

Center on Self-Employment

National Center on Self-Employment, Business Ownership, and Telecommuting

UNDERSTANDING THE PROVISION OF SELF-EMPLOYMENT FOR PEOPLE WITH DISABILITIES IN THE UNITED STATES

OVERVIEW

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This project is a collaboration between Griffin-Hammis Associates and The Harkin Institute for Public Policy & Citizen Engagement at Drake University.

Griffin-Hammis Associates (GHA) is a considered one of the leading international expert organizations in offering training and technical assistance around employment for people with disabilities including self-employment, social security benefits planning, job development, and customized employment. The organization is considered a pioneer of microenterprises for people with disabilities, having assisted approximately five hundred successful small businesses to date. GHA shares from a rich history of supporting providers of employment services to build capacity and achieve high-level employment outcomes.

GHA is the primary and “go-to” source of information on self-employment. They have been instrumental in developing best practices, essential resources, and widely utilized policy that has advanced the development of self-employment opportunities for individuals with disabilities.

The Harkin Institute for Public Policy & Citizen Engagement is a venue and catalyst for dynamic non-partisan research, learning, and outreach to promote understanding of the policy issues to which Senator Harkin devoted his career. During his career and since, Senator Harkin was instrumental in increasing opportunities for individuals with disabilities to live healthy and productive lives in the community through legislation including the Americans with Disabilities Act.

Introduction

On October 1, 2020, Griffin-Hammis Associates (GHA) launched the National Center on Self-Employment, Business Ownership, and Telecommuting (The Center), a five-year Innovative Rehabilitation Training Program funded by the Rehabilitation Services Administration (RSA). To better understand the challenges and opportunities Vocational Rehabilitation (VR) professionals and participants (VR service recipients) face when pursuing self-employment or telecommuting outcomes, GHA partnered with The Harkin Institute (THI) to conduct a broad review and analysis of State VR self-employment policies, identify barriers that impede equitable access to self-employment services, and provide recommendations on how to address these nationally.

To collect policy data, The Center researched and summarized self-employment policies for the 50 States plus the District of Columbia. In total, 73 State VR agencies were included in this research: 29 Combined VR Agencies, 22 General VR Agencies, and 22 Blind VR Agencies. VR Directors were asked to review, edit, and approve these summaries for posting on the policy page of The Center's website (<https://centeronselfemployment.org/policy/map.cfm>). The Harkin Institute reviewed all policy data as well as the data on VR self-employment and telecommuting training needs and challenges collected via The Center's focus groups, a national self-employment and telecommuting needs assessment, and a review and analysis of the 2017-2019 RSA 911 self-employment data. Appendix A contains tables summarizing key data points included in this analysis for both the General/Combined VR Agencies and the Blind Services Agencies.

This paper represents the background and impetus behind the policy review, summarizes the findings, and offers initial considerations and recommendations for State VR policy makers.

Problem

According to 2020 data from the SBA (Small Business Administration) Office of Advocacy, 99.9% of all businesses are small business. Small businesses support just over sixty million employees and account for 46.8% of all jobs (Small Business Administration, 2021, p. 1). By design, they are flexible and adaptable. Most grow around the skills and contributions of their founders and are designed to align with the owner's lifestyle and goals. Business activities that the owner cannot or does not want to do can be outsourced or delegated. This flexibility can make self-employment a powerful option for individuals with disabilities, offering the opportunity to maximize financial return while accommodating their unique conditions of employment. Recent U.S. Department of Labor statistics show that individuals with disabilities are self-employed at almost double the rate (10.3%) of those without disabilities (6.1%) (Bureau of Labor Statistics, 2021, pp. 2-3). Despite the disproportionately higher

rate of self-employed individuals with disabilities in the general population statistics, self-employment remains an infrequent outcome for VR participants. In fact, the PY 2018-2019 RSA 911 data shows that only 1.7% of VR participants for all VR Agencies (General, Combined, and Blind VR) achieved a competitive, integrated employment outcome in self-employment. (Cimera et al., 2021, p. 4). Additionally, there is significant disparity among those who were able to exit from services in self-employment. Of the 1.7% who exited in self-employment in PY 2018-2019, most were male (63.4%), white (85%), with a primary disability of either “cause unknown” or “physical disorder not listed elsewhere” (46.4%), and a mean age at IPE development of just over 50 (52.1%).

Efforts to increase equitable access to self-employment services as well as the number of self-employment recipients that exit in Competitive Integrated Employment (CIE) must include an analysis of Federal and VR Agency self-employment policies. Programs and services for people with disabilities are understood and administered differently across the United States. Just as public policy impacts the lives of people with disabilities and can determine their levels of success, the variation in interpretation of policies and their application can impact an individual’s access to needed services and support mechanisms. Because legislation and administrative rules may be written broadly, each state may interpret federal law, rules, and regulations differently, creating for broad disparities in access to self-employment. In some instances, self-employment may not be considered or encouraged due to lack of information or resources.

Three broad areas of influence on the inclusion of self-employment are self-employment assessments, market analysis or business planning requirements, and the self-employment funding and financing guidelines. These three areas provide examples of how each agency has developed its own interpretation of the federal regulations with a net result of over seventy different policies,

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each with its own restrictions and limitations. The intent of these restrictions is meant to maximize the likelihood of success for self-employment candidates while minimizing investment risks for the VR Agencies. However, it can also limit access to all but the few individuals who fit the traditional profile of an entrepreneur. This restricts a wide range of other ventures that could prove to be the best avenue for successful and sustainable CIE for some participants.

Why is this being reviewed and why is it important?

Self-employment is one the most customizable employment strategies to employing people with disabilities. It is well aligned with current U.S. economic trends, including the gig economy, and offers VR Agencies a creative and flexible mechanism to increase the employment of individuals with disabilities, including those categorized as having the most significant disabilities. Nationally, however, VR Agency policies and implementation strategies differ broadly across the United States, causing unequal barriers to access to critical services needed to create economic self-sufficiency for people with disabilities. Self-employment represents only 1.7% of successful closures nationally, and many VR Counselors reported that they are unfamiliar with self-employment policies and processes or have difficulty applying those policies and processes to the benefit of participants with more significant impact of disability (Cimera et al., 2021, p. 4; Inge, et. al., 2021a). Because the Workforce Innovation and Opportunity Act (WIOA) definition of competitive integrated employment includes self-employment, by extension, self-employment is a mandated option within both supported and customized employment services as well (34 C.F.R. § 361.5(c)(9)(i)). Only sixteen of the 73 VR Agencies researched for this paper specifically enumerate supported or customized self-employment in their rules, regulations, or laws, however. In some instances, policy language may be interpreted to exclude individuals who require additional support to research their business or write their business plans or who need long-term services and supports to maintain them. Furthermore, VR policies may unintentionally prevent participants from accessing self-employment support by requiring upfront business plans, financial contributions, or additional criteria that has not been applied to wage employment.

