

# Understanding Self-Employment

For People with Disabilities and Health Conditions

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May 2019

# Summary

The objective of this research was to enhance DWP's understanding of the experience of self-employment for individuals with disabilities and health conditions – particularly the challenges experienced, and the types of support required to set-up, sustain and grow their business.

Forty in-depth interviews were carried out with disabled self-employed individuals, representatives of organisations that support disabled people and self-employed people, and representatives from Jobcentre Plus.

Some of the main challenges faced by this group were similar to the challenges faced by self-employed people in general. However, most challenges were very much exacerbated by individuals' experience of disability, and some other challenges were more unique to this group. The most serious challenges were a lack of confidence, managing their workload with a fluctuating condition, accessing finance and income, accessing advice and support relevant to their needs, and travel.

The ideal support wanted by this group included peer mentoring from someone with a lived experience of disability, a centralised information source of guidance relevant to disabled self-employed people, a service that provides flexible ad hoc assistance with things like physical access and travel, and financial help via interest free loans for start-ups, or preferential rates of borrowing.

Some of the key conclusions from this piece of research were that disabled entrepreneurs may need more support than other people entering self-employment. This is because it is common for them to feel that self-employment is their only option, as other forms of employment are not a viable option. This can mean that they enter self-employment without the same amount of time to mentally and financially prepare for the transition.

Some of the businesses run by disabled entrepreneurs were reported to be at the margins of financial viability, and it was common for these entrepreneurs to feel that they were operating at the limit of workloads they could cope with.

Fluctuating conditions also can make self-employment very difficult to manage. Periods of pain, fatigue or poor mental health which are difficult to predict can lead to fluctuating periods of work and fluctuating income. This underpinned many of the challenges faced by this group.

## Understanding Self-Employment

Research Report 974

A report of research carried out by IFF Research Ltd on behalf of the Department for Work and Pensions

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First published May 2019

ISBN 978-1-78659-137-1

Views expressed in this report are not necessarily those of the Department for Work and Pensions or any other Government Department.

# Executive summary

## Introduction

The Department for Work and Pensions (DWP) and the Department of Health have made a commitment to remove the barriers that stop people with a disability or health condition from getting into work, with an aim to see one million more disabled people in work by 2027.<sup>1</sup> This includes a commitment to provide people with the best opportunities so that they can succeed in self-employment.

The objective of this research was to enhance DWP's understanding of the experience of self-employment for individuals with disabilities and health conditions – particularly the challenges experienced, and the types of support required to set-up, sustain and grow their business.

## Methodology

To enhance DWP's understanding of the experience of self-employment for individuals with disabilities and health conditions, both a literature review and qualitative primary research were undertaken between April and June 2018.

The literature review examines recent UK and international literature and evidence on the distinctive barriers that people with disabilities and health conditions face when starting, sustaining, or growing self-employment, and the benefits of self-employment and effective support for this group. The findings of the literature review were used to inform the approach taken in the qualitative primary research.

The qualitative primary research consisted of:

- **25** in-depth interviews, and **two** focus groups, with individuals in self-employment who were disabled or had long-term health conditions;
- **10** in-depth interviews with support organisations, including a mix of different types to cover the variety of organisations that people with disabilities and health conditions can receive support from in relation to self-employment; and
- **Five** in-depth interviews with representatives from Jobcentre Plus who had provided support to individuals considering self-employment, including Disability Employment Advisers, Community Partners and Work Coaches. These individuals were selected by DWP.

## Literature review findings

This literature review explored national and international literature, over a thirty-year period. The aim was to identify the current state of knowledge regarding the nature

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<sup>1</sup> [Improving Lives: The Future of Work, Health and Disability \(2017\)](#)

## **Understanding Self-Employment**

and viability of self-employment, and potential barriers to self-employment for disabled people and those with a work limiting condition.

The review of the literature found that self-employment rates are typically higher amongst people with disabilities or health conditions than amongst the general population, but disabled self-employed people face significant problems in terms of surviving the initial start-up phase and sustaining the business. These largely relate to relative deficits in human capital, paucity of networks, and limited access to key resources such as savings and bank loans, which can result from a lifetime of poor health or fluctuating health issues.

Businesses run by disabled people are disproportionately likely to be solo self-employed, run from home, and lack a growth ambition which can come from a perception that an increase in business intensity would be unmanageable alongside their health condition. Further, they are more likely than the general self-employed population to be concerned about cash-flows, access to finance, premises, and pension provision. Many of these concerns relate to higher credit risk ratings linked to broken labour market spells, low paid employment, and problems managing money. However, the picture is not all negative. Self-employment can provide many benefits to people with disabilities relating to increased social inclusion, and a better 'match' between the demands of work and their abilities (for example flexibility of hours worked).

The literature review suggests that public policy can play a positive role, with human capital aspects of enterprise training and support being particularly associated with positive outcomes. Equally, there is some evidence that preferential access to public sector contracts combined with a sustained level of wide-ranging support in the formative years of a new business start has been shown to provide long-lasting benefits.

The discussion guides for the primary research were therefore designed to cover the following, in order to explore the themes identified in the literature review but from a detailed, personal perspective: individual's financial situation and ambition to grow, the circumstances around which they became self-employed, the realities of self-employment compared to expectations, the benefits of self-employment for this audience, levels of confidence, and allowing for plenty of spontaneous discussion around challenges faced, and what sort of support would be requested and suggested as a result.

## **Primary research findings**

### **Reasons for becoming self employed**

Whilst numerous factors were identified as influencing the decision to enter self-employment, most individuals and support organisations felt to some degree that individuals were forced out of 'traditional' employment because it was inaccessible to their needs. Therefore, it was more common for disabled self-employed individuals to have experienced factors 'pushing' them into self-employment due to accessibility

## Understanding Self-Employment

issues, than factors 'pulling' them into self-employment such as passion or interest in a particular field, or a desire to work for themselves.

### Typical earnings

Three main 'groups' of self-employed individuals were identified in terms of their financial situation:

- those that were "struggling";
- those that were "surviving"; and
- those that were "thriving".

Many individuals fell into the "struggling" group (earning less than £10,000 a year) and "surviving" group (earning generally at the lower end of the £10,000-£25,000 bracket), with relatively few in the "thriving" group (earning over £25,000 a year).

Those in the "struggling" and "surviving" groups received income from a combination of their self-employment and of some form of benefits, the latter of which was considered vital for the survival of their business. None were employed in a 'traditional' paid job alongside their self-employment.

Those in the "struggling" group had a high comorbidity of mental health conditions and physical disabilities. The types of conditions and disabilities in the "surviving" group were mostly physical, though some experienced some additional mental health conditions. Those in the "thriving group" had conditions that were mostly exclusively physical.

### Experience of support and advice

Family and friends were the most common source of practical support and considered vital to many individuals in keeping their business running. This support typically related both to general business assistance and mobility.

Some individuals received support through formal channels such as support workers who were either employed directly by the individual or funded by Access to Work (AtW) grants. Some individuals did not receive any support; they felt it would be useful for them, but they did not know what might be available or how to access it.

