

# Entrepreneurial entry by people with disabilities

Entrepreneurship is when people start a business that creates a new product or service. Entrepreneurship has many benefits for people with disabilities including increased independence, the ability to support themselves financially, the ability to set their own schedule, and reduction of transportation problems if they are based at home. Although more people with disabilities are likely to be self-employed (to work for themselves) than people without disabilities research has not looked at entrepreneurship of people with disabilities. Using data from the Panel Study of Entrepreneurial Dynamics II this brief looks at what barriers impact people with disabilities in entrepreneurship and what impact having a disability can have on starting a business.

## **New entrepreneurs with disabilities differ from those without disabilities in a number of ways:**

- The average household size for new entrepreneurs with disabilities is significantly smaller than non-disabled new entrepreneurs
- The average start-up team size for new entrepreneurs with disabilities is significantly smaller than non-disabled new entrepreneurs
- The start-up money of entrepreneurs with disabilities and their teams are significantly smaller than non-disabled entrepreneurs
- The income for new entrepreneurs with disabilities is significantly lower than the average income for non-disabled new entrepreneurs
- The average educational level of new entrepreneurs with disabilities is significantly lower than that of non-disabled new entrepreneurs

## **Our research on entrepreneurs with disabilities also found:**

- People with disabilities are equally or even more likely to get involved in the business startup process than the general population, but their startup efforts are less likely to be successful.
- People with disabilities who are starting businesses are significantly less likely to achieve sales revenue for their business, and are somewhat less likely to acquire external funding than those without disabilities. In other words, people with disabilities are at a disadvantage when it comes to successfully starting a business.
- Disability impacts the social, human, and financial resources gathered in the early stage of business development, and explains the differences between non-disabled and disabled peoples' success in business development.

It is important to have entrepreneurship training specifically tailored to people with disabilities because they can face different barriers when trying to start a business. This training should include mentorship and business knowledge. Poverty is also a big problem that makes it more difficult for people with disabilities to start and run businesses. It is important to reduce poverty for people with disabilities, especially so they can start these unique businesses.

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Renko, M., Parker Harris, S., & Caldwell, K. (2015). Entrepreneurial Entry by People with Disabilities. *International Small Business Journal*.



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