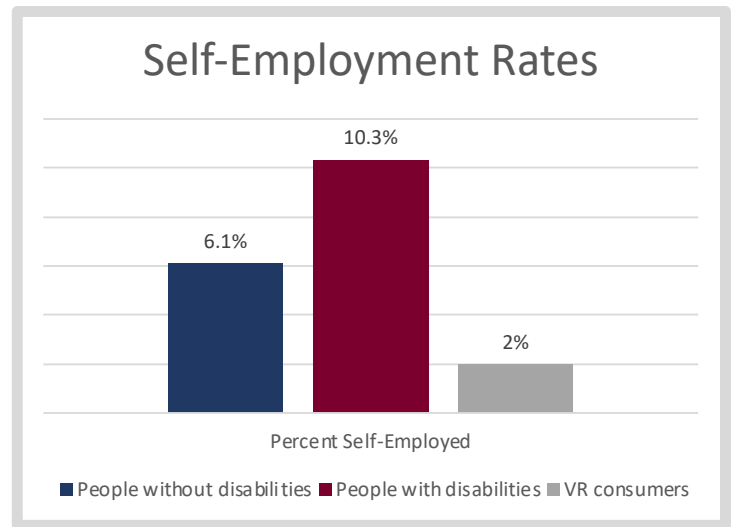


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SELF-EMPLOYMENT IN VOCATIONAL REHABILITATION

Vocational Rehabilitation (VR) agencies are funded to assist people with disabilities to secure employment. Given this charge, one might expect VR to have self-employment rates that parallel national self-employment rates of people with and without disabilities. In fact, rates fall well below national averages, in the range of 2% of consumers who become employed.³



There are a variety of explanations for low rates of self-employment within the VR system:^{4,5}

- Counselors lack adequate training to support consumers who wish to pursue self-employment
- VR agency policies and procedures lack clear guidance for self-employment cases
- It takes considerable time and effort to explore, develop, and start a business
- Counselors are not aware of external supports for consumers interested in self-employment
- Financial outcomes are uncertain for consumers who start a business, particularly for consumers who receive SSI or SSDI

DEVELOPING A VR SELF-EMPLOYMENT GUIDE

To address some of these concerns, researchers from RTC:Rural used a participatory process to engage stakeholders, and use their expertise to develop a comprehensive online self-employment resource for VR. Development activities included (1) interviews with seven business owners with disabilities about their own business planning and areas to emphasize, (2) ongoing meetings with agency staff from the Utah Self-employment task force and seven Tribal Vocational Rehabilitation (TVR) programs to identify key elements and messaging of the self-employment process within the VR and TVR systems, (3) interviews with a broader constituency of agency and counseling staff from five states to ensure the guide was appropriate across programs and (4) review and vetting with a Small Business Development Center.

The VR Self-Employment Guide is an online resource that provides a common location where counselors, consumers, natural supports, CRPs/vendors, and small business development staff can access and review the same materials.

Originally, the *VR Self-Employment Guide* was a workbook for counselor use. Based on stakeholder feedback, however, it shifted to an online resource that provides a common location where counselors, consumers, natural supports, CRPs/vendors, and small business development staff can access and review the same materials on a website.

STAKEHOLDER PERSPECTIVES

VR counselors and agency staff from Utah, New Mexico, Iowa, Alaska, Wisconsin, Florida, North Dakota, and Montana shared their concerns and perspectives about assisting consumers in self-employment. Feedback generally fell into five themes including systems issues, external supports, consumer readiness, business feasibility, and business planning.

SYSTEMS ISSUES

At the systems level, informants highlighted misunderstanding or confusion about how the self-employment process may unfold in VR, and the counselor and consumer roles in the process. In part, this related to outdated self-employment policies and procedures. For instance, some states utilized a resource for assessing consumer readiness that was no longer supported in the field.