### Challenges

Some of the main challenges faced by this group were similar to the challenges faced by self-employed people in general, for example accessing finance. However, they were very much exacerbated by individuals' experience of disability. Other challenges were more unique to this group. The most serious challenges were as follows:

- **A lack of confidence:** Some disabled people described a lifetime of being treated 'differently', of being doubted or in some cases over-protected, of feeling isolated, being stigmatised and discriminated against, and experiencing difficulties accessing the kind of activities and services that non-disabled people take for granted. This audience also described a lack of successful disabled role models. Lack of confidence underpinned other challenges that this audience had around explaining requirements to clients,

## Understanding Self-Employment

feeling self-conscious or not going for jobs due to previous poor experiences with employers. Some individuals also struggled to market themselves and articulate their worth to clients.

- **Managing workload with a fluctuating condition:** Some individuals suffered from periods of pain, fatigue or poor mental health which they found difficult to predict. Some described having good days and bad days frequently, whereas others described longer periods of stability followed by a 'relapse' into a period of severely reduced functioning. Such fluctuating health conditions reduced the ability of individuals to plan their business hours, manage their clients' expectations and manage their workload. Their fluctuating ability to work also resulted in substantial fluctuations in their income.
- **Accessing finance and income:** Difficulties with managing finances and maintaining income are experienced by many self-employed people. However, disabled self-employed people faced additional challenges, and had fewer solutions available to them than non-disabled people. Fluctuating health conditions meant that many disabled people were unable to earn for periods of time and impacted their ability to take part-time jobs to help finance business costs.
- **Accessing advice and support:** Many disabled self-employed individuals felt that existing support, such as AtW, was less suitable for the self-employed than those working in employment because their requirements were very changeable depending on the work that came in, but AtW required claimants to specify exactly how much support they would need on a regular basis.
- **Travel:** Accessing transport was challenging for many people with health conditions including wheel chair users, people with visual impairments, those suffering from fatigue or serious mental health issues. Often these individuals could not travel unassisted, could not use certain types of transport or found travelling very tiring and/or stressful. However, alternatives to public transport were expensive and often costs were not covered by clients.

### Ideal support

During interviews and focus groups individuals and support organisation representatives identified ideal types of support. While the support identified could be suitable for self-employed people more generally, our findings highlight why these types of support are of particular importance for disabled self-employed people.

- **Peer mentoring** – from someone with lived experience of disability. This was identified as an ideal type of support by self-employed disabled people as it would provide practical help and support on running a business and managing time, workload, and expectations, but – crucially – this would be relevant to the experiences of disabled people.
- **Centralised information source** – individuals and support organisations were keen for a source specifically aimed at disabled entrepreneurs. This would sign-post to information specific to the needs of disabled people such as negotiation, confidence building, managing a workload with a fluctuating condition, positive disclosure of disability, and access to suppliers and lenders who were willing to offer preferential rates, or who at least could be shown as

## Understanding Self-Employment

'vetted' (as previously mentioned, the disabled people involved in the research were often "struggling" or only "surviving" financially and so were afraid of getting poor value or being 'ripped off'). In addition, this information source would include things like the details of *accessible* business courses, information about mentors, advisers and charities with experience of disability and self-employment, and information about accessing finance written in a particularly accessible way. This would not only provide a 'hub' of information wanted by disabled self-employed people but having it all in one place would remove the exhausting process of researching and combining different information sources amongst those with concentration, attention and fatigue-related difficulties.

- **Flexible ad hoc support** - self-employed disabled people suggested a service that provided short-notice, ad hoc assistance (particularly) related to physical access and travel i.e. being able to book someone less than a week in advance. For this ideal support, they would only have to pay for the hours required and would not need to commit to future or regular use.
- **Finance** - self-employed disabled people felt that small, interest-free loans could be provided for disabled people who needed to pay for start-up costs e.g. accountancy services, property costs or equipment.

## Conclusions

- Disabled entrepreneurs may need more support than other people entering self-employment. This is because it is common for them to feel that self-employment is the only option for them, as other forms of employment are not a viable option. This can mean that they enter self-employment without the same amount of time to mentally and financially prepare for the transition, and so require additional practical and financial support.
- Fluctuating conditions can make self-employment very difficult to manage. Periods of pain, fatigue or poor mental health which are difficult to predict can lead to fluctuating periods of work and fluctuating income. This underpinned many challenges faced by this group.
- Some of the businesses run by disabled entrepreneurs are at the margins of financial viability. But generally business owners feel that being self-employed is preferable to being entirely dependent on benefits.
- There is demand for support for disabled entrepreneurs that is distinct from that aimed at others in self-employment. There is particular appetite among individuals for tailored support in the form of peer mentoring, but also an information hub with information specifically for disabled entrepreneurs.
- There may be a need to examine how well the benefit system supports disabled entrepreneurs, as some individuals felt that they had been turned down for support because their earnings were too low to qualify as viable self-employment for the purposes of benefit assessments. However, at the same time, they felt that they were operating at the limit of workloads they could cope with.

## **Understanding Self-Employment**

- There is demand among participants of this research for more flexible ad-hoc provision of Support Workers and assistance with travel than is currently available through AtW.
- Participants reported a need for financial products that are accessible to disabled entrepreneurs (but which also take account of the relatively low earnings of many).

# Contents

Acknowledgements .....	12
Authors' credits.....	13
Glossary of terms .....	14
Abbreviations.....	15
1 Introduction and methodology .....	16
1.1 Research background .....	16
1.2 Research objectives .....	16
1.3 Methodology.....	17
2 Disability and the Self-Employment Option: A Literature Review .....	20
2.1 Introduction .....	20
2.2 Disability and the Labour Market.....	21
2.3 Unemployment to Self-Employment Transition .....	22
2.4 Two Definitions of Disability .....	24
2.5 Self-employment Rates and Disability.....	25
2.6 Supporting Self-Employment for Disabled People .....	27
2.7 Literature Review Conclusions.....	31
3 Primary Research: The nature of self-employment .....	34
3.1 Areas of work .....	34
3.2 Typical earnings and hours worked.....	35
3.3 Employment of others and working location.....	36
3.4 Fluctuations in earnings and hours.....	36
3.5 Ambitions .....	37
4 Primary Research: Route into self-employment .....	39
4.1 Self-Employment History .....	39
4.2 "Push" and "Pull" Factors .....	39
5 Primary Research: Experience of support and business advice for self-employment.....	41
5.1 Support received .....	41
5.2 Business advice received.....	47

**Understanding Self-Employment**

- 6 Primary Research: Challenges of self-employment..... 49
  - 6.1 Confidence ..... 49
  - 6.2 Finance and income ..... 49
  - 6.3 Managing workload ..... 51
  - 6.4 Travel ..... 53
  - 6.5 Networking ..... 53
  - 6.6 Technological changes..... 55
- 7 Primary Research: Ideal support for self-employment..... 56
  - 7.1 Peer mentoring..... 56
  - 7.2 Centralised information source..... 57
  - 7.3 Flexible ad-hoc support: personal assistants and travel fund..... 59
  - 7.4 Finance ..... 59
  - 7.5 List of approved suppliers and services ..... 60
  - 7.6 Alternatives to sick pay..... 60
  - 7.7 Flexible business courses ..... 61
  - 7.8 Additional guidance for those recently/ suddenly disabled ..... 61
- 8 Primary Research: Conclusions ..... 63
- Appendix 1: Literature review references ..... 66
- Appendix 2: Guide to discussion with individuals ..... 71

# Acknowledgements

This research was commissioned by the Department for Work and Pensions (DWP). DWP and IFF Research would like to thank all individuals and staff who agreed to be interviewed for this research.

