

} **FEDCAP SOLUTION SERIES**
BUSINESS IN THE 21ST CENTURY

The Employment
of People with
Disabilities:
*Moving Beyond
Social Responsibility
to a Business
Solution*

A JOB MAKES A DIFFERENCE

Solution Series is a project of Fedcap's **Community Impact Institute**



A LETTER FROM FEDCAP'S PRESIDENT & CEO

Dear Friends,

Welcome to our 14th Solution Series – The Employment of People with Disabilities: Moving Beyond Social Responsibility to a Business Solution.

This topic is close to my heart, and one to which the Fedcap family of agencies is fully committed. My entire career has borne witness to the incredible energy, ability and innovative spirit of individuals with disabilities. While we welcome occasions to celebrate their accomplishments, such as National Disability Employment Awareness Month, it is important to recognize how far as a nation we still have to go to include people with disabilities more fully in the workforce.

As you'll see in the following pages, our failure to do so means we are neglecting a dynamic pool of over 40 million people whose talent and productivity could address the needs of business in the 21st century. We know that providing individuals with disabilities the opportunity to work is the right thing to do. What is less well known is that the business case for doing so is indisputable. Study after study shows myriad benefits to a diverse workforce that includes people with disabilities, including increased productivity, better morale, reduced turnover and marketing advantages, to name just a few.

Given the benefits to the bottom line, what is preventing companies from engaging this vast talent pool? The answer is attitudes. Surveys conducted by Wilson Resources found that "attitudes at all corporate levels" were the main obstacle to hiring people with disabilities.

Fortunately, innovative companies are changing the story by implementing strategies to increase the recruitment, hiring and retention of people with disabilities. The strategies vary but the underlying belief is the same – the recognition that employing people with disabilities is not only the right thing to do, it is good business.

Thank you for joining us, and contributing to this important discussion.

Sincerely,



Christine McMahon

Fedcap President and CEO

The Employment of People with Disabilities: Moving Beyond Social Responsibility to a Business Solution

CURRENT REALITY

There are close to 40 million people in the U.S., about 12.6 percent of the population, living with a disability. These individuals - your sisters, brothers, neighbors, parents, friends and colleagues – can perform the same work as people without a disability. Yet as of May, 2016, only 28.3 percent of working-age (16-64) persons with a disability were employed, compared to an employment rate of 72.3 percent for those without a disability in the same demographic, according to the U.S. Bureau of Labor Statistics.

By not integrating people with disabilities more fully into the workforce, we are neglecting a source of energy, productivity and talent that could address the needs of business in the 21st century. The

“*For American business, the quest for talent – the most gifted, the most driven, the most committed – has become the defining challenge of the 21st century. Yet 27 years removed from the passage of the Americans with Disabilities Act barely one-fifth of people with disabilities have found a job.*”

— **Carol Glazer,**
*President, National
Organization on Disability*

social and economic vitality of our nation is also impacted. The poverty rate for people with disabilities ages 21 to 64 is 28.8 percent - higher than any other demographic group - compared to 12.5 percent for individuals without a disability. Their average annual income is \$38,300, \$5000 less than their peers without disabilities.

The U.S. spends an estimated \$300 billion annually to support unemployed people with disabilities who can work, and want to work. A National Organization on Disability/Harris Poll found that 67 percent of working-age people with disabilities want to be employed.

There is urgency to reversing this trend. According to estimates, the number of people with disabilities will double over the next two decades, due to returning veterans, current workers acquiring disabilities, and the aging workforce. Failing to engage this population has also contributed to a skills gap - the difference between the skills needed for a job versus those skills possessed by a prospective worker - that by some estimates has led to three million unfilled jobs.

A range of policies and strategies, in companies and at all levels of government, are needed to increase the successful recruitment, employment and retention of people with disabilities. These include committing to a

culture of diversity and inclusion; ensuring the quality of supportive employment services; creating more opportunities for job readiness and career training; outreach and advocacy; legislation to support equal access and opportunities, and continuing the transition from segregated workshops to integrated community work settings.

While employers have made strides in implementing broader diversity programs, dedicated programs for hiring people with disabilities are much less common. A survey of 411 HR managers conducted by The Kessler Foundation/National Organization on Disability, found that only 29 percent have a disability policy or program in place. Large companies are twice as likely as small and medium companies to have a disability program. One in five companies have a specific person or department that oversees the hiring of people with disabilities.

A Kessler Foundation Survey of 411 HR Managers found that only 29% had a disability policy or program in place.

However there is reason for optimism.