These policies were reviewed to better understand what can be done to increase the number of people with disabilities who are self-employed. This review identifies potential policy issues/barriers as well as opportunities to ensure and increase access to vocational rehabilitation programs for people with disabilities. The target of this paper is to support VR Agencies in designing clear yet flexible policy that (1) ensures access for all VR participants, (2) allows for the necessary services and supports to explore self-employment, and (3) makes funding determinations on reasonable and consistent criteria, just as it would for wage employment.

Overview of Areas for Study

The following research questions for this study relate to three broad areas of influence for self-employment: self-employment assessments, market analysis or business plan requirements, VR self-employment funding limits and restrictions including financial participation requirements and explore what each might predict or allude to regarding barriers to service access.

1. What VR policies may create barriers to individuals with disabilities, including those determined to have the most significant disabilities, who want self-employment services?
2. What self-employment assessments, market analysis or business plan requirements may limit access to self-employment services?
3. What funding limits and restrictions including financial participation requirements limit access to self-employment services?

Review of these areas of concern will provide baseline information to inform policy changes. Relevant state policy data is highlighted in each section. Data cited throughout the remainder of this report stems from The Center's state policy research. Tables 1 and 2 provided in Appendix A summarize all key data points referenced throughout this paper.

Self-Employment Areas of Influence

1. Assessments for Self-Employment – Developing the Vocational Goal

34 C.F.R. (Code of Federal Regulations) 361.45 Development of the Individualized Plan for Employment allows for the use of a comprehensive assessment to prepare the IPE *“If additional data are needed to determine the employment outcome and the nature and scope of services to be included in the individualized plan for employment of the eligible individual...”* (34 C.F.R. § 361.45(f)(2)(i)). Under these circumstances, *“... the State unit must conduct a comprehensive assessment of the [eligible individual’s] unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice...”* (34 C.F.R. § 361.45(f)(2)(i)).

For self-employment, one interpretation of this policy might be to use a comprehensive assessment to evaluate the VR participant’s capacity to launch and operate a business. In fact, of the 73 VR Agencies researched for this paper, only three do not require a pre-IPE self-employment assessment, and another ten do not reference required self-employment assessments in their policy (see Table 1a). Policies for the remaining 60 VR Agencies researched require pre-IPE evaluative self-employment questionnaires or assessments. These tools are intended to help a vocational rehabilitation counselor gain information regarding a participant’s related experiences, educational background, skills, and “entrepreneurial” capacity. Assessments such as these have not been validated for use with prospective business owners with disabilities, however, and functionally, may serve as a barrier to accessing self-employment supports.

The following list of questions were pulled from a random selection of self-employment assessment tools and are reflective of those included in these types of assessments:

1. Traits or personality characteristics that may make self-employment success questionable
 - a. Lack of persistence/follow through
 - b. Demonstrated unreliability
 - c. Poor problem-solving skills
 - d. Unclear vision of business idea
 - e. Lack of stability (related to income, physical/medical condition, etc.)
2. What is your formal education and/or training in your business operation of choice?
3. Describe your experience hiring or managing people.
4. Are you familiar with financial reports? Do you know how to analyze the data they contain?
5. Describe any bookkeeping experience you have.
6. What accommodations, if any, are needed for your disability?
7. If family or friends engage in the operation of this business, how will you address conflicts that may arise?
8. Do you know your credit score? Do you feel your disability has affected your personal credit?
9. Have you filed federal and state tax returns for the most recent 3 years?

Questions related to formal education or training, experience hiring or managing people, or knowledge of financial reports and bookkeeping (#2, 3, 4, and 5 above) may bias VR Counselors in favor of participants with prior experience and education and select out those who have not had these opportunities or whose impact of disabilities preclude them from successfully navigating formal education or training. These questions also suggest that experiences and education are precursors to self-employment success. Questions related to credit scores and tax filings (#8 and #9) may restrict access to only individuals with disabilities who have been financially successful in previous experiences. This is a particularly concerning criteria given the long and well-documented correlation between disability and poverty (Boston, et al., 2017; Harkin, 2014; Institute for Research on Poverty, 2019).

“Trait” or personality-based assessments pose barriers to those whose personal attributes or skill sets do not appear to clearly align with conventional wisdom about what it takes to successfully run a business. Characteristics such as “lack of persistence,” “lack of stability,” and “demonstrated unreliability” are deficit-based and subjective in nature, and often reflect a critical lack of access to necessary supports, not a stable personality trait. Including these assessments may rule people out for the disability-related considerations that VR is designed to address and can close the door to one of the most flexible employment outcomes. “Unclear business idea” concerns may rule out participants who need VR support to identify their business concept, trapping them in a “catch 22”, where they must present a feasible business idea to access VR self-employment supports, but require VR support to identify that concept in the first place. Criteria related to characteristics such as “poor problem-solving skills” can be highly subjective and may exclude a substantial number of potential self-employment candidates, including those with intellectual or other significant disabilities, even though there is evidence that given the right support and the right business concept, any person has the potential to succeed as a business owner, regardless of disability (Arnold & Ipsen, 2014; Hall, et.al., 2018; Ouimette & Rammler, 2017).

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Assessments rooted in traditional business expectations typically do not account for the self-employment candidates who may require long term services and supports to operate their businesses. These assessments also may not account for the way in which accommodations and support may offset some of the business owner’s responsibilities. Joe Steffy, a business owner with a Developmental Disability, for example, has successfully operated Poppin’ Joes Kettle Korn since 2005, working his way off cash benefits, even though he does not read, drive, or manage money (www.poppinjoes.org). Support and accommodation requirements are relative not only to the individual business owner but also to the specific business. Poppin’ Joe would need support and accommodation to run any popcorn business, but the nature and type of the supports vary significantly between running a street corner popcorn stand or an online retail business. Questions related to needed accommodations and available supports are therefore better and more effectively addressed via the business plan after the self-employment candidate has had the opportunity to fully research and develop the concept and the operational plan.

