The Self Employment Starts with You (SESY) study used qualitative and survey data to examine self-employment as a strategy to improve career options for individuals with a psychiatric disability. The goal was to understand the experience of current business owners, and provide useful information to aspiring business owners.

The people in this study have a history of psychiatric disability, as indicated by having used mental health services or disability benefits and accommodations. They are operating U.S.-based business enterprises with fewer than five employees. The reports in this series include responses from the 60 self-employed individuals who qualified for and completed the SESY survey in the summer of 2017.

The SESY survey was an important first step in learning about small business owners who have used mental health services. The project was conducted by individuals who identify as having a psychiatric history. This type of research is useful for raising awareness and identifying areas for future research.

For more information on self-employment, visit [www.ReclaimingEmployment.net](http://www.ReclaimingEmployment.net)
A Unique Opportunity for Career & Financial Development

Self-employment is an opportunity for individuals to achieve financial self-sufficiency and positive career outcomes. In spite of over 40 years of investment in and emphasis on employment by public mental health systems, the disparity between individuals with psychiatric disabilities’ desire to work and their rates of employment is astonishingly high.\textsuperscript{1} While only 15% to 25% of individuals with psychiatric disabilities are employed, about 65% endorse employment as a goal in their recovery.\textsuperscript{2}

Self-employment is a uniquely valuable option for many reasons: Potential benefits of self-employment for people with psychiatric disabilities include having a trauma-informed work environment, avoiding negative work experiences, and increasing earning potential and career choices for individuals with disrupted educational and employment histories. Self-employment fits within a recovery paradigm\textsuperscript{3} because of the value placed on individual preferences and experiences.

Employment supports for people with disabilities tend to focus on mainstream wage-paying jobs, although self-employment is to be included as an employment option in any vocational rehabilitation services, with its importance re-emphasized in the 2014 Workforce Innovation and Opportunity Act. Social Security’s Plan for Achieving Self-Support (PASS) Program allows a person with a disability to set aside income or resources for a specific period of time that would otherwise be counted toward their Substantial Gainful Activity (SGA). A PASS can include supplies to start a business. Similarly, under Property Essential for Self-Sufficiency (PESS), SSI beneficiaries can have additional funds in a separate business account, if those resources are required for business expenses. Yet there is low uptake of these programs.\textsuperscript{4} Supports offered to the general public, such as through the Small Business Administration, may not meet the needs of people with psychiatric disabilities.

There may be individuals who are “entrepreneurial” in the sense that they would like to make money independently by working as a professional on their own ideas; there are other individuals who are interested in management and operations and want to build a successful business. It is important to understand how current business owners have arrived at self-employment and how they are managing, which is the subject of this report.

**Most Business Owners Disclose Psychiatric History Less than “Sometimes”**

Individuals with psychiatric disabilities commonly experience discrimination in employment and education settings. A nationally representative poll in 2013 showed that only 28% of Americans are willing to have a person with a psychiatric disability as a coworker.\textsuperscript{5} Many SESY survey respondents had at some point experienced employment discrimination, as reported in the first brief in this series.
Less than half of respondents regularly disclosed their psychiatric history to their business clients (rating “Always” or “Usually”). In contrast, 57% of participants only disclosed their psychiatric disability sometimes, rarely, or never to business clients. Depending on the nature of the business or relationships with clients, this could simply indicate that disclosure was determined to be irrelevant to customers, or it could indicate fear of discrimination.

Choosing Freedom & Control, Work-Life Balance

There are personal characteristics, circumstances, and motivations that may lead any individual – including someone who has a psychiatric disability – to choose self-employment. The SESY survey asked respondents to rate whether some common reasons for self-employment were important to their decision to become self-employed. In contrast to the U.S. Census, where the most common “important” reason for owning a small business was “greater income,” responses to the SESY survey highlighted the importance of freedom and balance, although having a source of financial self-sufficiency was not far down on the list. In the general population, about 45% rated work-life balance as “important”; in the SESY survey this number was over 80%. These reasons are largely consistent with the commonly reported negative experiences in employment described in the first issue in this series, such as negative attitudes of coworkers and supervisors.

Networking with Others Gets Self-Employed Individuals Started

Typically, new business owners or those planning to start a business engage in preparatory activities, including, for instance, creating a business plan. We asked respondents what they did before starting their business, and found that more than half had networked with other business owners. A little over 40% had conducted some kind of self-assessment, and about a third had created a business plan.
These results suggest a reliance on social support but a lack of engaging in accepted business practices, indicating these business owners may be out of step with the general population. Not using common business practices could also be related to any negative experiences these individuals have had in education, the workforce, or in administrative bureaucracies such as the health system.

**Financial Management a Major Challenge for Most**

Respondents were asked about the challenges they are currently facing in self-employment. Most frequently, financial management was identified as a big or a minor challenge. After that, personal issues, navigating taxes, and lack of knowledge as to how to run a business were most commonly identified as challenges.

**Challenges**

- Financial management: 78%
- Personal/family issues: 70%
- Lack of knowledge about running a business: 67%
- Taxes: 67%
- Access to training/education: 58%
- Legal: 52%
- Culture: 49%
- Personnel: 41%
- Compliance: 40%
- Benefits: 19%

**Peer/Mutual Support and Psychiatric Services Help Owners Work**

Access to resources and support can make starting a business less risky and overwhelming. A review of empirical research on self-employment for individuals with disabilities found two factors influence success besides individual characteristics: supports such as information and mentorship, and accountability systems in vocational rehabilitation settings that affect resources given to self-employment outcomes.

The SESY survey asked respondents about which business and social supports had been helpful in overcoming these challenges, as well which health-related services were helpful in their work. Other self-employed individuals and friends were commonly reported to be “helpful,” as was online education.

Less commonly reported were community supports, such as the Small Business Development Center or SCORE, or vocational rehabilitation. Many existing self-employment training and technical assistance programs don’t address mental health issues, and expect self-esteem and self-confidence as a prerequisite to enrollment.
Additionally, other research has found that SBDCs have a negative attitude toward businesses run by people with disabilities because of their smaller size, which affects the SBDCs performance ratings.\(^4\)

The survey also asked about health-related services that business owners may have used since becoming self-employed, which allowed them to work. Most commonly, respondents reported counseling and psychiatric services as “helpful.” They also frequently reported relying on a spiritual community, mental health or substance use-related peer support, massage therapy, psychiatric medications, and behavioral skills training to stay healthy.

**Conclusion**

Individuals with psychiatric disabilities face unique barriers and motivators to self-employment. They commonly cited motivations related to preferences for freedom over work and schedules, as well as achieving work-life balance. This is consistent with other research that shows that the accommodations most commonly requested by workers with psychiatric disabilities are scheduling-related.\(^7\) Individuals with psychiatric disabilities may not seek accommodation due to concerns about disclosure; many of the self-employed individuals in this survey also did not regularly disclose to their clients.

While this group may have particular advantages and disadvantages in self-employment, much of that is a universal experience among self-employed individuals – including financial management. There is increasing support from the business community for other disadvantaged groups, such as people of color, women, and veterans.\(^8\)

Although individuals with psychiatric disabilities have received less attention and support, they may benefit from it in order to grow strong, sustainable businesses. In the next brief in this series “Planning for the Future: Growth-Oriented Entrepreneurship” we present findings related to further developing a business.

![Graph showing most common helpful health-related services](image)

![Graph showing most common helpful business/social supports](image)
Acknowledgements

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