

# Turning



# Into



*A Business Case  
for Hiring People  
With Disabilities*

By Jenell L.S. Wittmer and Leslie Wilson

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Training staff at all levels can open an employer's doors to an untapped workforce. People with disabilities contribute to organizational diversity and are ready and willing to make a difference in your organization.

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**T**urn to any page in the *Wall Street Journal* or flip to your local news station, and you will read or hear about organizations trying to cut back in today's bleak economy, and for many human resource departments that means traditional cost-cutting practices, such as hiring freezes or cuts on training programs and fringe benefits. But, cost cutting doesn't have to mean cutting back.

Employing people with disabilities may be an excellent source of productive talent for your company. This group of individuals can help your business decrease turnover and increase the bottom line. There are 19.8 million working-age Americans with disabilities, and this number continues to grow as more soldiers with disabilities return home from the Middle East. The U.S. Census Bureau reported in 2003 that approximately 62 percent of these individuals are unemployed. The National Organization on Disability reported that the majority of unemployed citizens with disabilities would prefer to work, and the vast majority do not require any type of mobility assistance.

### Making the case

There are many benefits to hiring people with disabilities. Employees with disabilities can widen your company's profit margin by reducing turnover, boosting customer loyalty, cutting worker's compensation costs, and gaining financial incentives from the federal government:

- **Reducing turnover:** The U.S. Chamber of Commerce's Center for Workforce Preparation found that hiring a worker with a disability is both a retention and employment strategy—workers with disabilities have higher-than-average retention rates and company loyalty.
- **Boosting customer loyalty:** A survey of more than 800 American consumers found that 87 percent would prefer to give their business to companies that hire people with disabilities.
- **Cutting worker's compensation costs:** In March 2008, Walgreens announced that its workers with disabilities cut its worker's

compensation costs at its Anderson, South Carolina, distribution center by \$17,000 over a nine-month period. Incidents involving workers with disabilities were less costly, there was less property damage, and the workers returned to work in less time. Approximately 43 percent of the Distribution Center's workers were people with disabilities, representing about 185 workers.

- **Gaining financial incentives from the federal government when companies hire people with disabilities who meet specific criteria:**

#### 1| **The Work Opportunity Tax Credit**

**(WOTC).** If your business pays taxes, the federal WOTC has the potential to reduce your federal income tax liability by as much as \$2,400 per qualified worker. As an employer, you may take a tax credit up to 40 percent of the qualified worker's first \$6,000 in wages paid during the first 12 months for each new hire. For veterans with disabilities who meet specific criteria, the WOTC can be up to \$4,800.

There are 10 target groups for WOTC eligibility, including people with disabilities who are certified Vocational Rehabilitation referrals, qualified recipients of Supplemental Security Income (SSI), and the Social Security Administration's Ticket to Work holders. One hotel property in the Tampa, Florida, area had a WOTC of more than \$60,000 in 2006 ([www.doleta.gov/business/incentives/opptax](http://www.doleta.gov/business/incentives/opptax)).

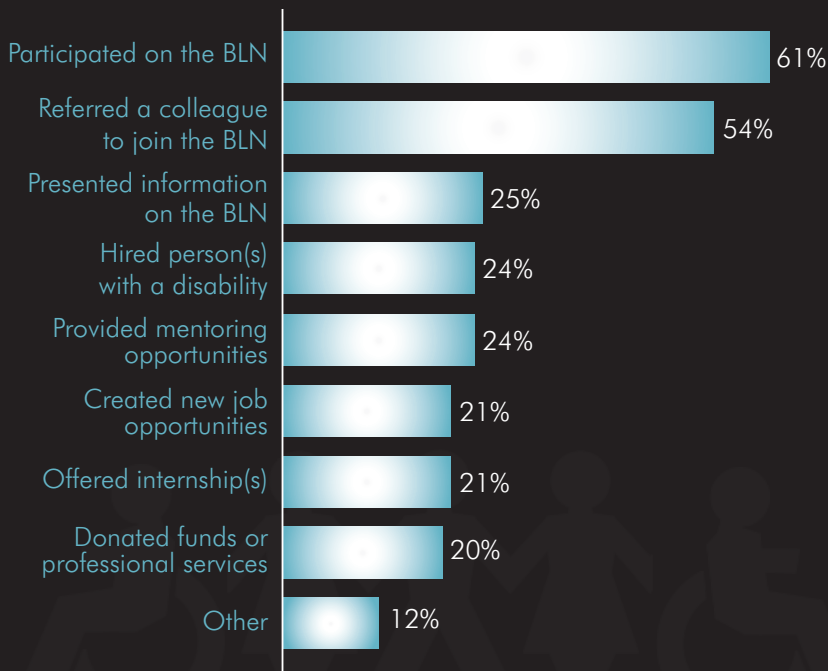
#### 2| **The U.S. Social Security Administration's (SSA) Ticket to Work Program (TTW).**

SSA's TTW Program provides employers an opportunity to generate \$4,800 in the first nine months of employment when they hire a Social Security beneficiary with



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## As a Result of the BLNs, I Have Done the Following:



Source: Wilson Resources Inc., 2008

disabilities, and there is more to be earned over time. Employers must become TTW Employment Networks to participate in the program. There are more than 10 million Americans with disabilities who are Social Security disability beneficiaries, providing hundreds of recruitment opportunities for your business (contact Emily Malsch at emalsch@cessi.net).

- 3| The WOTC and the SSA TTW Program.** Your organization may take advantage of the WOTC and the SSA's TTW Program. By accessing both programs, it is possible for your company to generate up to \$7,200 in the first 12 months for each new hire who meets both programs' specific criteria.