Assessments for Self-Employment: Policy Considerations

Although pre-IPE assessments are intended to evaluate the likelihood of self-employment success, questions remain as to the accuracy, efficacy, and universality of personality or trait-based tools when it comes to predicting success for a diverse range of entrepreneurs (Gartner, 1988). In 2017, Kerr et. al. conducted an extensive literature review on personality traits and entrepreneurship and determined that the “literature shows common results and many points of disagreement, reflective of the heterogeneous nature of entrepreneurship” (Kerr et. al., 2017, pg. 1). For VR Agencies, the critical determination comes down to an individualized decision. In other words, can this participant operate one specifically identified business, with all necessary supports and accommodations, and generate sufficient income to meet their own financial needs and goals? This is precisely the question addressed and answered in a comprehensive business plan; however, many participants who could successfully own and operate the right business with the right supports lack the background experience, education, financial history, or personality traits to “pass” a standard entrepreneurial assessment or to identify a potentially viable business concept in the first place.

If the goal is to achieve parity of access to self-employment services, the criteria of these self-employment assessments and questionnaires is of critical importance.

The following steps may allow a larger and more diverse group of VR participants to explore business ownership:

- Frame pre-IPE self-employment considerations to focus on the process, advantages, and disadvantages of self-employment.
- Remove restrictions based on previous education, experience, or financial success.
- Neutralize deficit-based “trait” or “personality evaluations by acknowledging the transformative impact of accommodations and support.
- Develop and incorporate supported self-employment policies and processes for VR participants who qualify for supported or customized employment. Currently, only thirteen of the 51 State VR General or Combined Agencies and 3 of the 22 Blind Services Agencies have confirmed supported self-employment policies (see Tables 1a and 1b).

These steps may allow many individuals with disabilities to be recognized as self-employment candidates and provide a framework for VR Counselors who need to support them effectively and efficiently.

2. Market Analysis/Feasibility Assessment or Business Plan Requirements

Assessing feasibility and developing business plans are often considered important predictors of business success. Business plans remain the most common tool for making funding and financing determinations, whether by the VR Agency or a community lender. Given the unique considerations faced by prospective business owners with disabilities, many VR self-employment candidates, would benefit from individualized assistance to complete core self-employment activities, such as identifying a business concept; conducting a market analysis to determine feasibility; or developing a business plan. Challenges related to market analysis and business plan requirements tend to fall into three broad areas: access to specialized self-employment resources; access to support with business concept development; and pre-IPE market analysis or business plan requirements. Federal policy recognized these challenges when including technical assistance and other consultation services within the VR scope of services.

“[t]echnical assistance and other consultation services to conduct market analyses, develop business plans, and otherwise provide resources... to eligible individuals who are pursuing self-employment or telecommuting or establishing a small business operation as an employment outcome” (34 C.F.R § 361.48(b)(19)).

A 2021 national self-employment needs assessment conducted by The Center underscored the need for these supports. Of the 264 VR professionals who completed the assessment, 82.9% identified the need for training on *“making referrals for technical assistance for the VR client such as support with marketing research, writing a business plan, etc.”* as “important” or “absolutely essential” (Inge, et al., 2021).

Access to Specialized Self-Employment Resources

Although 34 C.F.R. 361.48 mandates access to technical assistance with market analyses and business plan development, not all states offer specialized resources for these services. More than one-quarter of the 73 State VR agencies (27.3%) do not reference these resources in their policies (see Appendix A, Table 1a and 1b). Fifty-three (72.6%) of the VR Agencies offer specialized self-employment supports, either through internal Subject Matter Experts (SMEs) or self-employment consultants/providers, but there may be significant variation in their roles and responsibilities, including with the level of support available to help identify business concepts or research or write the business plan.

In some instances, VR Counselors may direct participants to generic community business resources, such as the Small Business Development Centers (SBDC) or Service Corps of Retired Executives (SCORE), for assistance with market analyses and business plans. These generic business resources serve all prospective community business owners, including those who experience disabilities. However, their services are not designed to specifically address the unique opportunities and barriers prospective business owners with disabilities face, nor are they extensive enough to address individualized support needs. SBDC Counselors, for example, can provide guidance or feedback on business concepts, feasibility, and business plans, but most cannot provide individualized support to implement their recommendations. Even with the best SBDC input on how to conduct the market analysis or write a business plan, some, or even most, VR participants may require support to actually gather the information and write the business plan. Though it may seem logical to assume that participants should write (or largely write) their own business plans to prove they have the capacity to run the business, the reality is that writing a business plan requires very different skills than delivering a product or service. A wedding cake designer may excel at producing exquisite and highly marketable cakes without being able to “run the numbers” and develop the business financials. This should not preclude the participant from starting a cake business, provided the necessary supports, or bookkeepers, to handle the accounting are available.

Access to Business Concept Development Support

Self-employment offers VR participants with disabilities a unique opportunity to identify business concepts that align with their strengths and capacities while accommodating disability-related needs. Providing support to identify the business concept that offers the best possible fit is critical and seemingly in alignment with the stated purpose of State VR programs: *“...to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities, consistent with their unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice so that they may prepare for and engage in competitive integrated employment and achieve economic self-sufficiency”* (34 C.F.R § 361.1(b)). Few State policies reviewed for this paper provide targeted supports with business concept development, however, and VR professionals identify this as a critical training need. Approximately 58% of the VR professionals participating in the 2021 self-employment needs assessment rated their own need for training when *“working with a VR client that has not developed their business concept (e.g., products or services)”* as “important” or “absolutely essential” (Inge et. al., 2021).

VR participants who are attracted to the flexibility of self-employment may approach VR requesting support with figuring out what kind of a business they could start. Participants who have previously been served in segregated programs may have limited experiences on which to base potential business concepts and rely heavily on VR services to explore the possibilities. Even those participants who approach VR with an identified business concept may need to refine their original ideas. Most community business resources focus primarily on what happens after the business concept has been identified, i.e., market research, business plan development, and business launch. As such, VR remains the only viable resource to fill this critical gap.

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Market Analysis and Business Plan Submission Timelines

Access to critical self-employment supports may be particularly challenging for VR participants served by State VR agencies that require the market analysis and/or the business to be completed *prior to IPE development*. A large majority of the agencies (86.3%) researched for this paper include pre-IPE submission of one or both of these documents before an IPE for self-employment can be developed (See Appendix A, Table 1a and 1b). Requiring VR participants interested in self-employment to produce the market research or business plans pre-IPE prevents them from receiving the technical assistance mandated by 34 C.F.R. 361 and creates a bias in favor of those who have the capacity to research and develop their business plan independently, or with a nominal amount of assistance.

Self-employment is included in the definition of Competitive Integrated Employment, and by extension is an allowable outcome for those receiving supported or customized employment services (34 C.F.R 361.5(c) (9)). However, participants that require more intensive supports, including those designated most in need of VR services, are highly unlikely to successfully research or develop business plans without the appropriate level of support, thus perpetuating the chronically low percentage of self-employment closures for all but a select few.