Particular thanks go to Frances Carpenter, Susanna Greenwood and Sophie Gerrard at DWP for their oversight of the project.

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## Glossary of terms

**Access to Work (AtW)** – a publicly funded employment support programme that aims to help people with a disability or health condition enter or stay in work. It can provide practical and financial support for people who have a disability or health condition or mental health condition. Support can be provided where someone needs help or adaptations beyond reasonable adjustments.

**Employment and Support Allowance (ESA)** – a type of benefit offering financial support to people who are out of work due to long-term illness or disability.

**Jobcentre Plus** – a government-funded employment agency and social security office. Jobcentre Plus provides resources to enable job-searchers to find work and administers claims for benefits.

**New Enterprise Allowance (NEA)** – a publicly funded employment support programme that aims to help people start their own business or, if already self-employed, grow their business. Recipients of NEA have access to a mentor and a grant.

**Personal Independence Payment (PIP)** – a type of benefit offering financial support to help people aged 16 to 64 with some of the extra costs caused by long term ill-health or disability (e.g. mobility and/or daily living costs). It is not an income replacement benefit.

**Universal Credit (UC)** – a type of benefit introduced in 2013 to replace six benefits: Child Tax Credit; Housing Benefit; Income Support, Jobseeker's Allowance; Employment and Support Allowance; and Working Tax Credit.

**Working Tax Credit (WTC)** – a type of benefit paid to individuals aged between 16 and 66 who are in low income employment.

# Abbreviations

ALMPs	Active Labour Market Policies
AtW	Access to Work
BBACT	Blind Business Association Charitable Trust
DLA	Disability Living Allowance
DWP	Department for Work and Pensions
ESA	Employment Support Allowance
EAS	Enterprise Allowance Scheme
NEA	New Enterprise Allowance
PA	Personal Assistant
PIP	Personal Independence Payment
RNIB	Royal National Institute for Blind People
UC	Universal Credit
WTC	Working Tax Credit

# 1 Introduction and methodology

## 1.1 Research background

A significant feature of the UK labour market in recent years has been the substantial increase in the share of the workforce that are self-employed. Between 2001 and 2017, the number of self-employed increased from 3.3 million people (12% of the labour force) to 4.8 million people (15% of the labour force).<sup>2</sup>

The recent rise in self-employment, at least in part, has been promoted and facilitated by Active Labour Market Policies (ALMPs). These policies have been designed explicitly to increase flows into self-employment, particularly as a response to rising unemployment and a desire to create jobs.

Currently in the UK, about half of those with a disability or long-term health condition are in employment compared to four-fifths of the non-disabled population.<sup>3</sup> This means there are around 3.5 million disabled people who are potentially missing out on the health and wellbeing benefits that appropriate work can bring.<sup>4</sup>

The Department for Work and Pensions (DWP) and the Department of Health have made a commitment to remove the barriers that stop people with a disability or health condition from getting into work, with an aim to see one million more disabled people in work by 2027.<sup>5</sup> This includes a commitment to provide people with the best opportunities so that they can succeed in self-employment.

## 1.2 Research objectives

The objective of this research was to enhance DWP's understanding of the experience of self-employment for individuals with disabilities and health conditions. Specifically, the research aimed to improve DWP's understanding of:

- The additional barriers people with disabilities and health conditions face when starting, sustaining or growing in self-employment; and
- What works in terms of self-employment support for those with disabilities or health conditions.

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<sup>2</sup> [Trends in self-employment in the UK \(ONS, 2018\)](#)

<sup>3</sup> [Dataset A08: Labour market status of disabled people \(ONS, 2018\)](#)

<sup>4</sup> [Is work good for your health and well-being? \(Waddell and Burton, 2006\)](#)

<sup>5</sup> [Improving Lives: The Future of Work, Health and Disability \(2017\)](#)

# 1.3 Methodology

To enhance DWP’s understanding of the experience of self-employment for individuals with disabilities and health conditions, both a literature review and primary qualitative research were undertaken.

## 1.3.1 Literature review

A literature review was written by Professor Marc Cowling (Brighton Business School) and John Kitching (Kingston Business School) in April 2018.

This review explored the national and international literature, over a thirty-year period, relating to self-employment, disability, and work limiting health conditions. This was with a view to distilling what the current state of knowledge is regarding entry into self-employment, the nature and viability of self-employment, and potential barriers to self-employment for disabled people and those with a work limiting condition. This review of the literature was designed to shape and inform the subsequent qualitative research by identifying important areas and issues relevant to self-employment and disability that needed further exploration and consideration.

## 1.3.2 Primary research

A qualitative approach was adopted for the primary research. This is because qualitative research is an excellent tool for exploring individual experiences in rich detail.

Three audiences were chosen as the focus of the primary research:

- Self-employed individuals
- Support organisations which support self-employed people, disabled people, and some with a specific focus on disabled self-employed people, and
- Jobcentre Plus staff.

These audiences were chosen because, together, they provide a comprehensive understanding of the barriers faced by people with disabilities and health conditions and the forms of support that are effective.

The diagram below shows the distribution of completed in-depth interviews and focus groups across the three audiences.



## Understanding Self-Employment

The topics covered in the in-depth interviews and focus groups were broadly consistent across the three audiences. These themes emerged from the literature review, and discussions with DWP, and included:

- Motivations for entering or seeking to enter self-employment;
- Challenges of entering, maintaining and growing self-employment;
- Support received over the course of self-employment; and
- Ideal type of support that would have been useful over the course of self-employment.

The primary research findings are presented from Chapter 3 onwards.

### 1.3.3 Self-employed individuals

In-depth interviews were conducted with 25 individuals in self-employment who were disabled or had long-term health conditions across England and Scotland. These individuals were recruited on an opt-in basis via support organisations or through 'snowballing' (i.e. where existing participants recruit future participants). Interviews were conducted between April and June 2018, lasted for one hour on average, and were mainly conducted face to face, though a few participants requested telephone or email interviews.

Two focus groups were conducted in conjunction with Disability Rights UK with individuals who were disabled or had long-term health conditions that were in self-employment or had attempted to enter self-employment in the past. Disability Rights UK recruited participants for these focus groups from an existing network of individuals. Both focus groups were conducted in June 2018 and each lasted for two hours. The first focus group had seven participants and the second had six participants.

The individuals that participated in in-depth interviews and focus groups had a wide-variety of different circumstances. This included a spread of different:

- Types of disabilities and health conditions;
- Types of businesses;
- Demographics;
- Length of time trading; and
- Growth ambitions.

### 1.3.4 Support organisations

In-depth interviews were conducted with representatives from ten support organisations. This included a mix of different types of organisations to cover the variety of organisations that people with disabilities and health conditions can receive support from in relation to self-employment. Relevant organisations were identified through desk research. The types of organisations that participated offered:

- Support/ funding for self-employed people with disabilities or health conditions;

## Understanding Self-Employment

- Support/ funding for self-employed people generally; and
- Support to people with disabilities or health conditions more generally.

### 1.3.5 Jobcentre Plus staff

In-depth interviews were conducted with five Jobcentre Plus staff that had provided support to individuals considering self-employment. DWP provided the contact details for Jobcentre Plus staff with specific experience of working with claimants entering self-employment and covering a range of roles, including Disability Employment Advisers, Community Partners and Work Coaches.