### Dispelling the myths

So what is stopping many organizations from hiring people with disabilities when these people can have such a positive impact? The answer is *attitudes*. Surveys conducted by Wilson Resources in 2007, 2008, and 2009 found that "attitudes at all corporate

levels" were the leading impediment to the employment of people with disabilities. Front line staff and hiring managers most often had reservations about hiring workers with disabilities due to preconceived myths. Business leaders were asked what they would recommend to overcome the attitudinal barrier to the employment of people with disabilities. Their recommendations: "training, training, training," "exposure to people with disabilities in their workplaces," and "information on employer best practices."

The first step in training hiring managers and front line staff on employing people with disabilities is to dispel these myths:

**Accommodations are too expensive.** Most accommodations (81 percent) cost under \$100, and 73 percent of employers found that their employees with disabilities did not require special accommodations. Additionally, these accommodations, made for employees with disabilities, have been found to benefit organizations' aging workforces. An ABC News feature on Walgreens in February of 2008 shared that nearly half (43 percent) of Walgreens' Anderson, South Carolina, distribution center's

430 workers have disabilities. Walgreens found that Anderson is more productive than its other centers. The training and technologies that help workers with disabilities do their jobs also help all employees do their jobs better.

**I'll be sued.** Very few businesses experience disability-related claims. In fact, EEOC 2007 data show that people with disabilities filed fewer claims than people of color or any gender or age groups. An example from the U.S. Chamber of Commerce Center for Workforce Preparation shows that few businesses experience disability-related claims. In a 2003 survey, 91 percent of respondents indicated that they were not aware of any Americans With Disabilities Act complaints filed against their companies in the last 12 months.

**My worker's compensation rates will be affected.** Worker's compensation rates are based on the nature of the business, the jobs employees perform, and use of benefits. People with disabilities have not been found to increase worker's compensation rates. In fact, at the Walgreens Anderson, South Carolina, distribution center, \$17,000 was saved over a nine-month period due to fewer incidents caused by its employees with disabilities. Incidents that occurred were less costly, there was less property damage, and the workers with disabilities returned to work in less time.

**They cannot perform the job.** The U.S. Chamber of Commerce's Center for Workforce Preparation found that industry reports showed people with disabilities were average or above average in performance, attendance, and safety. A DuPont study that involved 2,745 employees with disabilities found that 92 percent of employees with disabilities rated average or better in job performance compared to 90 percent of employees without disabilities.

**They all quit.** The U.S. Chamber of Commerce's Center for Workforce Preparation found that hiring a worker with a disability is both a retention and employment strategy—workers with disabilities have higher than average retention rates and company loyalty. **Hiring people with disabilities will scare my customers away.** Marketing studies have shown that 54 percent

of households patronize businesses that feature people with disabilities in their ads. Disability-friendly businesses earn the lucrative and loyal patronage of people with disabilities, their families, and friends. A national survey of 803 consumers randomly selected from across the United States found that 92 percent felt more favorable toward companies that hire people with disabilities, and 87 percent said they would prefer to give their business to such companies.

**I do not know where to find qualified applicants with disabilities.** There are organizations in every community dedicated to helping people with disabilities locate jobs. There are also both local and national Business Leader Networks (BLNs). The purpose of the BLNs is to create awareness of the skills and abilities of workers with disabilities through the organization of an employer-to-employer network. They seek to educate BLN employer

members, educate other employers in the community and encourage employment, and organize internships and mentoring opportunities.

### Making it official

All organizations can become members of a local BLN and participate in training events, workshops, and presentations, including best practices, customized training at employers' worksites, and BLN's Paid Internship Initiative. Companies such as Lockheed Martin Company and Blue Cross and Blue Shield of Florida have been recognized as being employers of choice for people with disabilities through the BLNs (visit [www.usbln.org](http://www.usbln.org)).

Employers actively involved with Florida's local BLNs have made a difference, both in their bottom line and for individuals with disabilities. The table demonstrates the great advances participants in BLNs have made in terms of participation, mentoring, creating new jobs, and hiring people with disabilities.

Training staff at all corporate levels is the first step to opening an employer's doors to this untapped workforce. Individuals with disabilities are part of the worker diversity movement and are ready, willing, and able to work. To quote Florida's former Governor Jeb Bush speaking at a Business Leadership Network Kick-off, "I want to challenge every employer here to hire a person with disabilities this year—and another one next year, and the year after that. This effort isn't charity or good corporate citizenship—it's just smart business." **T+D**

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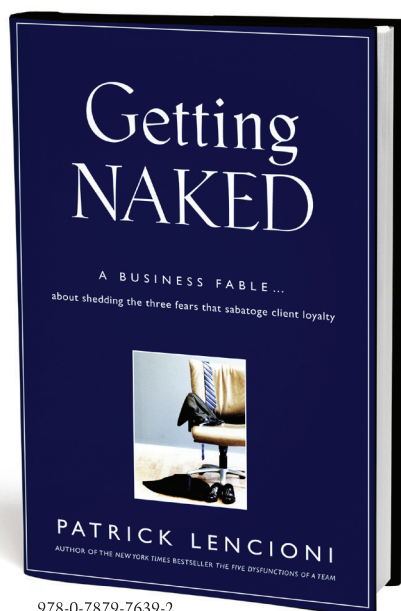
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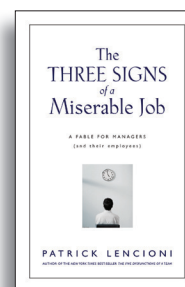
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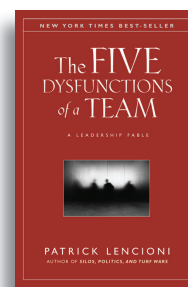
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