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Business Feasibility or Business Plan Requirements: Policy Considerations

Many VR participants will require some level of specialized assistance to identify, design, and develop businesses that not only meet a market need but also accommodate their disability. Generic community business resources offer guidance and input on business-related issues, but self-employment candidates with disabilities can only receive the services and supports necessary to address disability-related considerations through the implementation of an approved IPE. When more intensive supports for wage employment are necessary, VR

Counselors refer participants to specialized employment vendors or contractors, not to the generic staffing agencies that serve most communities. This same network of specialized supports for self-employment does not exist in every state, however, leaving both VR Counselors and participants without the referrals or resources necessary to advance an interest in self-employment into a legitimate business proposition.

Agencies without internal self-employment SMEs or established self-employment providers, vendors, or consultants rely on VR Counselors, many with minimal training in business development, responsible for guiding through the business research and development process or relying exclusively on other community business resources. **Because they serve a related, but different target market, however, these community business resource services generally are not specialized or extensive enough to be “commensurate to the services that the individual would otherwise receive from the designated State vocational rehabilitation agency” or to meet the criteria for comparable benefits and services in as defined by VR Regulations (34 C.F.R. § 361.5(c)(8)).** As such, State VR agencies remain the best, and often the only, available resource to ensure self-employment candidates have access to critical, qualified supports when carrying out self-employment related activities, including identifying the business concept, conducting the market analysis, and writing the business plan.

The following steps may help State VR agencies to address gaps and promote equitable access to self-employment services:

1. Expand the pool of available self-employment supports to include specialized self-employment resources within the VR system (internal SMEs, external business consultants, vendors, providers, etc.)
2. Facilitate cross-training between State VR agencies and community business resources to clarify roles and opportunities for collaborations and to identify potential service gaps.
3. Revise VR Agency policies to support business feasibility and business plan development as a component of a self-employment IPE, not a requirement to develop a self-employment IPE to ensure that eligible participants have access to the technical assistance mandated by 34 C.F.R. 361.48 without sacrificing the feasibility or business plan requirements.
4. Identify business concept development as a targeted self-employment activity to be supported by specialized internal or external resources.
5. Provide self-employment training and technical assistance to VR professionals. VR Counselors often need help with reviewing business plans and guiding candidates through the self-employment process (Inge et al., 2021).

3. Self-Employment Funding Policies

Self-Employment Funding Limits and Financial Participation Requirements

The amount of funding VR Agencies can contribute to a participant's business startup varies between agencies. Per the policy information collected on the 73 VR Agencies as of the writing of this report, 24 States identify no funding limits in their policies; eight identify a limit with possible exceptions; and the remainder either specify maximum funding amounts ranging from \$1500 to \$40,000 or do not specify any funding amounts at all (see Appendix A, Table 2a and 2b). Thirty-two agencies require individual financial participation to fund their self-employment ventures. The amount of this financial participation can be substantial and the interplay between required financial participation percentages complex. One agency, for example, requires 100% financial participation for a maximum funding amount of \$10,000, meaning participants must contribute \$10,000 to the business (money or in-kind) to receive \$10,000 in VR funding, while another requires financial participation of 20% (\$4,000) to receive a maximum of \$20,000 in VR funding.

Often, the amount of required financial participation varies depending on the total amount of self-employment funding provided, making these policies read like convoluted word problems. Several agencies, for example, require participants to contribute 0% of the first \$5000, 50% of costs from \$5001-\$10,000, and 75% of costs over \$10,001. At least one agency's self-employment funding policy includes five different participant contribution percentages to access \$10,000 in VR funding: 5% for up to \$2,500; 10% of \$2,501-\$3,500; 15% for \$3,501-\$4,000; 20% for \$4,001-\$10,000; and 50% for any funding over \$10,001. Policies such as these make calculating the actual amount of required financial participation challenging and may unnecessarily confuse VR participants or the VR professionals supporting them. Most agencies allow for a combination of cash or in-kind contributions to meet the financial participation requirements, though there may be limitations on allowable in-kind contributions.

The variation in funding policies make comparative analysis difficult, so Tables 2a and 2b show the projected costs VR participants and each of the 73 state agencies researched for this paper would pay to cover \$20,000 in start-up costs. (See Appendix A) The amount VR participants would need to fund ranged from 0% (\$0) to 87.5% (17,500), an enormous differential controlled simply by where the participant lives. These calculations are for reference only. The complexity of self-employment funding policy makes accurately calculating specific amounts impossible, however, and the various policy caveats- e.g., some agencies require an exception to policy to provide \$20,000 in funding- prevent definitive analysis of the amount a specific VR participant would pay. However, because the results captured in Table 2a and 2b are calculated based on existing policy, they help provide a

clearer picture of the funding inconsistencies between agencies as well as the immensity of the financial hurdle some VR participants must clear to pursue self-employment.

VR Agencies that require financial participation for self-employment funding generally do so across the board, despite the Federal prohibition on requiring financial participation “as a condition for furnishing any vocational rehabilitation service if the individual in need of the service has been determined eligible for Social Security benefits under titles II or XVI of the Social Security Act...” or implementing policies where the financial participation amounts are “...so high as to effectively deny the individual a necessary service” (34 C.F.R. § 361.54(b)(3)). The justification often given for these financial participation requirements is that self-employment candidates need to demonstrate their commitment to the business. As a focus group participant stated, participants need to have some “skin in the game” (Inge et al., 2021a). Though commitment to the business is indeed critical, policies that primarily or exclusively rely on commitment through monetary contributions bias access in favor of participants with higher economic opportunities, advantages, and resources. Requiring financial participation of 50% or greater or the contribution of thousands of dollars in start-up costs effectively denies many interested VR participants access to self-employment services, a factor that is particularly concerning given the well documented and deeply rooted correlation between disability and poverty, regardless of whether they receive SSI or SSDI benefits (Boston et al., 2017; Harkin, 2014; Institute for Research on Poverty, 2019).

Tiered Self-Employment Funding

Additionally, many VR Agencies use a tiered funding system, with varying business plan requirements and funding amounts associated with each tier. Criteria associated with these tiers vary between agencies. One

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agency offers two tiers, for example: Tier 1 has a funding limit of \$2,500 for businesses that will not achieve self-sufficiency; Tier 2 offers up to \$7,500 in funding for businesses that will allow the potential business owner to be financial self-sufficient and eliminate the need for public benefits. Another agency offers three tiers: Tier 1 provides up to \$3,000 in start-up costs and requires a one-page business plan; Tier 2 provides \$3,000-\$6,500 in funds and requires a “reduced scope business plan”; and Tier 3 provides \$6,501-\$12,500 in funds and requires a comprehensive business plan.