### 1.3.6 Report interpretation

The qualitative nature of the research, and the relatively small numbers of interviews means that findings are not generalizable to the wider population. The use of words such as ‘most’, ‘many’, ‘some’ and ‘few’ are illustrative of the findings collected for this study and do not represent the views of all disabled self-employed people. Verbatim quotations have been included to provide insight but may not represent the views of all participants. Each quotation is in *italics* and has an attribution which includes the main audience group the speaker belongs to (i.e. individual or organisation) and a brief description of the nature of the business or organisation.

### 1.3.7 Terms used

Throughout the report, we have mostly used the term ‘disabled people’ or ‘disabled self-employed people’ rather than, for instance, ‘self-employed people *with disabilities*’. This is in-keeping with the social model of disability which proposes that people are disabled by societal exclusions and barriers, not their condition or impairments.

## 2 Disability and the Self-Employment Option: A Literature Review

### 2.1 Introduction

The aim of this literature review is to examine the evidence on the distinctive barriers that people with disabilities and health conditions face when starting, sustaining, or growing self-employment (and small business activity), and to identify the benefits of self-employment and effective support for this group. The findings were used to inform the primary research contained in the following chapters of this report. Our fundamental question is whether there is an evidence base suggesting that self-employment is a viable potential labour market option for people with a disability.

This chapter provides a review of UK and international literature and evidence relating to;

- Self-employment as an option for disabled individuals with a particular emphasis on barriers to becoming self-employed and creating and sustaining a viable business.
- Successful, and unsuccessful, policy initiatives and interventions with a view to helping inform current policy design and the promotion of self-employment as an option for people with disabilities.

Section 2.2 sets out the broader context around people with disabilities and how they interact with the labour market.

Section 2.3 focuses on entry into self-employment from unemployment and inactivity.

Section 2.4 explores how disability is defined, and operationalised, in the context of public-policy and consider two alternative definitions and approaches.

Section 2.5 reviews the evidence around self-employment and disability.

Section 2.6 considers how public policy-makers have promoted and supported entry into self-employment for disabled people through a review of policies across the world.

Section 2.6 concludes by assessing the potential benefits of encouraging self-employment as an option for disabled people, and by suggesting how public policy interventions can most effectively support the process of becoming self-employed.

### 2.2 Disability and the Labour Market

Disability impacts a broad range of economic and social outcomes in a direct and indirect way. For example, disability reduces labour market participation in a direct way, as disabled people are less likely to be employed or actively looking for work (Jones, 2008). But it also affects other factors that influence participation in the labour market such as education (Gathercole *et al* 2004; Breslau *et al*, 2008), access to information, and the means of physically getting to a place of work. Even when disabled people are active in the workforce, they are disproportionately represented in low wage – low skill sectors of the economy (Meager and Higgins, 2011). Disabled people in work also face a pay deficit, even compared to other relatively disadvantaged groups (Woodhams, Lupton, and Cowling, 2015; Woodhams, Lupton, Perkins, and Cowling, 2015), for example, young uneducated, women with broken labour market spells, and older people. The implications of low participation rates, skills and pay are important as they reduce the opportunities for disabled people to build up key experience and resources that would help sustain them in self-employment. Even when in work, the nature of their work tasks and the occupations they often work in can mean that they are less well off in economic and social terms than their non-disabled peers. This is especially true in respect of psychological well-being and is particularly pronounced for individuals with autism (Hedley *et al*, 2017) than those with other mental health conditions.

One labour market option, self-employment, can potentially provide better opportunities for people with disabilities, particularly for those in the ‘secondary labour market’ who find it difficult to access secure employment in the waged sector. Here the ‘secondary’ labour market refers to that part of the labour market containing workers who lack education, skills, and networks. In short, those people who find it more difficult than most to find paid work. There is no general agreement in the literature regarding the potential for self-employment to help disabled people to create meaningful work for themselves. Some studies argue that self-employment is useful as a means of developing vocational skills, therefore making it easier to find, and sustain, work in the future (Arnold and Seekins, 2002), while others have questioned whether self-employment is a realistic option for a significant number of disabled individuals (Kitching, 2006; Blackburn and Ram, 2006). However, a new body of literature, specifically focusing on mental health, found that entrepreneurs with Attention Deficit Hyperactivity Disorder (ADHD) reported a better ‘fit’ in self-employment in terms of time management and task organisation (Wiklund *et al*, 2016), and further that, “it appears possible that the very symptoms and traits associated with certain disorders may be advantageous and provide benefits in the performance of some entrepreneurial tasks” (Wiklund *et al*, 2018: p.3).

### 2.3 Unemployment to Self-Employment Transition

Since Taylor (1996) posed the question: “Earnings, Independence, or Unemployment: Why Become Self-Employed?” the UK has experienced largely unparalleled growth in self-employment, even in the post-global financial crisis period. Yet this labour market dynamic began in 1972 and accelerated in the 1980s with a series of targeted Active Labour Market Policies (ALMPs), most notably the Enterprise Allowance Scheme (EAS), which ran from 1983-1990. Early research from Cowling and Mitchell (1997) established that the EAS had a direct and key causal influence on transitions from unemployment to self-employment. The existence of the EAS was directly associated with a future increase in self-employment from previously unemployed people. Explicit ALMPs in this area have continued to support unemployment to self-employment (U/E→S/E) transitions, including the New Enterprise Allowance scheme, introduced in 2011.

There is a dual logic for supporting this unemployment to self-employment (U/E→S/E) transition. Firstly, it directly reduces unemployment in the short-run (i.e. 1-2 years), and, if the transition is successful, helps create sustainable businesses and allows individuals to maintain and build upon their capabilities and wider human capital (skills, knowledge, and experience). These factors all act to increase wider employability and attachment to the labour market. Attachment means the ability to stay in work over a sustained period. Secondly, around one in three of all new businesses go on to create additional employment for others (Cowling and Taylor, 2001). This indirect, job creating, employment effect further helps to reduce unemployment as micro businesses draw disproportionately from those parts of the labour market that contain people least likely to find work (Cowling, 2006). Supporting this, Thompson (2014) found that small and medium-sized enterprises (SMEs) have played a disproportionate role in creating jobs for unemployed individuals, and further that a greater share of workers in SMEs, and amongst the self-employed, come from groups that face labour market disadvantage, such as the disabled. But, in recognition of the extra costs of employing disadvantaged people, Thompson (2014) recommended that reform of Statutory Sick Pay was needed to reduce the employer costs of sickness absence, hence further increasing the employability of disadvantaged groups of Employment and Support Allowance (ESA) claimants. In essence, Thompson was aware that employers faced additional costs due to greater incidence of sickness absence associated with disadvantaged groups and reform of sick pay would reduce the employer costs in these instances.

