



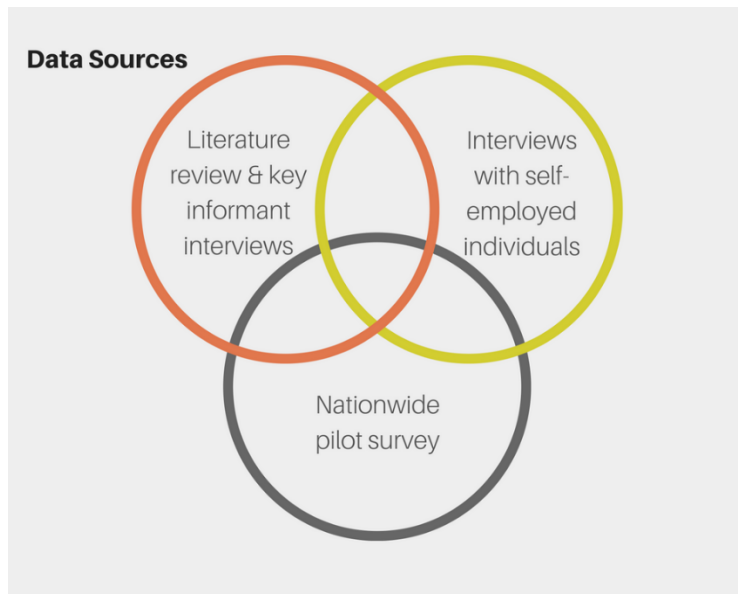
Self-Employment Starts with You!

#3: *Planning for the Future: Growth-Oriented Entrepreneurship*

About the project

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.



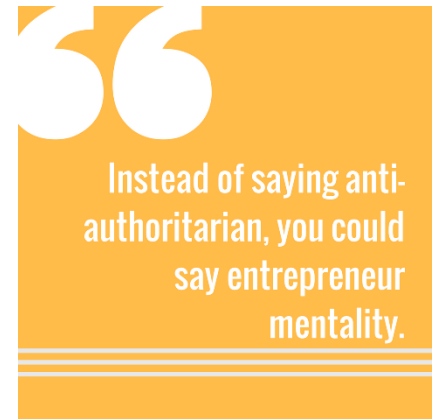
For more information on self-employment, visit www.ReclaimingEmployment.net

You can find the other reports in this series and more information about the study at www.LiveLearnInc.net/Entrepreneurship

Creating Employment Opportunities for Everyone through Entrepreneurship

Despite some of the challenges described in the [first and second briefs in this series](#), individuals with psychiatric disabilities may be uniquely suited to entrepreneurship. A recent study of Silicon Valley entrepreneurs demonstrated a high prevalence of diagnosable mental health problems, raising the possibility of an underlying relationship between entrepreneurship and mental health problems.¹

While the terms self-employment and entrepreneurship are commonly used interchangeably, there are subtle differences that can be useful in understanding growth and innovation in business. Self-employment is an alternative to wage employment: a self-employed individual creates at least one job (for themselves), and even if they have no employees, they contribute to economic growth through the supply chains involved in distributing products or services.

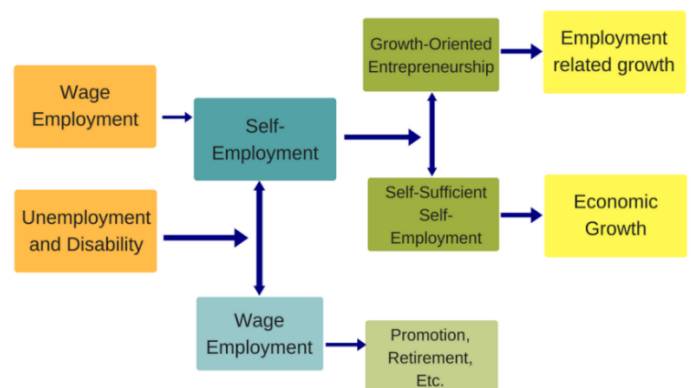


Self-Employment is when an individual works for him or herself, either as an unincorporated sole proprietor/independent contractor, or through ownership of a business.

