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Marc Molinaro, Chairperson
Subcommittee on Innovation, Entrepreneurship, and Workforce Development
House Committee on Small Business

**Statement of National Disability Institute on Supporting Entrepreneurs and Employees
with Disabilities**

National Disability Institute (NDI) is the first and only disability rights organization committed to building a better financial future for people with disabilities and their families by achieving financial security and independence. We submit this statement for the record regarding the Subcommittee on Innovation, Entrepreneurship, and Workforce Development hearing on “Pathways to Success: Supporting Entrepreneurs and Employees with Disabilities.”

NDI applauds the Subcommittee for its focus on improving economic outcomes and financial wellbeing for entrepreneurs and small business owners with disabilities as well as all working people with disabilities.

People with disabilities currently face substantial barriers to employment, workforce development opportunities, and higher education and vocational training programs. Lack of equal access and opportunity translates into poor economic outcomes across the lifespan as well as marginalization from the economic mainstream. People with disabilities are twice as likely to live in poverty and about twice as likely to be unemployed as people without disabilities. Within that umbrella group, people with specific types of disabilities, such as those with intellectual and developmental disabilities, face even higher rates of poverty and unemployment, even with increased educational attainment. Our work with the Asset Funders Network has also called attention to significant disparities in net wealth, housing, and income among people with disabilities when disaggregated by race, ethnicity, and gender, with Black women with disabilities facing some of the sharpest disparities. Further, people with disabilities are overrepresented in the homeless and incarcerated populations, and those who are currently or formerly homeless or who have criminal records face additional barriers to accessing employment.

However, the outlook is not entirely dire. People with disabilities have long been innovators and pioneers, if only because we have to live in a world largely not designed around our needs. When hired into competitive, integrated employment opportunities, employees with disabilities have lower rates of absenteeism and greater loyalty to their employers. Likewise, entrepreneurs and

small business owners with disabilities build business enterprises that create jobs, grow the economy, and provide a wide range of goods and services, including many that open opportunities for consumers with disabilities through accessible and inclusive design, marketing, and services delivery. These business enterprises may cater to people with disabilities in some cases, but they are just as likely, if not more likely, to provide their goods and services to the general public. Disabled-owned enterprises include, among many others, marketing and communications firms, novelty and print shops, bakeries and restaurants, disability services agencies, performance arts ensembles, automotive repair and restoration services, health clinics, bespoke tailor shops, software development companies, and political consulting firms.

Our work has shown that a greater percentage of people with disabilities choose entrepreneurship as a path to economic security. Some disabled entrepreneurs may do so because they have faced discrimination in hiring and on the job. Others may do so because self-employment allows for flexible working conditions that meet their access needs. Disabled-owned enterprises span the gamut from sole proprietorships to small businesses with hundreds of employees across multiple states. Business owners with disabilities are also more likely to understand the needs of employees and customers with disabilities.

Despite what we know to be true, people with disabilities do not yet have equal access to the resources and tools needed to guarantee success in employment or entrepreneurship. Currently, the Small Business Administration does not have an office dedicated to supporting small business owners with disabilities. Likewise, existing business development and sole proprietorship resources often lack information specific to people with disabilities, including information about programs such as assistive technology grants, tax credits for architectural modifications increasing accessibility, Medicaid buy-in programs for working people with disabilities, or benefits counseling for those receiving public benefits. Entrepreneurs and small business owners with disabilities may also have less access to capital and financial education around investment opportunity, business structure and tax implications, and access to credit without specialized and disability-conscious resources. Lack of access to startup capital and business credit can hamper a prospective business owner from the start and set up entrepreneurs with disabilities to fail instead of providing tools for success.

People with disabilities seeking competitive, integrated employment opportunities also routinely face discrimination simply when trying to enter and stay in the workforce. Hiring discrimination can be as casual as job ads requiring the ability to walk and lift 50 pounds for positions that can be done entirely sitting down or job sites not permitting a candidate to bring a service animal to an interview. Many now face heightened discrimination in all sectors through employers'

increasing use of automated hiring tools that tend to screen out candidates with disabilities or are outright inaccessible for disabled users. Once hired, employees with disabilities may still struggle to keep their jobs, may be denied reasonable accommodations requests, or may be denied opportunities for professional development, advancement, and promotions. Other employees with disabilities may choose to stay in workplaces that are inaccessible or even explicitly hostile because they depend on access to the employer sponsored health plan or risk prolonged unemployment and homelessness if they lose their primary income source. These realities are untenable.

NDI believes in a future where all people with disabilities have the same opportunities and choices as everyone else, including the ability to make meaningful decisions about where to work and live and whether to work for an employer or choose small business ownership or entrepreneurship. This means a future where people with disabilities have not only economic security, but are empowered to participate fully in the economic mainstream. Achieving these goals will require proactive legislative action to ensure that entrepreneurs and employees with disabilities have the support and resources they need to succeed, including removing discriminatory barriers to opportunity.

The Subcommittee has the opportunity to craft and advance legislation that will improve the regulatory landscape for entrepreneurs and employees with disabilities, making employment and small business ownership more attainable and sustainable for people with disabilities. We encourage the Subcommittee to consider the following barriers and opportunities for supporting entrepreneurs and employees with disabilities:

- Advancing legislation like the Supporting Disabled Entrepreneurs Act to establish a coordinator for disabled small business concerns within the Small Business Administration;
- Directing the Small Business Administration to collect data on disabled-owned enterprises, as in the Supporting Disabled Entrepreneurs Act, including coordinating with the General Services Administration to promote federal contracting opportunities for disabled-owned enterprises;
- Directing the Small Business Administration to establish programs providing assistance or referrals to entrepreneurs and small business owners with disabilities regarding taxes and public benefits;
- Directing the Small Business Administration to provide information to small business owners regarding assistive technology grant programs for employers and tax credits for architectural modifications to benefit employees with disabilities;

- Encouraging coordination between the Small Business Administration and vocational training, work readiness, and job placement programs for people with disabilities funded or coordinated by the Departments of Labor, Education, and Health and Human Services;
- Encouraging the federal government to fulfill its commitment to serving as a model employer of people with disabilities through targeted hiring, expanding hires under the Schedule A excepted hiring authority, and establishing hiring pipelines for transitioning youth with disabilities and displaced workers with disabilities;
- Encouraging the Small Business Administration to coordinate with state administrators of Medicaid buy-in programs and marketplace health plans to provide educational resources for entrepreneurs and small business owners with disabilities; and
- Funding programs to connect entrepreneurs and small business owners with disabilities to mentorship and startup capital opportunities, as well as continuing business financial education.

People with disabilities are eager to compete in the small business arena, demonstrating our talents, ambition, and potential. By supporting disabled entrepreneurs, we not only empower individuals to fulfill their dreams, but also enrich our economy with diverse talents and perspectives. NDI thanks the Subcommittee again for the opportunity to provide this statement for the record. If any members of the Subcommittee have further questions, we would be glad to assist in any way that we can.

Sincerely,

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