Before examining the evidence base relating to U/E→S/E ALMPs, it is relevant to consider how a successful outcome in self-employment is defined by the individual, and whether this differs from those of private scheme providers and government policy-makers. The broad agreement in the literature is that an individual's job satisfaction or happiness has many faces and includes both financial rewards and other factors such as independence, the desire to work, having control over one's

## Understanding Self-Employment

work and working hours etc. It follows that many self-employed individuals (and small business owners) are willing to trade-off potential income in return for higher satisfaction in other domains, subject to a minimum income threshold being achieved (Binder and Coad, 2013). 'Narrow' measures such as business income and profit are imperfect indicators of self-employment success (Wach *et al*, 2016). Further, Meager *et al*, (2003) point out that we should not simply define outcomes in the narrow context of the business created. Wider outcomes such as skills and human capital development can shape more positive and better longer-term labour market outcomes, even outside of self-employment. Indeed Taylor (1999) established that three-quarters of self-employment exits were simply a transition into waged employment. Thus 'failure' is an inappropriate term. Hence outcomes should allow for an individual's happiness and increased employability, even if they have exited self-employment, as well as more direct measures related to the performance of the business they created. The business created is just one step in the life-course of an individual, hence just counting the numbers of people who transition into self-employment tells us very little about wider employability or individual socio-economic outcomes.

An international review of the more rigorous (in a data and statistical sense) recent evidence evaluating U/E→S/E ALMPs shows significant, but not conclusive, evidence across countries that this type of policy intervention can improve outcomes in several domains including business survival (Caliendo *et al*, 2014; Duhautois *et al*, 2015), income (Caliendo and Kunn, 2011), a lower probability of returning to unemployment (Rodriguez-Planas, 2010), improved longer-term attachments to the labour market (Wolff *et al*, 2016), employability (Mansson and Delander, 2011), and business growth (Bernat and Korpsya, 2013). Where studies did test for such effects, the presence of a cash (income) subsidy was also found to improve outcomes. These more recent findings are generally more positive in terms of the scale of the identifiable outcomes than earlier work but do seem to identify similar outcomes of this type of ALMP (see for example, Cowling and Hayward, 2000). However, this evidence is not specifically focused on disability, and the question is posed about whether such findings also apply to disabled people.

To summarise, self-employment as a labour market phenomenon has become increasingly important since the 1970s. This has been supported by ALMPs designed explicitly to support unemployed people to start their own businesses. Whilst the drop-out rates of newly created businesses are quite large, particularly in the initial three years, around one in three of all surviving businesses go on to create additional employment. And importantly, a disproportionate share of these new jobs created are amongst groups of unemployed that find it most difficult to find jobs in the large firm economy. Whilst the evidence of the relative success of active labour programmes on creating sustainable self-employment is not conclusive, what is clear is that measuring successful outcomes is much broader than simply counting up the number of surviving businesses.

### 2.4 Two Definitions of Disability

Before proceeding, it must be emphasised that disabilities are extremely diverse and are not always associated with a permanent condition. This truth is not typically well understood by the general public who often perceive disability to be a permanent, and physical, characteristic of individuals. It follows that public policy must take account of the breadth and diversity of impairments and barriers in the design of interventions targeted at improving labour market opportunities and promoting social inclusion for individuals with disabilities (Kitching, 2014).

The two most common approaches to defining disability are: the medical model of disability, and, the social model of disability (Barnes, 2012). The medical model treats disability as a characteristic of an individual, for example, someone with a bodily impairment that restricts activity, the implication being that limited physical capabilities constitute a human capital deficit compared to individuals without the impairment. For example, an individual with a visual impairment. The social model of disability (Oliver, 1990) focuses on how wider societal attitudes, institutions and environments disable certain individuals from full participation in economic and social life. There is a clear distinction between an *impairment* or an individual's limitations, and *disability*, which is manifested through social (and economic) exclusion (Shakespeare, 2006). These two alternative views inform policy intervention – whether policy should be directed at the individual with the impairment, or at the people and institutions who exclude specific social groups. In the context of this review, the majority of public policy interventions focus on the individual. The UK Equality Act defines disabled people according to whether or not they have a physical or mental impairment that has a substantial and long-term adverse effect on their ability to carry out normal, day-to-day activities. It is the effect of the impairment that defines an individual as disabled.

UK research, using longitudinal panel data<sup>6</sup>, shows that disability status is most commonly a temporary status (Burchardt, 2000), highlighting the fact that impairments may be permanent, degenerative, episodic, fluctuating, or recurring in terms of the restrictions on activity they impose (Boyd, 2012). At a point in time, UK evidence shows that 27 per cent of disabled individuals report being disabled for every year (in the seven year window studied), with an additional 25 per cent reporting a disability for 4-6 years consecutively, and a further 21 per cent reporting a disability for 4-5 years non-consecutively (Burchardt, 2000). Further UK work by Burchardt (2003) on this issue reported that only 11 per cent of the disabled adult population were born with their disability, 12 per cent acquired it in childhood, and 75 per cent became disabled during their working life. This has important implications for human capital development and social exclusion. These differences in impairment characteristics, and particularly disability trajectories, imply that public policy design

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<sup>6</sup> This is data that follows the same people over time.

## Understanding Self-Employment

must differentiate its offer to support self-employment to different groups of individuals.

### 2.5 Self-employment Rates and Disability

Statistical evidence for Europe and the US shows that self-employment rates are higher among disabled individuals than those without disabilities (Blanck *et al*, 2000; Boylan and Burchardt, 2000; Pagan, 2009; Meager and Higgins, 2011). The particularly interesting pattern in Europe is that countries with high self-employment rates in general tend to be the countries with the highest share of disabled/people out of the total number of self-employed. This might imply that where the general environment is supportive of self-employment based activity, for example through the availability of extensive support and mentoring programmes, the disabled are able to take advantage of this. Nonetheless, this evidence is not conclusive. Equally, where barriers to entering and sustaining self-employment are high in general, disabled individuals also find it difficult to become self-employed. Barriers to self-employment are explored in more detail later.

Unsurprisingly, it was found that differences in impairment and disability are apparent in the context of self-employment. For example, European and UK evidence (Pagan, 2009; Jones, 2011) found that self-employment rates are higher for individuals with more severe limitations on their daily activities, compared to those with no and less severe limitations. More detailed UK evidence (Boylan and Burchardt, 2002) found that self-employment rates were disproportionately high for individuals with musculoskeletal problems, and more specifically for women with mental health problems. In contrast, men with sensory impairments are disproportionately unlikely to be in self-employment.

Further UK evidence (Cowling and Taylor, 2001) shows that individuals with work-limiting health issues are over-represented amongst the solo self-employed and unemployed, and to a lesser extent small business owners, and this is even more pronounced for women than men. This is important as this research also found that previously unemployed individuals are two to three times more likely to move into self-employment than their waged employed peers. But they are also more likely to move into inactivity<sup>7</sup> too. In this sense, preventing this movement from unemployment to long-term inactivity through carefully designed self-employment entry programmes becomes even more relevant as a strand of ALMP. However, these UK findings contrast with German evidence reported by Caliendo *et al*, (2011) who, using German Socio-Economic Panel data from 2000-2009, found that there are proportionally fewer disabled people that are self-employed, and that disability has no effect on self-employment entry or exit. They did, however, find that personality traits such as openness, extraversion, and neuroticism are important in the self-employment entry decision, and that these personality traits are comparable

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<sup>7</sup> Here inactivity is defined as “not available for work”.

## Understanding Self-Employment

in the scale of their effects on self-employment entry as education. Importantly, they also found disabled people tend to be less likely to have these traits in general.

A US study exploring progress through the start-up process (Renko *et al*, 2016) highlights some interesting features relating to people with disabilities. This work is important as it examines the whole process of the nascent (pre-start) entrepreneur up to the emergence of a viable business. Its importance in our context relates to the time when policy interventions in this area are most evident which is in the start-up process in general. Using the US Panel Study of Entrepreneurial Dynamics, Renko *et al*, (2016) explore the resources that nascent entrepreneurs use in the start-up process.