Tiered self-employment options have several potential benefits, including reducing the paperwork burden for smaller businesses ventures. A prospective virtual secretary whose start-up costs include only a computer, software, and other basic office equipment or a prospective Lyft driver with access to ample existing market research and an established business models and revenue projections will not need to develop 30-page business plans. Tiered options provide a simpler process for potential business owners; however, they may lead to unintended consequences. VR Counselors with little to no training or experience in self-employment or without access to specialized self-employment technical assistance resources may feel more confident supporting smaller ventures and encourage prospective business owners to design their businesses to fit within the parameters of lower tiers as a result, regardless of how much funding the business needs to successfully launch. While this can save time and money in the short run, it can reduce or eliminate the chance of successful closure, or worse, long-term success of the business.

Self-Employment Funding Restrictions

Every agency has limits on the activities and items that are eligible for funding. Many of the funding limits are based on Federal regulations, which excludes funding on speculative businesses, illicit or illegal industries, multi-level marketing or pyramid models, and businesses involving guns, ammunition, or explosives. At the local level, every agency has also developed funding policies that include a list of additional restrictions and exclusions. These restrictions often prevent a prospective business owner from purchasing real property, engaging in construction or remodeling of real property, and payment of existing debt. While intended to minimize financial risk, some of these funding restrictions may instead eliminate potentially successful opportunities. For example, the ability to purchase an already existing profitable business often represents a low-risk start-up option, but agency policy may either not address this option or prohibit it. Similarly, VR participants may be prohibited from purchasing a business franchise, which could be a feasible option for some prospective business owners, since many franchises have a high likelihood of success and require less risk than starting a business from the ground up.

Self-Employment Funding: Policy Considerations

34 C.F.R. § 361.54(b)(3) prohibits the financial participation of individuals eligible for benefits under Titles II or XVI of the Social Security Act or those for whom the amount of financial participation would effectively deny them access to the service. The rules around financial participation do not include exceptions for self-employment outcomes, i.e., a participant who would be exempt from financial participation when pursuing wage employment should also be exempt from financial participation when pursuing self-employment. **While it may be reasonable or necessary to establish parameters around self-employment, categorical funding limits do not prevent VR Agencies from unwisely investing resources if the business in question cannot launch and sustain within those limits.** If the business research and planning process demonstrates that a wedding cake designer needs \$14,500 to cover start-up costs and grow the business to the break-even point, for example, and the VR Agency can only provide \$10,000 due to funding limits or financial participation requirements, there is greater risk and less logic for providing only \$10,000 than there would be in funding the full \$14,500. Additionally, encouraging participants to go for lower-tier funding because of the reduced business planning requirements and the relative ease of securing the funding can amount to a waste of VR resources and participant time and energy if that funding amount is insufficient to get the business off the ground. Similarly, there is no justification for VR providing \$100,000 in funding if the business in question could launch and break-even with \$30,000 in funds. High quality business plans and business financials should provide all the information VR Agencies and VR Counselors need to make sound and equitable determinations that support participants and stand up to arbitration or litigation.

Steps include

1. Eliminate financial participation requirements for self-employment candidates eligible for Title II or Title XVI Social Security benefits or for those
2. Replace categorical funding limits and funding timelines (e.g., limiting funding to the first six months after launch) with individualized determinations based on the approved business plan and business financials.
3. Write all self-employment funding policy in plain language.
4. In states with tiered-funding policies, develop clear descriptions for each of the funding levels, accompanied by examples of businesses that might best be supported at each level. Provide training and technical assistance to VR Counselors to support self-employment candidates to identify the most appropriate level.

Conclusion

Despite the promise self-employment and business ownership offers to individuals with disabilities across the country, it is one of the least likely service models utilized by vocational rehabilitation counselors with only 1.7% of VR participants exiting in CIE with self-employment nationwide. (Inge et al., 2021a, p. 4). This review of state policy explored potential barriers to successful self-employment exits, particularly those that might negatively impact equitable access to self-employment services. The following represent broad opportunities to address the barriers discussed in this paper and increase equitable access to self-employment services:

1. Replace potentially biased self-employment assessments with self-employment tools and guides that allow for a more nuanced, individualized exploration of self-employment possibilities, realities, and risks when participants identify an interest in self-employment.
2. Ensure eligible participants have access to the appropriate level of technical assistance to identify business concepts, conduct market research and write/develop business plans by incorporating these services within a self-employment IPE
3. Provide training and targeted technical assistance to build the capacity and confidence of VR counselors overseeing self-employment cases
4. Develop self-employment funding policies that meet the requirements of 34 C.F.R. § 361.54(b)(3) and better align with those for wage employment services

Any of these policies may increase VR participants outcomes in self-employment but in combination, they can help ensure all VR participants can access self-employment if they so choose. The U.S. economy, particularly the gig economy, requires a creativity and flexibility that current self-employment policies, where they exist, fail to meet. Revising VR Agency policies to address unintended barriers and promote a more equitable access for all participants coupled with increased training and technical assistance for VR professionals and community rehabilitation providers could put VR Agencies in a better position at the intersection of the emerging national economy and the needs of their participants.

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34 C.F.R. § 361.48 - Scope of vocational rehabilitation services for individuals with disabilities. <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-B/subject-group-ECFR8c5f55ccf5c0da2/section-361.48>

34 C.F.R. § 361.5 - Applicable definitions. <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-A/section-361.5>

34 C.F.R. § 361.54 - Participation of individuals in cost of services based on financial need. <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-B/subject-group-ECFR8c5f55ccf5c0da2/section-361.54>

Appendix A

Table 1a: Pre-IPE Self-Employment (SE) Requirements and Resources, General/Combined VR Agencies

State/ Territories	% of Total Participants Exiting CIE in SE Nationally PY19	Pre-IPE SE Assessment Requirements	Pre-IPE Feasibility Requirements	Pre-IPE Business Plan Requirements	SE TA, SMEs, Vendors, or Consultants	Policy for Supported SE
AK	0.4	Yes	Yes	No	Yes	Yes
AL	1.0	Yes	Yes	Yes	Yes	Yes
AR	2.5	Yes	Yes	Yes	Yes	Not Referenced
AZ	0.8	Yes	Yes	Yes	Not Referenced	Not Referenced
CA	0.9	Yes	Yes	Yes	Yes	Not Referenced
CO	5.5	Yes	Yes	Yes	Yes	Yes
CT	1.4	Yes	Yes	Yes	Not Referenced	Not Referenced
DC	0.0	Yes	Yes	Yes	Yes	Not Referenced
DE	0.3	Yes	Yes	No	Not Referenced	Not Referenced
FL	1.3	No	No	No	Yes	Yes
GA	0.5	Yes	Yes	Yes	Not Referenced	Not Referenced
HI	0.4	Not Referenced	Not Referenced	Not Referenced	Not Referenced	Not Referenced
IA	1.2	Yes	Yes	Yes	Yes	Not Referenced
ID	0.8	Yes	Yes	Yes	Not Referenced	Yes
IL	1.3	Yes	Yes	Yes	Yes	Not Referenced
IN	1.0	Not Referenced	Yes	Yes	Yes	Not Referenced
KS	0.1	Yes	Yes	Yes	Yes	Not Referenced
KY	0.0	Yes	Yes	Yes	Not Referenced	Not Referenced
LA	1.3	Yes	Yes	Yes	Not Referenced	Not Referenced
MA	2.2	-	-	-	-	-

