

**Congress of the United States**  
**U.S. House of Representatives**  
**Committee on Small Business**  
2361 Rayburn House Office Building  
Washington, DC 20515-6515

**MEMORANDUM**

**TO:** Members of the Subcommittee on Innovation, Entrepreneurship, and Workforce Development

**FROM:** Committee Majority Staff

**DATE:** January 24, 2024

**RE:** Subcommittee Hearing Titled: “Pathways to Success: Supporting Entrepreneurs and Employees with Disabilities”

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On **Tuesday, January 30, 2024 at 10:00 AM ET**, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development will hold a hearing titled “**Pathways to Success: Supporting Entrepreneurs and Employees with Disabilities.**” The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to examine the role entrepreneurs and employees with disabilities play in the workforce and discuss ways to empower them in the workplace.

**I. Witnesses**

- **Mr. Keith Wargo**, President and CEO, Autism Speaks
- **Ms. Iva Walsh**, Owner, Maeve’s Place
- **Mr. Cody Clark**, Founder and Owner, Cody Clark Magic

**II. Background**

Roughly one in four, or 61 million Americans, live with a disability.<sup>1</sup> The Centers for Disease Control and Prevention (CDC) defines a disability as “any condition of the mind or body that makes it more difficult for the person with the condition to do certain activities and interact with the world around them.”<sup>2</sup>

People with disabilities are protected by the Americans with Disabilities Act (ADA), which was signed into law by President George H.W. Bush in 1990.<sup>3</sup> The law protects people with any type

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<sup>1</sup> *Disability Health Overview*, CTRS. FOR DISEASE CONTROL & PREVENTION (last visited Jan. 3, 2024).

<sup>2</sup> *Id.*

<sup>3</sup> News Release, Nat’l Archives, 25<sup>th</sup> Anniversary of the Ams. with Disabilities Act (last reviewed Jul. 26, 2022).

of disability (physical, psychological, emotional, etc.) from discrimination in employment, government services, and public accommodations.<sup>4</sup> Title I of the ADA prohibits discrimination in employment.<sup>5</sup> Employers with 15 or more employees are prohibited from discriminating against individuals with disabilities who are qualified for a job.<sup>6</sup> Further, the law defines “qualified” as able to perform the essential functions of a job with reasonable accommodations.<sup>7</sup>

The Equal Employment Opportunity Commission (EEOC) is responsible for enforcing the ADA and all federal laws that make it illegal to discriminate against an applicant or employee on the basis of their race, color, religion, sex, national origin, age, disability, or genetic information.<sup>8</sup> Employers are required to provide reasonable accommodations for those with disabilities, which can sometimes be costly.<sup>9</sup>

The post-pandemic workforce has created unique employment opportunities for people with disabilities. Since the start of the COVID-19 pandemic, 1.8 million people with disabilities have joined the workforce—a 28 percent increase from pre-pandemic levels.<sup>10</sup> Over the same period, the U.S. workforce as a whole grew just one percent.<sup>11</sup>

According to the U.S. Bureau of Labor Statistics (BLS), people with disabilities who are working are more likely to be self-employed than people who are not disabled.<sup>12</sup> As of April 2022, 74 percent of adults with disabilities worked outside the traditional workforce.<sup>13</sup> Approximately 1.8 million of these people with disabilities were business owners.<sup>14</sup>

The federal government has resources to help cover expenses that may be incurred in order to accommodate an employee with a disability. Specifically for small businesses, the Disabled Access Tax Credit provides a non-refundable credit of up to \$5,000 for those who incur expenses to accommodate employees with disabilities.<sup>15</sup>

Businesses of all sizes have access to the Work Opportunity Tax Credit (WOTC), which is a federal tax credit available for hiring and employing individuals from “targeted groups” who

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<sup>4</sup> ABIGAIL A. GRABER, CONG. RESEARCH SERV., IF12227, THE AMS. WITH DISABILITIES ACT: A BRIEF OVERVIEW, 1 (Oct. 11, 2022).

<sup>5</sup> ABIGAIL A. GRABER, CONG. RESEARCH SERV., IF12227, THE AMS. WITH DISABILITIES ACT: A BRIEF OVERVIEW, 1 (Oct. 11, 2022).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Overview*, U.S. EQUAL EMP’T OPPORTUNITY COMM’N (last visited Jan. 3, 2023).

<sup>9</sup> *Disability Discrimination and Emp’t Decisions*, U.S. EQUAL EMP’T OPPORTUNITY COMM’N (last visited Jan. 3, 2023).

<sup>10</sup> Harriet Torry, *Labor Shortages, Remote Work Fuel Job Gains for Workers With Disabilities*, THE WALL ST. J. (Nov. 4, 2023).

<sup>11</sup> *Id.*

<sup>12</sup> BUREAU OF LAB. STATISTICS, USDL-23-0351, PERSONS WITH A DISABILITY: LABOR FORCE CHARACTERISTIC—2022, 1 (Feb. 23, 2023); Matt Gonzales, *Employment Rate Rising for People with Disabilities*, SHRM (Mar. 8, 2023).

<sup>13</sup> Danielle Fallon-O’Leary, *15+ Resources for Entrepreneurs With Disabilities*, U.S CHAMBER OF COMMERCE (Oct. 31, 2023).

<sup>14</sup> *Id.*

<sup>15</sup> *Tax Incentives for Employers*, U.S. DEP’T OF LAB. OFFICE OF DISABILITY EMP’T POLICY (last visited Jan. 3, 2024).

face significant barriers to employment.<sup>16</sup> The WOTC was reauthorized through 2025 as part of H.R. 133, the Consolidated Appropriations Act, 2021.<sup>17</sup>

Finally, the federal government offers a tax deduction of up to \$15,000 a year for the removal of architectural and transportation barriers that may make it difficult for people with mobility issues to access a business through the barrier removal tax credit.<sup>18</sup>

### **III. Conclusion**

People with disabilities are a vital and growing part of the U.S. workforce. Whether choosing entrepreneurship or joining an existing business, people with disabilities have a unique perspective, increase office morale, and have less absenteeism and turnover than other employees.

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<sup>16</sup> *Work Opportunity Tax Credit*, INTERNAL REVENUE SERV. (last visited Jan 3, 2024).

<sup>17</sup> *Id.*

<sup>18</sup> *Tax benefits of making a business accessible to workers and customers with disabilities*, INTERNAL REVENUE SERV. (Dec. 9, 2021).