Developing their work to estimate how far nascent entrepreneurs progress through the start-up process, they found clear evidence that nascent entrepreneurs with disabilities are 'significantly less likely to emerge from the firm gestation (inception) process as owners of operating businesses' (Renko *et al*, 2016: 570). Further, the availability of start-up capital was a very significant determinant of progressing to business formation. This finding has strong implications for disabled people in particular as they are more likely to have low levels of financial resources (Adler *et al*, 1994; Blanchflower *et al*, 2003).

## Motivations to become self-employed

An important strand of literature relates to motivations to choose self-employment in general. For example, a key UK study by Taylor (1996) explicitly posed the question: Earnings, Independence, or Unemployment: Why become self-employed? This study found that self-employment in general is positively associated with the desire to use one's initiative and with a desire for independence, but negatively associated with risk-aversion. It also found that local labour market unemployment (areas where jobs are hard to find) reduced self-employment. Finally, Taylor found that individuals generally 'sort' themselves into labour market states (unemployment, waged employment, or self-employment) that maximise their incomes given their personal characteristics. This type of labour market sorting approach was the basis for a widening strand of research looking at positive ('pull') factors encouraging people into self-employment for positive reasons, and negative ('push') factors that meant self-employment was a last-resort for individuals marginalised in the labour market. Cowling and Mitchell (1997) adopted a more nuanced approach to examining the effects of unemployment on UK self-employment and found that the key feature was unemployment *duration*. Short-term unemployment was associated with less self-employment as individuals sought a return to waged employment. In contrast, once a spell of unemployment continued into the long-term (more than one year), individuals faced the reality of no job prospects and turned to self-employment as a last resort. These findings are particularly important in the context of disability, as disabled individuals are more likely to be unemployed, and even more likely to be *long-term* unemployed (Katz, 2014). A later, less sophisticated study used a simple dichotomy

## Understanding Self-Employment

which split entrants into self-employment as ‘opportunity’ driven and ‘necessity’ driven, with the latter being forced into self-employment by unemployment (Block and Koellinger, 2009), and this applied to both disabled and non-disabled people.

Building on this motivations literature, other work emphasises the importance of self-employment in terms of enabling greater flexibility in choosing working hours, and other task-related functions such as setting the pace of work, the order of physical tasks, and the ability to work at home. It is then argued that these aspects of self-employment allow a better matching between disability and work (Pagan, 2009; Jones and Latreille, 2011; Meager and Higgins, 2011). A related strand of research considers the potential for employer discrimination to reduce job opportunities for certain disadvantaged groups (Foster and Fosh, 2011), although the influential work on consumer discrimination relevant to self-employment (Borjars and Bronars, 1989) argues that any societal discrimination can also show itself through consumer (customer) discrimination too, which would equally disadvantage the self-employed with and without disabilities.

## 2.6 Supporting Self-Employment for Disabled People

The potential for enterprise to promote economic participation and growth alongside poverty reduction for socio-economically disadvantaged groups has a long tradition in academic thinking and amongst policy-makers. This is often considered through skills-based training and support to develop enterprise skills, and hence add to the human and social capital of targeted groups (Anderson and Galloway, 2012).

Enterprise training involves the transfer of knowledge and skills relevant to self-employment and business start-up. These human capital and job skills enhancing aspects of enterprise training are particularly relevant as disabled people in the UK, are more likely to be found at the lower end of the distribution in terms of educational attainment, and also amongst the unemployed and inactive. These outcomes are associated with disadvantage in building up relevant experiences through work and training (Long and Cooney, 2009), which relate to knowledge and skills deficits and the associated increase in the probability of unemployment. Both of these deficits also impact on the way in which banks view loan requests, and are associated with a lower chance of being able to self-finance a start-up business from accumulated wealth and savings, and in raising bank loans (Cowling, 2010). Further, these experience of deficits can also reduce social capital and the chance that an individual has extended social networks or ties with networks relevant to starting and running a business (Care Services Improvement Partnership, 2006).

Ashley and Graf (2018), in their US study of the process and experiences of self-employment among people with disabilities, with a particular focus on vocational rehabilitation counsellors (employment services), found that disabled individuals had both positive and negative reasons for choosing self-employment. What was clear

## Understanding Self-Employment

though was that formal and informal support during the start-up process mattered. But the role of employment services specifically relating to business start-up was limited, often due to the lack of specific expertise of the employment service counsellor who is more commonly trained in supporting entry to waged employment. In terms of starting a viable business, the problems encountered by disabled individuals were many and included people management skills, finance, and lack of general managerial skills. In summary, start-up support was very valuable for disabled self-employed people who were starting out in business, but the standard guidance services available were not very suitable for supporting self-employment.

South Korea provides an interesting case study for the development of government enterprise policy in respect of disability status. The Korean government were already active in exploring more innovative routes to increasing the employment rate for disabled people since it introduced the Promotion of Disabled Persons' Enterprise Act in 2005. This Act made self-employment and micro enterprise a central point of focus as a route out of unemployment and inactivity for disabled people (Hwang and Roulstone, 2015). Underpinning this policy action is an acceptance that paid work is a major route to social inclusion. This 2005 Act was a shift from the policy in this area since the 1960s which focused on disability quotas for employers and 'sheltered' employment. Since 2005 the Korean disability employment policy has four main strands;

- Employment promotion initiatives
- Protected employment initiatives
- Vocational education and training
- Disability enterprise

South Korea also has a distinct classification for 'Disability Enterprise' which is defined as a for-profit business owned and operated by a disabled entrepreneur. There is a further sub-division of this Disability Enterprise classification which only applies to businesses with 50 employees or more which requires that at least 30 per cent of employees are disabled. For businesses fulfilling this criterion, there are favourable tax advantages. This is a particularly novel and integrated approach to enhancing the employment prospects of disabled people as it allows for disabled people to own their own businesses and incentivises the employment of disabled people within these businesses. In context, of the 855,158 disabled people in employment 7.2 per cent are running their own businesses with employees and 28.1 per cent are solo self-employed. Of the 60,059 disabled unemployed, 4.8 per cent indicated that they would prefer to engage in enterprise activity over waged employment. The study did not provide equivalent figures for non-disabled people. (Survey of Economic Activity Status for the Disabled, 2010. Lim *et al*, 2011).

In terms of the practical implementation of enterprise support for disabled people, the 2005 Act focused on alleviating financial constraints and encouraging public sector agencies to purchase goods and services from disabled-owned enterprises. On the

## Understanding Self-Employment

former, central and local government agencies and authorities could make investments and loans to disabled entrepreneurs and enterprises. By 2011, 32,037 disability enterprises had been established which accounts for one per cent of all micro and small businesses in Korea. Further practical support was enacted by the Small and Medium Business Administration (SMBA) which set out an annual strategic plan to support disability enterprise in 2006. This led to the formation of the Disabled Enterprise Business Centre in 2008 which is a one-stop-shop for support.

An additional strand of legislation in 2008 was the Special Act on the Preferential Purchase of Goods Produced which recommended that public sector agencies must buy goods and services produced by disabled enterprises. Such purchases are tax deductible. In the first year since this Special Act, goods and services purchases by public sector agencies increased by a factor of four. But the key feature of this stable and interventionist strategy for the promotion of disability enterprises is that the disability employment rate in these businesses is 40.6 per cent (which can be assumed to be considerably higher than the proportion of disabled people in the Korean workforce overall). This suggests that this suite of policy interventions and the sustained nature of support, and government commitment to this policy area, has positively impacted on the employment of disabled people.