Table 1a: Pre-IPE Self-Employment (SE) Requirements and Resources, General/Combined VR Agencies (Continued)

State/ Territories	% of Total Participants Exiting CIE in SE Nationally PY19	Pre-IPE SE Assessment Requirements	Pre-IPE Feasibility Requirements	Pre-IPE Business Plan Requirements	SE TA, SMEs, Vendors, or Consultants	Policy for Supported SE
MD	0.2	Yes	No	No	Yes	Yes
ME	1.7	Not Referenced	Yes	Yes	Yes	Not Referenced
MI	6.1	Yes	Yes	Yes	Yes	Yes
MN	0.4	Yes	Yes	Yes	Yes	Yes
MO	2.9	Yes	Yes	Yes	Not Referenced	Not Referenced
MS	14.4	Not Referenced	Not Referenced	Not Referenced	Yes	No
MT	0.5	Yes	Yes	Yes	Yes	No
NC	1.2	Yes	Yes	Yes	Yes	Yes
ND	0.4	Yes	Yes	Yes	Yes	Not Referenced
NE	0.2	Yes	Yes	Yes	Yes	Yes
NH	0.4	Yes	Yes	Yes	Yes	Not Referenced
NJ	0.3	Yes	Yes	Yes	Yes	Not Referenced
NM	1.1	Yes	Yes	Yes	Yes	Not Referenced
NV	0.1	Yes	Yes	No	Yes	Not Referenced
NY	2.6	Yes	Yes	Yes	Yes	Not Referenced
OH	1.1	Yes	Yes	Yes	Yes	Not Referenced
OK	1.3	Yes	Yes	Yes	Yes	Not Referenced
OR	1.3	No	No	No	Yes	Not Referenced
PA	1.5	Yes	Not Referenced	No	Not Referenced	Not Referenced
RI	0.1	Yes	Yes	No	Yes	Not Referenced

Table 1a: Pre-IPE Self-Employment (SE) Requirements and Resources, General/Combined VR Agencies (*Continued*)

State/ Territories	% of Total Participants Exiting CIE in SE Nationally PY19	Pre-IPE SE Assessment Requirements	Pre-IPE Feasibility Requirements	Pre-IPE Business Plan Requirements	SE TA, SMEs, Vendors, or Consultants	Policy for Supported SE
SC	8.7	Yes	Not Referenced	No	Not Referenced	Not Referenced
SD	0.1	Yes	Yes	Yes	Not Referenced	Not Referenced
TN	0.0	Yes	Yes	Yes	Not Referenced	Not Referenced
TX	9.1	Yes	No	No	Yes	Yes
UT	1.5	Yes	Yes	Yes	Yes	Not Referenced
VA	0.9	Yes	Yes	Yes	Yes	Not Referenced
VT	0.9	Yes	Yes	Yes	Yes	Not Referenced
WA	1.9	Yes	Yes	No	Yes	Not Referenced
WI	0.6	Yes	Yes	No	Not Referenced	Yes
WV	0.4	Yes	Yes	Yes	Not Referenced	Not Referenced
WY	0.9	Yes	Yes	Yes	Yes	Yes

*State policy information has been reviewed, summarized, and submitted to the State VR Agency for review and approval.

- No policy information available at this time

Yes – The state’s VR policy specifically includes the requirement.

No – The state’s VR policy does not include requirement.

Not Referenced – The state’s VR policy does not mention the requirement.

Table 1b: Pre-IPE Self-Employment Requirements and Resources, Blind Services VR Agencies

State/ Territories	% of Total Participants Exiting CIE in SE Nationally PY19	Pre-IPE SE Assessment Requirements	Pre-IPE Feasibility Requirements	Pre-IPE Business Plan Requirements	SE TA, SMEs, Vendors, or Consultants	Policy for Supported SE
AR BLIND	0.4	Not Referenced	Yes	Yes	Yes	Not Referenced
CT BLIND	0.2	Not Referenced	Yes	Yes	Yes	Not Referenced
DE BLIND	0.0	Yes	No	No	Not Referenced	Not Referenced
FL BLIND	5.2	Not Referenced	Not Referenced	Yes	Yes	Not Referenced
IA BLIND	0.0	Yes	Yes	Yes	Yes	Not Referenced
ID BLIND	0.0	Yes	Yes	Yes	Yes	Yes
MA BLIND	0.4	Yes	Yes	Yes	Yes	Not Referenced
ME BLIND	0.0	Not Referenced	Not Referenced	Yes	Yes	Not Referenced
MI BLIND	0.1	Yes	Yes	Yes	Yes	Yes
MN BLIND	0.3	Yes	Not Referenced	No	Yes	Yes
MO BLIND	0.4	Yes	Yes	Yes	Yes	Not Referenced
NC BLIND	0.9	Yes	Yes	No	Yes	Not Referenced
NE BLIND	0.4	Yes	Not Referenced	Yes	Yes	Not Referenced
NJ BLIND*	0.3	Yes	Yes	Yes	Not Referenced	Not Referenced
NM BLIND	0.0	Not Referenced	Not Referenced	Yes	Yes	Not Referenced
NY BLIND	0.3	Yes	Not Referenced	Yes	Yes	Not Referenced
OR BLIND	0.4	Yes	Not Referenced	Not Referenced	Yes	Not Referenced
SC BLIND	0.1	Yes	Yes	No	Yes	Not Referenced
SD BLIND	0.2	Yes	Yes	Yes	Yes	Not Referenced
VA BLIND	0.1	Not Referenced	Not Referenced	No	Not Referenced	Not Referenced

Table 1b: Pre-IPE Self-Employment Requirements and Resources, Blind Services VR Agencies (*Continued*)

State/ Territories	% of Total Participants Exiting CIE in SE Nationally PY19	Pre-IPE SE Assessment Requirements	Pre-IPE Feasibility Requirements	Pre-IPE Business Plan Requirements	SE TA, SMEs, Vendors, or Consultants	Policy for Supported SE
VT BLIND	0.2	No	No	Yes	Yes	Not Referenced
WA BLIND	0.3	Yes	Yes	Yes	Yes	Not Referenced

*State policy information has been reviewed, summarized, and submitted to the State VR Agency for review and approval.