Entrepreneurship is “any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business”
(Global Entrepreneurship Monitor, 2017)

Entrepreneurship is generally used to indicate some aspect of innovation, change, or a new way of doing things.²⁻⁴ Because entrepreneurs are often a course of job creation, the distinction between entrepreneurship and self-employment is seen as important to improve employment participation for individuals with a disability.⁵ Entrepreneurs who have a disability are more likely to hire others with a disability.⁶ These businesses can provide meaningful employment opportunities and non-discriminatory work environments,⁷ as well as offer opportunities to decrease social isolation and increase social networks.

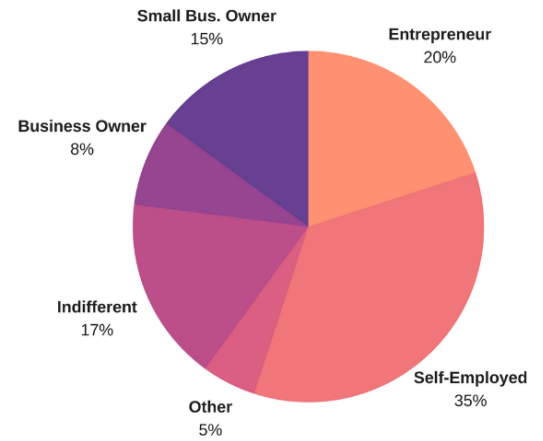
The boundary between self-sufficient self-employment and growth-oriented entrepreneurship is a potentially important focal point for increasing employment rates of people with disabilities overall.⁵ Other disability scholars have discussed the importance of focusing on differences between self-employment and entrepreneurship for individuals with disabilities, often advocating for a greater emphasis on entrepreneurship.⁵ Disability entrepreneurship researchers have advocated thinking beyond the outcome of becoming self-employed to thinking in terms of growth and innovation – arguing that self-sustaining self-employment alone will have little effect on rates of poverty and unemployment among individuals with disabilities⁵ and that distinguishing the two will lead to policies to encourage growth and job creation.⁶ Larger cultural narratives in the U.S. also emphasize growth-oriented entrepreneurship, despite the fact that many small business owners prefer to maintain smaller, self-sustaining businesses,⁸ but until the SESY survey, there has been no research on the preferences and patterns of business owners with psychiatric disabilities.



Respondents prefer to be called “self-employed” or “entrepreneur”

Language and labels contribute to the way individuals or groups are perceived and regarded. In the SESY survey, 35% of respondents preferred the term “self-employed,” and 20% preferred “entrepreneur.” Almost one-fifth were indifferent to what term is used to describe their work. These are similar proportions as those measured by the [National Federation of Independent Businesses](#).

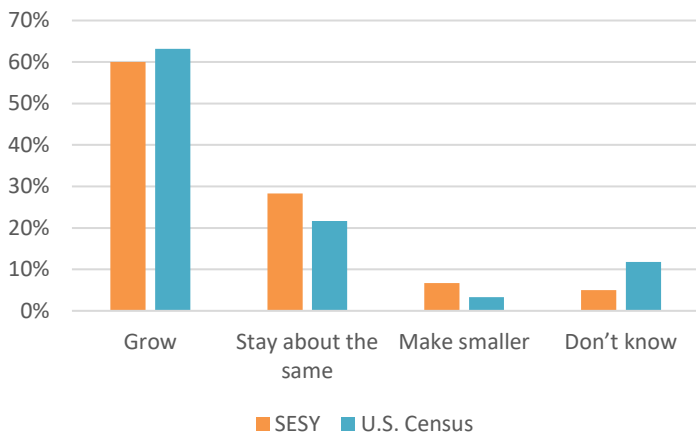
Which of the following terms do you prefer?



Businesses have grown over time, and more growth is seen as desirable

We wanted to know what intentions self-employed individuals with psychiatric disabilities had for their business in the future. As found in the general population, business growth is desirable for many, but not necessarily everyone.