The 2017 Disability Equality Index, a joint project of the U.S. Business Leadership Network and American Association of People with Disabilities (AAPD), reported that of 110 companies scored, a record 68 employers earned the highest possible rating. By comparison, in 2015, 19 companies out of 80 that participated received a perfect score. The companies represent 21 different sectors of the economy, employ 7.2 million U.S. workers and represent close to \$6 trillion in market value.

Federal policies have been enacted to support inclusive hiring. The Workforce Innovation and Opportunity Act, which took effect on July 1, 2015, increases competitive integrated employment opportunities for people with disabilities. Section 503 of the Rehabilitation Act of 1973, which went into effect on March 24, 2014, requires that individuals with intellectual and developmental disabilities (IDD) comprise at least 7 percent of the workforces of federal contractors and sub-contractors.

At the state level, laws enacted to support inclusive hiring include “employment first” policies that stipulate employment in competitive, integrated settings as the priority for adults with disabilities; tax incentives for workplace modifications; state preferences for disability-owned suppliers; certification of disability-owned businesses; support for school-to-work transition for youth and young adults with autism spectrum disorder; supporting entrepreneurship; tax credits for transportation and child care, and “model employer” policies for fast-track state hiring of people with disabilities.

THE BUSINESS CASE FOR EMPLOYING PEOPLE WITH DISABILITIES

Hiring people with disabilities is not just a matter of equity and fairness - it is good business. A study by the National Technical Assistance and Research Center (NTAR) found that employees with disabilities who possess the skills needed for the job add value to the employer and positively affect the bottom line. The study found that the business case for hiring people with disabilities is best made by businesses, as employers tend to listen to each other.

Tapping this vast underutilized talent pool adds skilled and motivated employees to the workforce, improves retention, reduces turnover, and enhances productivity. Fostering a climate of diversity and inclusivity attracts other top-flight employees. Customers prefer doing business with companies that employ people with disabilities.

“Successful businesses recognize that incorporating disability in all diversity and inclusion practices positively impacts their companies’ bottom line, and that it is cost effective to recruit and retain the best talent regardless of disability.”

— **Thomas J. Donohue**,
President and CEO, U.S.
Chamber of Commerce

According to the Institute for Corporate Productivity (i4cp), people with intellectual and developmental disabilities (IDD) frequently exhibit characteristics of the ideal employee - dependable, engaged, motivated, great attendance, attention to work quality, and high productivity. This profile is supported by data; the turnover rate for employees with disabilities is 8 percent, compared to 45 percent for other workers.

People with disabilities are well prepared for the workforce. In 2012, about 31 percent of people with disabilities aged 21-64 had some college or an associates’ degree, compared to 33 percent of the same population without identified disabilities.

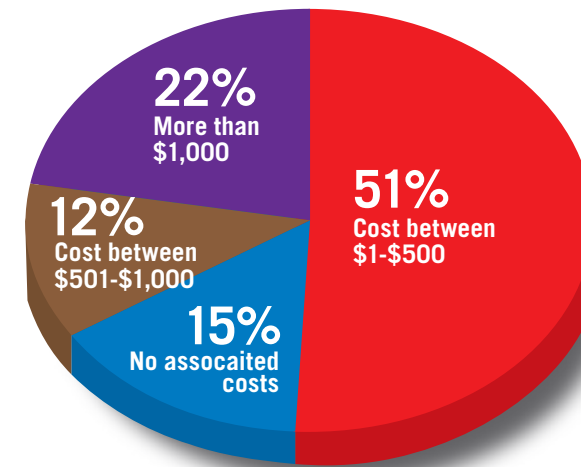
Companies with a diverse workforce that includes people with disabilities enjoy significant marketing and reputational

A Dupont survey of 2,745 employees with disabilities found that 92% of employees with disabilities rated average or better in job performance compared to 90% of employees without disabilities. Surveys by Walgreens, 3M, AT&T, Pepsico had similar findings.

advantages. Eighty seven percent of customers say they prefer to patronize businesses that hire employees with disabilities. Customers with disabilities and their families, friends and associates represent a three-trillion-dollar market segment.

Financial incentives and tax credits are available from the federal government for hiring people with disabilities including:

- **Small Business Tax Credit**
50 percent credit for costs between \$250 and \$10,250
- **Architectural/Transportation Tax Deduction**
up to \$15,000 per year
- **Work Opportunity Tax Credit**
federal tax credit reducing employers' federal income tax liability by as much as \$2,400 per qualified new worker



The cost of workplace accommodations is surprisingly low.