- No policy information available at this time

Yes – The state’s VR policy specifically includes the requirement.

No – The state’s VR policy does not include requirement.

Not Referenced – The state’s VR policy does not mention the requirement.

Table 2a: Self-Employment Funding and Financial Participation Requirements, General/Combined Agencies

State/ Territories	% Participants in SE Services	VR Funding Limit	Financial Participation Requirements	Participant Contribution for \$20,000†	VR Contribution for \$20,000
AK*	0.4	No Maximum \$5,000 for Tier I No maximum for Tier II	0% for Tier I (\$1 - \$5,000) 50% of \$5,001 - \$10,000 90% of costs > \$10,000	\$11,500	
AL*	1.0	No maximum listed	0% of first \$7,000 50% of \$7001-\$15,000 75% of additional fund	\$7,750	\$8,500
AZ*	0.8	Exceptions allowed \$18,000 (exceptions can be granted by senior managers)	Not Referenced	\$2,000	\$12,250
AR	2.5	No maximum listed (requests > \$10,000 require approval from SE panel)	10% for costs < \$10,000 10% for costs > \$10,001	\$2,000	\$18,000
CA*	0.9	No maximum listed	Not Referenced	\$0	\$18,000
CO	5.5	Exceptions Allowed Maximum: \$12,500 \$3,000 for Tier I \$6,500 for Tier II \$12,500 for Tier II	15% (\$450) of first \$3000 30% of \$3,001-\$6500 50% of \$6501-\$21,500	\$8,250	\$20,000

Table 2a: Self-Employment Funding and Financial Participation Requirements, General/Combined Agencies (Continued)

State/ Territories	% Participants in SE Services	VR Funding Limit	Financial Participation Requirements	Participant Contribution for \$20,000†	VR Contribution for \$20,000
CT	1.4	\$10,000 for expected net income above SGA after 2 yrs. \$5,000 for no expectation of net income above SGA	>10%	\$11,000	\$11,750
DE*	0.3	No maximum listed	Not Referenced	\$0	\$9,000
DC*	0.0	No maximum listed	Not Referenced	\$0	\$20,000
FL	1.3	No maximum listed	None	\$0	\$20,000
GA*	0.5	\$3,000 for Tier I \$10,000 for Tier II	25%	\$12,500	\$20,000
HI*	0.4	Not Referenced in Policy	Not Referenced	-	-
ID	0.8	Exceptions allowed \$10,000 (field manager must approve requests for > \$10,000)	0% of < \$2,500 20% of \$2,501 - \$5,000 30% of \$5,001 - \$7,500 40% of \$7,501 - \$10,000 50% of costs > \$10,001	\$7,750	\$12,250
IL	1.3	Exceptions allowed \$10,000 (bureau chief can grant exceptions)	50%	\$10,000	\$10,000
IN*	1.0	No maximum listed	Not Referenced	\$0	\$20,000

Table 2a: Self-Employment Funding and Financial Participation Requirements, General/Combined Agencies (Continued)

State/ Territories	% Participants in SE Services	VR Funding Limit	Financial Participation Requirements	Participant Contribution for \$20,000†	VR Contribution for \$20,000
IA	1.2	\$10,000	100%	\$10,000	\$10,000
KS	0.1	No maximum listed	Not Referenced	\$0	\$20,000
KY	0.0	No maximum listed	0% of first \$5,000 50% of \$5,000 - \$10,000 95% of costs > \$10,000	\$12,000	\$8,000
LA*	1.3	\$20,000	20%	\$4,000	\$16,000
ME	1.7	\$7,500	Not Referenced	\$12,500	\$7,500
MD	0.2	\$15,000	Not Referenced	\$5,000	\$15,000
MA	2.2	-	-	-	-
MI	6.1	No maximum listed	Not Referenced	\$0	\$20,000
MN	0.4	\$8,700 (2021) Funding restricted by MN business fee schedule. No maximum listed.	% Of income that exceeds MN consumer financial participation threshold	\$11,300	\$8,700
MS*	14.4	No maximum listed	Not Referenced	\$0	\$20,000
MO	2.9	\$10,000	0% of first \$5,000 50% of \$5,001 - \$10,000 75% of costs > \$10,000	\$10,000	\$10,000

Table 2a: Self-Employment Funding and Financial Participation Requirements, General/Combined Agencies (Continued)

State/ Territories	% Participants in SE Services	VR Funding Limit	Financial Participation Requirements	Participant Contribution for \$20,000†	VR Contribution for \$20,000
MT*	0.5	No maximum listed < 25% of costs above \$5,000	0% of first \$5,000 > 75% of costs above \$5,000	\$7,500	\$12,500
NE	0.2	\$6,000	Not Referenced	\$14,000	\$6,000
NV	0.1	No maximum listed	0% of first \$2,000 10% of \$2,001 - \$5,000 25% of \$5,001 - \$10,000 50% of \$10,001 - \$20,000 75% of costs > \$20,001	\$6,550	\$13,450
NH	0.4	\$10,000 (for businesses leading to self-sufficiency)	Not Referenced	\$10,000	\$10,000
NJ	0.3	\$10,000	Not Referenced	\$10,000	\$10,000
NM*	1.1	No maximum listed	0% of first \$1 - \$5,000 50% of \$5,001 - \$10,000 75% of costs > \$10,001	\$10,000	\$10,000
NY	2.6	\$11,000	10% of costs > \$5,000	\$9,600	\$10,400
NC	1.2	\$8,700 (2021)	Not Referenced	\$5,125	\$14,875

Table 2a: Self-Employment Funding and Financial Participation Requirements, General/Combined Agencies (*Continued*)

State/ Territories	% Participants in SE Services	VR Funding Limit	Financial Participation Requirements	Participant Contribution for \$20,000†	VR Contribution for \$20,000
ND*	0.4	No maximum listed	50% of first \$5,000 95% of costs > \$5,000	\$16,750	\$3,250
OH	1.1	No maximum listed (business plans with a total cost of >\$10,000 must be approved by the Area Manager)	Not Referenced	\$0	\$20,000
OK*	1.3	Exceptions allowed \$10,000 (funds exceeding \$10,000 require supervisor/field coordinator approval)	50% of costs > \$10,000	\$5,000	\$15,000
OR	1.3	\$3,000 maximum for microenterprise No maximum listed for comprehensive SE	Not Referenced	\$0	\$20,000
PA	1.5	\$10,000	50% of \$1 - \$10,000	\$15,000	\$5,000
RI	0.1	\$10,000	Not Referenced	\$10,000	\$10,000
SC*	8.7	\$10,000	Not Referenced	\$10,000	\$10,000