Intentions for Business Growth



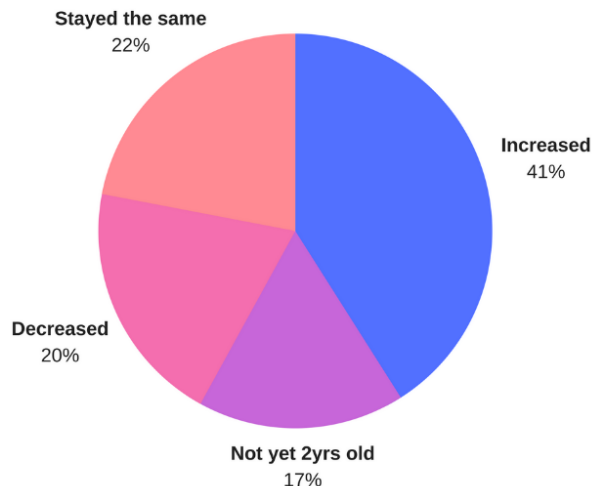
About 60% of SESY respondents wanted their business to grow. Less than one-third wanted it to stay the same, and only 7% wanted their business to be smaller or “didn’t know.” These patterns are almost identical to those reported in the [U.S. Census Bureau’s Annual Survey of Entrepreneurs](#).

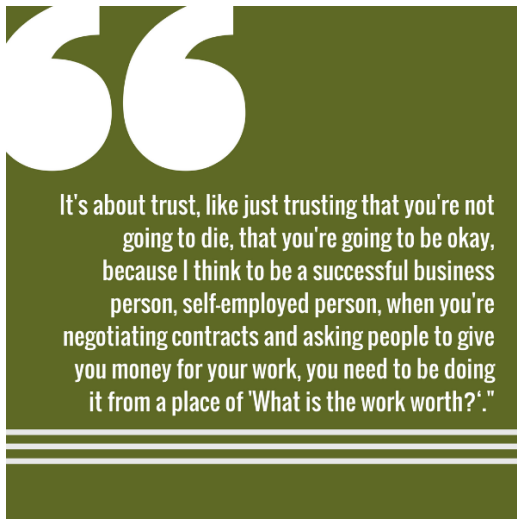
Most respondents indicated a desire for modest growth from their 2016 revenue reported in the first brief in this series, with about one-third expressing a desire to grow to \$50,000-\$99,000 in annual revenue, and about one-third indicating a desire to gross more than \$100,000 per year.

About 15% indicated they would like their business to be “as large as possible.”

We asked respondents to tell us how their revenue had changed over time so that we could get an idea of whether these businesses are *actually* growing. More than 40% reported that their business had grown in the past two years. More respondents reported that their business revenue is increasing compared than any other change, including 22% who said revenue was the same over the past two years, and 20% who said their revenue has decreased.

Change in revenue in the past two years





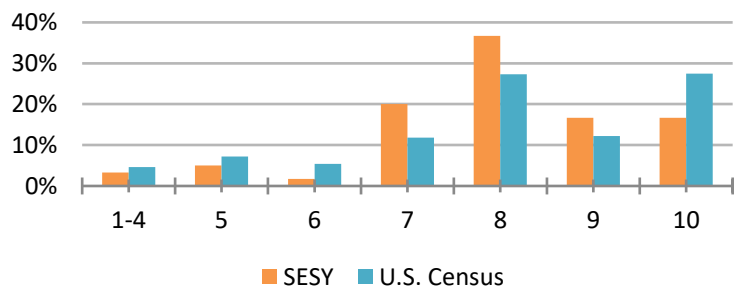
Levels of Confidence and Satisfaction Indicate “Success” and Optimism

Because different business owners become self-employed for different reasons, success in business is often a subjective judgment based on a self-employed individual’s values. For some, having a meaningful job that allows them to do what they want feels like “success.” In fact, as reported in research brief #2, many SESY respondents reported that they became self-employed in order to pursue freedom, flexibility, and work-life balance.