The Job Accommodation Network found that 15 percent of workplace accommodations have no associated cost, 51 percent cost between \$1 and \$500, 12 percent cost between \$501 and \$1,000, and 22 percent cost more than \$1,000. The primary benefits of accommodations reported by employers include the retention of valued employees, increased employee productivity, and eliminating the cost of training a new employee.

Examples of workplace accommodations include assistive technologies (video phones, screen reader software), policy enhancements (flexible schedules, accommodation of service animals), accessible communications (Braille, interpretive services or closed captioning at meetings) and physical changes (ramps, modified workspaces).

BEST PRACTICES IN BUSINESS TODAY


“Today, the new era of disability inclusion is about hiring professionals with disabilities into the robust culture of the firm. Full assimilation requires a leadership team with the will, commitment and attitude to identify, train and groom professionals with disabilities for leadership positions.”

— **Jim Sinocchi**,
Head of the Office of Disability
Inclusion, JPMorgan Chase

At high performing organizations the practice of hiring people with disabilities is not simply a matter of compliance. It is a component of diversity and inclusion programs that are fully integrated into a company's overall strategic vision.

Among leading companies, there are myriad strategies for hiring and retaining individuals with disabilities. The most successful are grounded in best practices, identified by EARN (Employer Assistance and Resource Network on Disability Inclusion) and the U.S. Department of Labor's Office of Disability Employment Policy (ODEP) to include the following:

- **Leadership:** Ensure a commitment to disability inclusion at all levels of your organization—including the executive level. Companies should establish a team of executives, managers, and employees with disabilities to support the recruiting, hiring, and retention of people with disabilities, encourage employees to identify barriers without fear of reprisal, and develop a policy statement on inclusiveness.
- **Tracking & Measuring:** Adopt written policies, practices and procedures to enhance employment opportunities for qualified individuals with disabilities, and measure the effectiveness of those policies. ODEP recommends that applicants be asked to voluntarily “self-identify” as a person with a disability, and that job announcements encourage applications by qualified individuals with disabilities.



■ **Openness:** Establish personnel processes and job descriptions that facilitate the hiring and advancement of qualified persons with disabilities, and promote a culture where employees with disabilities feel comfortable asking for the workplace supports they need.

■ **Accommodations:** Give all employees the tools they need to succeed, including assistive technology, flexible scheduling, or other reasonable accommodations and productivity enhancements. Companies are encouraged to develop, implement, and communicate written procedures for processing requests for accommodations, and to establish an administrative mechanism both to assess accommodations and minimize their cost.

■ **Outreach & Recruitment:** Build a pipeline of qualified applicants by developing relationships with a variety of recruitment sources, including vocational rehabilitation agencies, nonprofits, career centers, educational institutions, and private recruiters.

■ **Communication & Education:** Express your commitment to disability inclusion both internally and externally, and provide training on disability-related workplace issues to staff. Externally, include individuals with visible disabilities in “help wanted” advertising. Internally, employers are urged to establish a disability employee resource group that includes employees with disabilities, and employees with family members or friends with disabilities.

■ **Accessibility:** Ensure your workplace is accessible, both physically and virtually. That means a barrier-free workplace powered by accessible, universally designed technology, as well as websites and online job applications that are accessible to everyone. It also means fostering attitudinal accessibility through employee education and awareness.



COMPANIES LEADING THE WAY

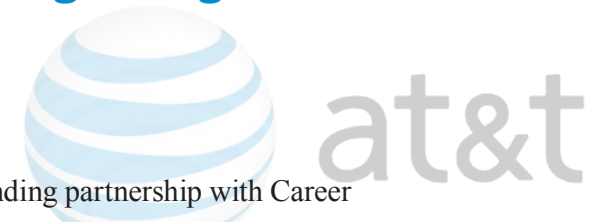


“At Merck, we must strive to find that unconquerable soul in each of us and allow our colleagues with disabilities to shine, prosper, and contribute to the success of the enterprise. As a company, if we include everybody, give everybody a shot, and treat everybody fairly, that makes us more competitive.”

— Dr. Sethu K. Reddy,
AVP Medical Affairs

Companies that are leaders in employing people with disabilities are being recognized by numerous disability rights organizations and advocacy groups.

Here are some examples:



AT&T: The company has a longstanding partnership with Career Opportunities for Students with Disabilities, which helps AT&T identify and hire college graduates with disabilities. AT&T maintains a Corporate Accessibility Technology Office, and its Employee Resource Group IDEAL (Individuals with Disabilities Enabling Advocacy Link) has over 4,300 members.