EXTERNAL SUPPORTS

Some VR programs pay external supports, such as independent contractors, vendors, or community rehabilitation programs (CRPs) to assist consumers with developing and writing the business plan. Counselors and agency staff highlighted a number of issues that had come up:

- Vendors or CRPs write the business plans with little input from the consumer. They essentially take over the process.
- The quality of the developed business plans varied significantly across vendors.
- Expectations from the agency were not clearly spelled out about how the counselor worked with the vendor to evaluate and consider the business plan.

CONSUMER READINESS

Some VR stakeholders indicated they were unsure how to evaluate the suitability of self-employment for consumers. For instance, they felt that some consumers had unrealistic expectations about running a business or lacked the breadth of skills necessary to pursue self-employment. Although they acknowledged that many needed skills could be met with training or through other paid and unpaid supports, they wanted a process to initiate conversations about consumer readiness.

BUSINESS FEASIBILITY

Counselors described situations where the consumer had a business idea that did not seem feasible. They described fears that the business would be unsuccessful after considerable cost, time, and effort to get it up and running. These fears arose in terms of both production and sales. Business feasibility concerns included:

- Having enough customers to support the business.
- Personal factors, such as criminal history, substance abuse, or anger issues that would make it hard to run the proposed business or attract customers.
- Ability to bring the product or service to scale (i.e. the required volume to make a living).

BUSINESS PLANNING

Counselors are not trained in business plan development. They support consumers interested in self-employment, but lack knowledge about many aspects of business planning, such as marketing or finances. This makes it difficult for them to assess the business plan, and determine levels and types of supports. Additionally, since very few consumers pursue self-employment, it can be hard for counselors to retain or practice learning competencies in business planning.

Development of the online resource was created with the guidance of VR stakeholders to address these many concerns. Table 1 provides a brief overview of each chapter of the *VR Self-Employment Guide*.

Table 1: VR Self-Employment Guide Chapters

Chapter 1: *Introduction to Self-Employment* goes over some basic information about self-employment. It also describes how the process may work in Vocational Rehabilitation, including counselor and consumer roles in the process.

Chapter 2: *Self-Employment Readiness* asks the consumer to think about their reasons for becoming self-employed. This evaluation includes self-assessment worksheets focused on values, traits, and skills. This chapter provides a platform for counselor and consumer discussions about whether or not self-employment is a good choice.

Chapter 3: *Business Feasibility* focuses on the business idea and how to figure out if the business has a good chance of success. It includes a worksheet for making quick calculations about how much sales are needed to cover basic costs. It also includes preliminary planning documents (About You, About Your Business, and Start-Up Costs worksheets) that can be used as a starting point for developing a full business plan.

Chapter 4: *Introducing the Business Plan* describes the parts of a business plan and talks about why it's important to plan out business details ahead of time. This chapter includes a business plan outline with section prompts for developing the full business plan, as well as a sample business plan for reference.

Chapter 5: *Marketing Plan* helps develop strategies for showcasing the unique qualities of the business and the many different ways to identify and reach customers. It also includes multiple external links to tutorials for setting up a website, online payment system, and social media.

