

Self-Employment

Self-employment represents a unique employment option that involves matching an individual's dreams and talents to a purposeful and self-supporting activity. It allows a person to design support strategies that promote long-term and successful employment outcomes.

Self-employment or small business ownership is widespread and growing each year. Companies that are made up of one to five workers (microenterprises) generated over 40% of all new jobs in the past decade. The U.S. Small Business Administration reported that nearly 80% of small businesses are still operating after the initial eight years, and the long term trend in employment is smaller businesses. Self-employment and small business are a defining characteristic of America's economic landscape, and present a tremendous opportunity for those most challenged by the competitive labor market.

Benefits to Self-Employment and Owning a Small Business

Self-employment is not for everyone, but it is a career option that people with disabilities may wish to consider. It has the potential to allow for:

- person-centered supports, as the business is designed around the interests and talents of the individual wishing to become self-employed;
- a flexible work schedule that might be necessary to accommodate a disability;
- the means in which to avoid the competitive employment process;
- the opportunity for high earnings that wage employment cannot always provide; and/or
- the opportunity for an individual to express talents in the open market.

Where to Start When Exploring the Concept of Self-Employment?

A good place to start is by assessing the person's interest and motivation to become self-employed and the feasibility of the business idea. Below are several questions that should be addressed to help streamline the concepts and possible directions:

- Does this business idea address a visible need in the marketplace?
- Can this product or service make money and compete with other related businesses?
- Can the person invest the time required in operating this business?
- Does the person have, or can he/she afford, the necessary business and personal supports required to operate this business?
- Does the person have, or can he/she acquire, the skills necessary to perform the parts of the operation he/she wants to do?
- How will this business affect the person's family?
- How will this business affect the person's SSA and related benefits?

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Supporting and Financing the Self-Employment Idea

Anyone can own a small business or be self-employed if proper support, adequate financing, and paying customers can be secured. Individuals with significant disabilities can and do own and operate businesses. The basics to self-employment are:

- a good business plan
- a solid marketing plan
- good management skills
- capital or financial support

Where the entrepreneur can lead the way and where support is needed will vary from one person to another and from one situation to another. Some individuals may need more assistance with startup activities; others may need support with operations; still others may need ongoing assistance using a variety of workplace supports.

Self-Employment Resources in South Dakota

Vocational Rehabilitation (VR) Services and Department of Labor local offices

These agencies can assist you by purchasing equipment, supplies and services for starting a business. They can also provide guidance and counseling and direction to the availability of additional resources, including the development of a business plan and benefits counseling.

- SD Division of Rehabilitation Services ▪ (800) 265-9684 ▪ www.state.sd.us/dhs/drs
- South Dakota Department of Labor ▪ (605) 773-3101 ▪ <http://dol.sd.gov/>

Social Security Administration (SSA)

SSA is actively promoting the use of business ownership to encourage employment of individuals with disabilities through the Plan for Achieving Self Support (PASS). A PASS allows you to use your Social Security payments in pursuing a career goal, and is one of the few financial options providing actual operating cash to the business.

- Social Security Administration ▪ (800) 772-1213 ▪ www.ssa.gov/
- South Dakota Work Incentives Planning and Assistance Program ▪ (800) 224-5336 ▪ www.bhssc.org/content/services/wipa.htm

Community Resources

In many communities across the state there are volunteer organizations and publicly funded agencies that are available to assist in small business development. The Small Business Development Center (www.sba.gov/) is an online resource for rural community development activities. Here are a few other resources:

- Small Business Administration (SBA) ▪ www.sba.gov/smallbusinessplanner/index.html
- Service Corps of Retired Executives (SCORE) ▪ www.score.org/index.html
- Small Business Investment Company ▪ www.smallbusinessnotes.com/
- Rural Information Center ▪ www.nal.usda.gov/ric/ricpubs/small_business.htm
- Tribal Business Information Center ▪ www.marketplaceforentrepreneurs.org/content/view/52/49/

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