CVS: is a national leader in employing people with disabilities. The company's Abilities In Abundance program works to break down barriers to employment, including limited access to skills training, and unfairly low expectations. Workforce Initiatives teams work with national, state and local partners, including vocational rehabilitation agencies, nonprofits and schools, to provide skills development, job training and mentoring designed to increase employment opportunities for individuals with disabilities. CVS Health has also established four Regional Learning Centers, which are fully operational store and pharmacy training locations that help young people with disabilities acquire the skills they need to gain employment.





Ernst & Young: Company founder Arthur Young was deaf and had low vision. Unable to practice as a courtroom lawyer, he became an accountant. Today EY hosts networks for group leaders, parents of children with special health care needs, people who act as caregivers for adults with disabilities, and for employees interested in learning about working with disabilities. The company supports disabled-owned businesses in its supplier diversity program, and builds accessibility strategies for all web-based and online applications

IBM: At IBM, new product development includes solutions for people with disabilities. Accessibility is a key criterion in selecting vendors and suppliers. IBM provides consulting services for companies looking to undertake accessibility initiatives. To that end, it established the IBM Human Ability and Accessibility Center with a mission to make technology and other information easily available to people who have visual, cognitive, or motor disabilities.

Microsoft: Microsoft provides adaptive technologies - voice recognition software, Braille readers and printers, and touch-sensitive whiteboards - at no cost to employees. The company provides access to orientation and mobility specialists as well as oral and sign language interpreters. The company's disAbility Employee Resource Group (ERG) provides employees and parents of children with disabilities at Microsoft with a network of peer support.



Starbucks: The Starbucks Inclusion Academy offers six weeks of on-the-job training designed to help people with disabilities gain valuable work experience in manufacturing, warehousing, and distribution. The concept was first piloted at a Carson Valley, NV distribution center, where the state refers candidates to the program, funds instructor salaries and pays for the time candidates spend training on the floor. An Inclusion Academy was later established at Starbucks' largest roasting plant in York, PA where over 600 supervisors and staff received training.

Walgreens: Walgreens developed two state-of-the-art distribution centers, in Anderson, South Carolina and Windsor, Connecticut, that incorporated assistive technologies such as touch screens, adjustable work stations and iconography, to meet a recruitment goal of one-third of jobs held by people with disabilities, including those with significant IDD. The Walgreens project broke new ground in engaging public and private workforce development partners to meet its goals. As of August, 2016, more than 900 employees at 18 Walgreens distribution centers, self-identified as having a disability. These individuals make up more than 10 percent of total employees in those workplaces. At one of the distribution centers designed with assistive technologies, where more than 50 percent of employees have a disability, the company realized a 120 percent productivity increase.



FEDCAP: HELPING PEOPLE WITH DISABILITIES ACHIEVE ECONOMIC WELLBEING

Fedcap was founded in 1935 by three World War 1 veterans who were amputees and couldn't find jobs. Their mission, which remains to this day, was to level the playing field and create meaningful employment opportunities for people with barriers to economic well-being.

Fedcap has been a leader in the fight for equity and inclusion for **over 80 years**.

In 1936 Fedcap hired its first employees, three women with disabilities.

By 1945 we provided training or work for 226 people with disabilities and referred 673 people to employers. We offered a range of hobby courses and recreational activities, and employed people with disabilities in our woodshop, manufacturing and industrial divisions. We hosted Eleanor Roosevelt, an early champion of disability rights, fought for tax benefits for

“We fundamentally believe that individuals with disabilities can contribute as much as anyone else—this belief is embedded in the DNA of our agency”

— **Christine McMahon,**
Fedcap President and CEO

people with disabilities, and led efforts to help homebound individuals gain financial independence through subcontracted work.

In 1956 we mounted a successful campaign to build a cement walkway under the boardwalk at Coney Island so people with disabilities could get to the ocean without struggling through sand.

A 1958 profile in the New York Times declared “no person seeking aid has ever been turned away by the Federation;”

In 1961 we led a delegation of 100 people with disabilities to Washington D.C. to support National Employ the Physically Handicapped Week.

In 1973, our then-CEO Milton Cohen, testified before Congress in support of the Rehabilitation Act, which required access for people with disabilities for programs that receive government funding.

Today Fedcap and its family of agencies currently employs over 1,700 people with disabilities, at competitive wages. We have placed many thousands more in integrated settings with a variety of employers.

As ever, we remain committed to innovation, to expanding the number of individuals with disabilities served, and to initiatives that change and improve service delivery systems. We are passionate advocates for public policies that enhance accessibility and opportunities, and increase workplace diversity.

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