This has an impact both directly, through new enterprise activity, and indirectly, through the hiring of additional disabled people in these businesses. In summary, these interventions were generally seen as a success in South Korea when it came to increasing employment rates amongst disabled people: tax advantages for businesses employing 30 per cent or more disabled people, encouraging public sector agencies to purchase goods and services from disabled enterprises, and creating a Disabled Enterprise Business Centre.

This general policy approach of incorporating a self-employment and enterprise option into wider policy design around employment and disability has also been recognised in Australia with the National Disability Strategy 2012-2020 (Maritz and Laferriere, 2016). Self-employment has come to be recognised here as an opportunity and also a solution for the labour market disadvantages faced by disabled people. In fact, disabled individuals already had a higher relative rate of business ownership than those without a disability (11.6% compared to 8.2%). In 2015 the New Enterprise Incentive Scheme (NEIS), which was already in existence, allowed disabled people to access training and support services directly through the Disability Employment Service which historically focused on work (i.e. waged) based skills. Early findings from the NEIS show a high rate of business formation and survival among disabled people with 78.2 per cent of scheme entrants starting and sustaining their business. This study suggests that providing unemployed disabled people with the training and support to start their own business, rather than simply guiding them into waged employment, can result in the starting of successful businesses. What is not clear is whether or not these figures represent an increase since the policy change specifically, nor how long the new businesses were sustained for. It is also not clear whether the rate of business ownership and survival

## Understanding Self-Employment

among disabled people increased more generally (i.e. outside of the NEIS) following the policy change.

Perhaps the most informative longitudinal UK study of self-employment ALMPs in this context is Cowling and Hayward (2000) *Out of Unemployment* (and its sister report, Cowling, M (2003) *Creating Local Opportunity*). This study analysed entry, support, and outcomes for 2,000 participants including 228 disabled people in a UK ALMP supporting self-employment entry from unemployment from 1991 to 1999. This scheme involved formal NVQ in Business Planning training alongside practical business start-up support and mentoring.

The key findings from this detailed analysis were;

### *Programme entry and outcomes*

- Programme entry was strongly and positively related to the level of local unemployment. For every increase of 1 per cent in the actual local unemployment rate, demand for self-employment programmes rose by 21.7 people.
- Males with a disability were disproportionately represented on these programmes compared to females with a disability (12.8% to 8.9%). For context, at that time, eight per cent of self-employed males were registered as having a disability and 14 per cent of self-employed females. Furthermore, 18 per cent of unemployed males had a disability and 17 per cent of unemployed females.
- The defining trend over the decade was for increasingly higher representations of disabled people on the programmes even as the unemployment rate fell.
- Programme referral by Jobcentres was a key aspect in encouraging disabled people onto programmes. Self-referral was less likely due to lack of knowledge about the programmes and lack of confidence.
- Disabled people had a disproportionately high take up of NVQ Level 2 (35.1%) and Level 3 (33.3%) on programmes compared to the non-disabled population; this is likely because the intake of these programmes was unemployed people with low qualifications in general.
- Disabled programme entry was disproportionately from those longer-term unemployed.
- Disabled programme participants had two times the drop-out rate of non-disabled participants and they tended to return to benefits. The study does not explicitly cover why the drop-out rate amongst disabled people was higher, but there was an association between gaining an NVQ and then finding waged employment, rather than entering self-employment.

### *Post-programme outcomes*

- Businesses started by disabled people had an increasingly high representation of business activity in extended geographic markets (note this does not

## Understanding Self-Employment

necessarily relate to physical travel into additional regions by disabled business owners, but simply making business links, and gaining customers, further afield than their own region).

- The occupations where self-employed people with a disability were over-represented compared to non-disabled self-employed were Associate Professional / Technical, Craft, and Sales.
- The 'average' business started by a disabled person had a capital of £2,273, with a median capital of £750 suggesting that a small proportion of start-ups were able to invest significant amounts of capital, but this was not the norm. In general, start-up capital was lower for disabled business owners than non-disabled business owners.
- Businesses started by a disabled individual had a higher job creating rate than those without disabilities.
- Only 26.9 per cent of disabled programme entrants had a negative labour market outcome in terms of not being either self-employed or employed; the figure for non-disabled entrants was 18 per cent. For disabled programme entrants not moving into self-employment, entry into waged employment was the most likely outcome.
- Businesses started by a disabled individual had a comparable survival rate to non-disabled people's businesses, and when exit occurred much of this exit was into waged employment or further training, which are both positive labour market outcomes.
- The Net Economic Impact of the programme generated £11,120 surplus per programme participant including disabled and non-disabled people.

These findings suggest that positive labour market outcomes can be observed for people with work-limiting disabilities and health problems, and that early signposting is critical due to the scarring effects of long-term unemployment. The provision of NVQ Level qualifications is an important feature of the package of support, and one which appears to have positive wider labour market benefits in terms of not returning to unemployment for some, although programme drop-out rates were also higher despite the additional qualifications. Programme completion is an issue which needs further exploration, but the evidence for those disabled individuals who successfully started a business is very positive and provides significant wider benefits.

## 2.7 Literature Review Conclusions

This Chapter reviewed the UK and international literature relating to self-employment entry and business start-up by disabled people with a particular focus on entry from unemployment and support programmes that facilitated these moves. The review was set in the wider context of disability and labour market participation more generally and explored the barriers to economic and social inclusion and how these were affected by disability. The fundamental question was whether there was an evidence base suggesting that self-employment is a viable potential labour market

## Understanding Self-Employment

option for people with a disability. Further, another aim was to establish whether or not public policy could play a meaningful role in supporting these transitions, and if so, what interventions might generate more positive outcomes for disabled people.

On the basis of the evidence and literature reviewed the following responses are offered: First, self-employment and new business start-up can provide a route out of unemployment and inactivity for some disabled people and it can be a means of creating and sustaining long-term economic and social benefits for them. However, as with many self-employed businesses, many of those created operate on a marginal scale with low income generating potential. Evidence was also found that carefully designed public policy can support disabled people in this transition into self-employment. Specifically, the scale, scope, and breadth of support is critical. Of particular importance are the role of the welfare counsellors, the provision of formal training and vocational qualifications, and mechanisms that remove financial barriers faced by new start-ups and smooth or support early stage incomes. It should be also noted that programme drop-out rates can be high, but to a degree this is a natural part of the process of sorting and testing the viability of the business idea.

The most successful interventions operate a formal screening process (checks on the suitability and viability of choosing self-employment) and then provide in-depth support for business related skills and development, although the largest UK programme often had an implicit, or indirect, screening where the least capable participants self-selected themselves out of the self-employment option of the programme. For those that were screened out during the support programme, the solutions for their socio-economic advancement appear to be rooted in either a protected social enterprise programme, such as a community recycling project, or by incentivising established employers and new businesses to recruit disabled people.

On balance the benefits that arise from a successful transition into self-employment for disabled people can be large. The most obvious one for policy-makers is the welfare savings in the long-term, even when there is an income subsidy. The wider economic and social effects are also potentially very significant. There is evidence of higher job creation rates for new businesses started by disabled people in the UK. This is a finding of great importance to the overall economic contribution of disabled-owned businesses. The social effects of successful transition into self-employment cannot be ignored either, such as reducing social exclusion and building supportive networks through interactions with customers and suppliers.