Table 2a: Self-Employment Funding and Financial Participation Requirements, General/Combined Agencies (Continued)

State/ Territories	% Participants in SE Services	VR Funding Limit	Financial Participation Requirements	Participant Contribution for \$20,000†	VR Contribution for \$20,000
SD*	0.1	Exceptions allowed \$14,500 (state approval must be granted for requests > \$5,000)	0% of \$5,000 90% of costs > \$5,000	\$13,500	\$6,500
TN*	0.0	\$10,000	Not Referenced	\$10,000	\$10,000
TX	9.1	Exceptions allowed (costs > \$10,000 require VR area manager approval)	Not Referenced	\$0	\$20,000
UT	1.5	\$5,000 for Tier I No maximum for Tier II	Not Referenced	\$0	\$20,000
VA*	0.9	No maximum listed	Not Referenced	\$0	\$20,000
VT*	0.9	\$1,500 for supplementary ventures \$2,500 for self-sufficiency	Not Referenced	\$17,500	\$2,500
WA	1.9	\$3,000 for businesses not expected to lead to self- sufficiency \$10,000 for businesses expected to lead to self- sufficiency	Not Referenced	\$10,000	\$10,000

Table 2a: Self-Employment Funding and Financial Participation Requirements, General/Combined Agencies (Continued)

State/ Territories	% Participants in SE Services	VR Funding Limit	Financial Participation Requirements	Participant Contribution for \$20,000†	VR Contribution for \$20,000
WV	0.4	No maximum listed	Not Referenced	\$0	\$20,000
WI	0.6	No maximum listed	0% of first \$10,000 50% of costs > \$10,001	\$5,000	\$15,000
WY	0.9	No maximum listed	Not Referenced	\$0	\$20,000

*State policy information has been reviewed, summarized, and submitted to the State VR Agency for review and approval.

- No policy information available at this time

† Participant contribution includes required financial participation and any additional funds needed to reach \$20,000 after VR contributions.

Table 2b: Self-Employment Funding and Financial Participation Requirements, Blind Services Agencies

States	% Self-Employment Services	VR Funding Limits	Financial Participation Requirements	Participant Contribution for \$20,000	VR Contribution for \$20,000
AR BLIND*	0.4	\$40,000 (not including cost of technical assistance)	60% for costs > \$10,000	\$6,000	\$14,000
CT BLIND*	0.2	None listed	10% of < \$10,000 15% of \$10,001 - \$20,000 25% of \$20,001 - \$50,000 35% of costs > \$50,000	\$3,000	\$17,000
DE BLIND	0.0	\$10,000	None listed	\$10,000	\$10,000
FL BLIND*	5.2	Range from \$5,000 to \$15,000; total funding cannot exceed 80% of total business establishment cost.	None listed	\$8,000	\$12,000
ID BLIND*	0.0	\$5,000 for businesses leading to self-sufficiency \$2,500 for businesses intended to supplement income	None listed	\$15,000	\$5,000
IA BLIND	0.0	\$10,000	100%	\$10,000	\$10,000

Table 2b: Self-Employment Funding and Financial Participation Requirements, Blind Services Agencies (Continued)

States	% Self-Employment Services	VR Funding Limits	Financial Participation Requirements	Participant Contribution for \$20,000	VR Contribution for \$20,000
ME BLIND	0.0	\$7,500 for businesses leading to self-sufficiency \$2,500 for businesses not leading to self-sufficiency	None listed	\$12,500	\$7,500
MA BLIND	0.4	None listed	None listed	\$0	\$20,000
MI BLIND*	0.1	None listed	10% for costs < \$2,500 15% for \$2,501 - \$5,000 20% for \$5,001 - \$10,000 25% for > \$10,001	\$4,125	\$15,875
MN BLIND	0.3	\$5,000 (does not include cost of assessments, referrals, or training and education related to business)	None listed	\$15,000	\$5,000
MO BLIND*	0.4	\$17,500	25%	\$5,000	\$15,000
NE BLIND	0.4	\$20,000	None listed	\$0	\$20,000
NJ BLIND*	0.3	None listed	10% for \$1 - \$5,000 20% for \$5,001 - \$7,500 30% for \$7,501 - \$15,000 40% for \$15,501 and higher	\$8,000	\$12,000

Table 2b: Self-Employment Funding and Financial Participation Requirements, Blind Services Agencies (Continued)

States	% Self-Employment Services	VR Funding Limits	Financial Participation Requirements	Participant Contribution for \$20,000	VR Contribution for \$20,000
NM BLIND	0.0	10% for \$1 - \$5,000 20% for \$5,001 - \$7,500 30% for \$7,501 - \$15,000 40% for \$15,501 and higher	10% for \$1 - \$5,000 20% for \$5,001 - \$7,500 30% for \$7,501 - \$15,000 40% for \$15,501 and higher	\$0	\$20,000
NY BLIND	0.3	\$15,000	None listed	\$5,000	\$15,000
NC BLIND*	0.9	\$24,000	% for \$1 - \$5,000 10% for \$5,001 - \$10,000 15% for \$10,001 - \$20,000 20% for \$20,001 - \$30,000	\$2,250	\$17,750
OR BLIND	0.4	None listed	None listed		
SC BLIND*	0.1	None listed	5% for \$1 - \$2,500 10% for \$2,501 - \$3,500 15% for \$3,501 - \$4,000 20% for \$4,001 - \$10,000 50% for costs > \$10,001	\$6,500	\$13,500
SD BLIND*	0.2	\$14,500	90% of costs > \$5,000	\$13,500	\$6,500

Table 2b: Self-Employment Funding and Financial Participation Requirements, Blind Services Agencies (*Continued*)

States	% Self-Employment Services	VR Funding Limits	Financial Participation Requirements	Participant Contribution for \$20,000	VR Contribution for \$20,000
VT BLIND	0.2	\$5,000 for businesses leading to self-sufficiency \$2,500 for ventures intended to supplement existing income	None listed	\$15,000	\$5,000
VA BLIND	0.1	None listed	None listed	\$0	\$20,000
WA BLIND	0.3	5% of allowable start-up costs; up to a maximum of \$20,000	75% for \$1-\$20,000	\$15,000	\$5,000

*State policy information has been reviewed, summarized, and submitted to the State VR Agency for review and approval.

- No policy information available at this time

† Participant contribution includes required financial participation and any additional funds needed to reach \$20,000 after VR contributions.

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