Other research has shown that individuals who judge their business to be successful feel greater personal satisfaction. Personal satisfaction from owning a business is an important quality of life measure, and enables an individual to persevere through adversity.⁹

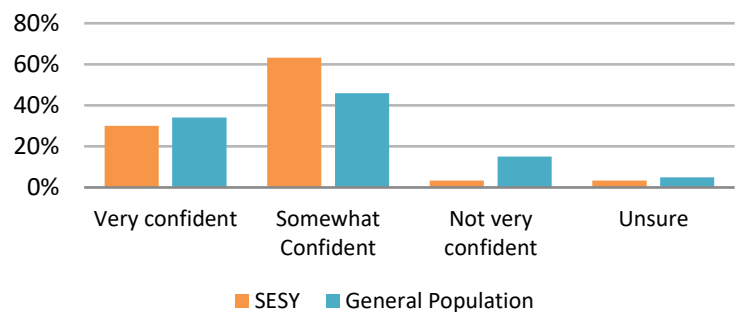
When asked about how much personal satisfaction they draw from owning a business, responses in the SESY survey were positive – on a scale of 1 to 10 (with 10 being most satisfied), more than half rated their personal satisfaction an 8 or higher. The pattern of satisfaction ratings for SESY respondents is similar to that of the general population, although slightly more owners in the general population rated their satisfaction a 10.

Personal satisfaction from owning a business



Similarly, many SESY respondents felt confident about the future of their business, similarly to owners in the general population surveyed by the National Small Business Association (NSBA) 2016 Year-End Economic Report. In fact, a smaller proportion of SESY respondents felt “not very confident” compared to the general population. This may indicate an opportunity to provide practical support and tools to these owners and make the most of their optimism.

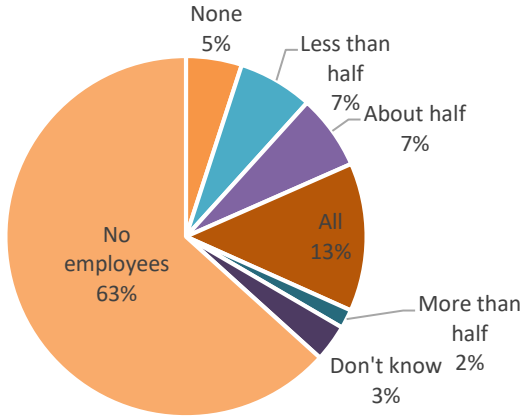
How do you feel about the future of your business?



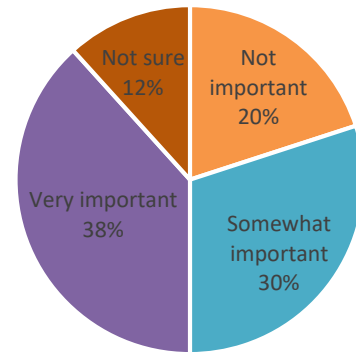
Business Owners Provide Work Opportunities for Their Peers; Want to Do More

While two-thirds of SESY survey respondents did not currently have any employees, of those who did, a high proportion who reported that all of their current workers identified as individuals who have used mental health services or have a disability. Only 5% said that none of the people working for them identified this way.

Current workers with mental health history



How important is it to provide work opportunities?



Additionally, when asked how important it is that their business provide work opportunities for others who have used mental health services or have any disabilities, 38% answered very important and 30% answered somewhat important.

Help needed with financial and administrative management, personnel

More than half of the SESY survey respondents identified a need for support in management, including financial, administrative, and legal issues. Business development was also an area in which 43% of respondents said they needed support.

Support most needed for...

✓ Financial or administrative management, including legal	55%
✓ Business development, including advertising and sales	43%
✓ Communicating with clients/customers	20%
✓ Providing services and/or producing goods	13%
✓ HR/Personnel management	10%



While only 10% highlighted human resources (HR) and personnel management as a priority for support, 40% reported separately that personnel was a challenge. These respondents most frequently said that finding people with the needed skill-set as well as the right people for the company’s culture and values, were a challenges. About one-third identified their own lack of skills and experience in managing others as a personnel challenge.

Conclusions

Individuals with psychiatric disabilities may avoid (or be discouraged from) self-employment entirely if the only path presented involves developing a growth-oriented business that can provide employment for others. Both self-employment and entrepreneurship are viable business development strategies that depend largely on individual preferences. However, believing growth-oriented entrepreneurship as an unattainable goal for people with psychiatric disabilities risks mimicking much of the “why try” stigma and discrimination faced by this population. Supporting growth-oriented entrepreneurship by business owners with psychiatric disabilities can lead to hiring workers who use mental health services or have a disability. The SESY survey found that many owners do want to hire others, but may need support around managing growth.

Acknowledgements

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