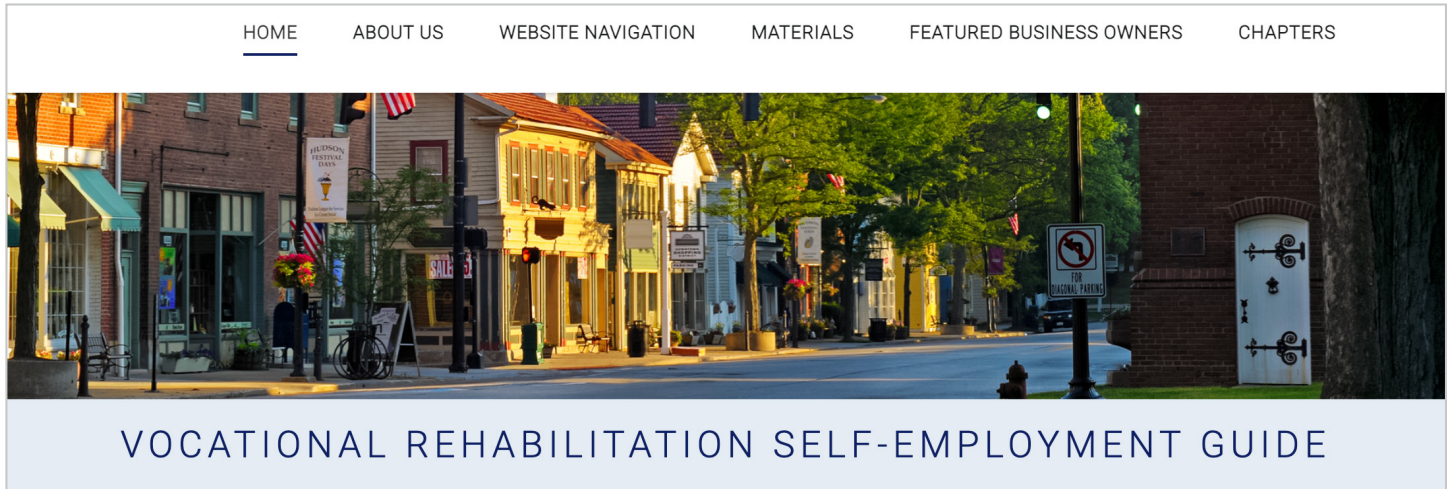
Chapter 6: *Operations Plan* covers legal requirements for getting a business started, and how the business will be managed and operated.

Chapter 7: *Financial Plan* helps you predict costs and revenues during business start-up and beyond. This chapter provides multiple worksheets and examples to help develop a break-even analysis, sales forecast, and cash flow statement, among others. These tools can significantly reduce the complexity of business financial planning.

Chapter 8: *Business Development Resources* provides links to external resources for advice, training, grants, or loans.

FEATURES OF THE GUIDE

The *VR Self-Employment Guide* (www.vrselfemploymentguide.org) has a number of overarching features to assist VR agencies, counselors, and consumers with self-employment evaluation and planning.



Consumer driven. The VR consumer is starting the business, not the counselor, vendor, or any other support. For this reason, the content is written to the consumer, and is appropriate for any person with a disability who is interested in starting a business.

Accessible. The guide is accessible. All chapters are available in print-only files. All worksheets are in accessible-fillable pdfs or follow accessibility guidelines. Financial worksheets are available in both Excel and Google Sheets formats.

Informed. The guide includes captioned videos of seven Montana business owners with disabilities, who provide their perspectives about different aspects of self-employment readiness, feasibility, and planning.

Guided. Each chapter includes review sections for both the consumer and counselor. The consumer PREPARE sections include next steps for getting started in a topic area, and discussing progress and questions with the VR counselor or other supports. The COUNSELOR REVIEW sections include discussion points and considerations to go over with the consumer that will help shape VR support (or non-support) of self-employment in a transparent process.

Common process. The guide outlines each step in the business planning process, so that anyone using the guide will engage in similar procedures and produce a similar business plan. This will help counselors and agencies evaluate businesses in a more systematic way.

Importantly, the VR Self-Employment Guide provides just-in-time information that can be accessed whenever a consumer expresses an interest in self-employment.

NEXT STEPS

We are currently training counselors in several VR agencies to use the online resource Guide. We are planning to interview VR counselors and consumers after they have used the Guide to understand how it performed in practice, and how it might be improved or modified for the future. So far, we have delivered or scheduled training with the New York Commission for the Blind, Alaska Division of Vocational Rehabilitation, Montana Vocational Rehabilitation and Blind Services, and Maine's Bureau of Rehabilitation Services.

We hope to provide similar training to additional state VR programs! For more information about our efforts to improve self-employment opportunity in VR or to schedule counselor training, please contact: Dr. Catherine Ipsen; 406-243-4562; Catherine.ipsen@mso.umt.edu

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