Starting a new business is extremely difficult for most people, and most would benefit from business skills and financial support but the additional layer of providing specialist programmes tailored to specific disabilities means that the depth of support must be higher and sustained throughout the start-up and early stages of the business life-cycle.

Finally, what is less clear is what 'types' of disabilities and people benefit most or least from public policy support, and from entering self-employment more generally. It

## **Understanding Self-Employment**

is suggested that more focused data and analysis is required to add more fine-grained detail which would enhance policy design in future.

## 3 Primary Research: The nature of self-employment

The following chapters discuss the primary research findings with individuals in self-employment who were disabled or had long-term health conditions, organisations supporting them and Jobcentre Plus staff.

The current chapter outlines the nature of individuals' self-employment, in terms of what line of work individuals were employed in, how much they typically earned, the hours they regularly worked and the ambitions that they had for their self-employment in the future. It also covers the location of their self-employment (at home or elsewhere), and whether they employed others.

### 3.1 Areas of work

Many disabled self-employed individuals worked in fields related to accessibility or inclusion. This included access consultants, braille transcribers, advocacy trainers and specialised disability employment consultants amongst others. An example of this was an individual who specialised in offering advice to individuals with disabilities who were seeking employment/self-employment, resolving issues between employers and employees and advising individuals on how to access funding.

Other businesses were largely unrelated to disability and covered a broad range of occupations. These included freelance journalists, farmers, IT specialists, inspectors, production companies and designers. Several of the support organisations interviewed mentioned that individuals often choose to start businesses related to specific causes they care about, and that this passion is an important driving force for their success, as well as giving them a greater sense of purpose which can help alleviate low mood states and mental health issues that can be associated with disability and long-term health conditions.

*“A lot just need some space and a purpose to work at to feel useful again. To get a sense of worth. We see all sorts of projects and start-ups and try and help people to find out what they like.”* (Organisation, Disability Self-Employment Support)

### 3.2 Typical earnings and hours worked

Many individuals received income from a combination of their self-employment and state benefits. For some these benefits acted as their primary source of income with their self-employment viewed as a form of permitted work, whilst for most this relationship was reversed. A few, as discussed below, did not receive any benefits and relied solely on their self-employed earnings. None of the self-employed individuals had a paid job alongside their self-employment.

Individuals' earnings varied considerably. Three main 'groups' of individuals were identified in the research in terms of their financial situation – those considered financially “struggling”, those that were “surviving” and those that were “thriving”. Many individuals fell into the struggling and surviving groups, with relatively few in the thriving group.

“**Struggling**” individuals typically earned under £10,000 a year from their self-employment and were not generally earning enough to qualify for support from Access to Work (AtW)<sup>8</sup>. These individuals worked part time as the nature of their condition or disability prevented longer hours. This group felt they did not earn enough to live on and benefits claimed by this group commonly included Employment and Support Allowance (ESA) and Personal Independence Payment (PIP), which were considered vital. Those 'struggling' financially showed a high comorbidity of mental health conditions and physical disabilities.

“**Surviving**” individuals typically earned in the range of £10,000-£25,000, though many earned less than £25,000 and relied on some benefits to supplement their income. These individuals' hours fluctuated (often because of a fluctuating condition) between part-time and full-time. The types of conditions and disabilities seen amongst this group were mostly physical, though some experienced additional mental health conditions.

Those financially “**thriving**” earned over £25,000 and often worked full-time hours. Few claimed benefits (though PIP was claimed by some). These individuals had often been self-employed for ten years or more (though this could also be the case for struggling and surviving groups). The people in this group had conditions that were mostly exclusively physical.

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<sup>8</sup> Access to Work is a publicly funded employment support programme that aims to help more disabled people start or stay in work. It can provide practical and financial support if you have a disability or long term physical or mental health condition. To be eligible for Access to Work a self-employed claimant must have a minimum turnover of £5,800.

<https://www.gov.uk/government/publications/access-to-work-factsheet/access-to-work-factsheet-for-customers>

### 3.3 Employment of others and working location

Some self-employed individuals did employ others – a few employed a personal assistant whose role was to assist them with business tasks due to their disability (e.g. completing paperwork and checking invoices). A few employed individuals for reasons unrelated to their disability however, such as accountants or ad hoc help to assist with larger volumes of work. It was usually those in the “thriving” group who employed others, though a few in the “surviving” group employed someone to help with tasks related to their disability.

Whilst many factors varied between the three groups, one factor that all groups had in common was working location – nearly all worked from their own home, though a few worked from an office or workshop elsewhere.

### 3.4 Fluctuations in earnings and hours

Nearly all individuals experienced fluctuations in their condition. Sometimes these fluctuations were on a day-to-day basis – for instance getting progressively more fatigued over the working day, or week, or having some days where work felt impossible but others when it was manageable. Other individuals described periods of stability followed by unpredictable instances of ‘relapse’ or reduction in functioning for days or weeks. These variations in functioning changed the hours it was possible for individuals to work, causing equivalent fluctuations in earnings.

This fluctuation in condition, hours and earnings is a key theme that resurfaces throughout this research and underpins many of the challenges faced (Chapter 6), and the support required (Chapter 7), by this group. Disabled self-employed people who have a condition that fluctuates are subject to a large amount of uncertainty regarding the work they will be able to take on and therefore the money that they can regularly earn. Even once established for several years, many still worked part-time as a result.

*“When their condition is stable it’s a lot easier to put things in place and account for any difficulties. When they change from day to day, that makes it very difficult.... You can’t get the stability to be able to tell a client you’ll meet them or be in work that day, because you don’t know... You can’t get a consistent revenue stream to be able to work on building your business.”*  
(Organisation, Disability Self Employment Support)

*“It is entirely variable, there is no way I could give an exact figure. If I’m having a bad week where I can’t function, and the child’s not been sleeping, that will put me out for a week [because of my fatigue] ... it’s truly awful. It completely messes with the workload I can take on. I can write a schedule and 2 days later it won’t work.”* (Individual, Costume Designer)

### 3.5 Ambitions

Individuals' ambitions could be grouped into the following categories:

- Maintain their self-employment as it was currently.
- Grow or develop their self-employment further.
- Successfully start their business.

Many wanted to maintain their self-employment as it was and had no plans to grow it further. For some (in the “thriving” group for example) this was because their business already ensured their financial independence. For others (in the “surviving” and “struggling” groups), growing their self-employment did not feel manageable – often due to their condition or disability, though occasionally due to their lifestyle e.g. caring for young children. These individuals would have liked to earn more so that they were no longer reliant on benefits but felt the necessary growth of the business would be beyond them.

*“The business meets my personal expectations, even if it doesn’t reach my financial expectations yet.”* (Individual, Drinks Vendor)

A few individuals did want to develop their business further. Those “thriving” or “surviving” generally wanted to grow to further secure the position that they had already achieved – some were afraid of losing what they had created. A few of those “thriving” wanted to develop their business so that they remained competitive and were passionate about their business’s success. A few that were “struggling” hoped that in the future their business would develop such that they could achieve autonomy from benefits.

*“I would like to be secure enough in self-employment that I can live a reasonable lifestyle... that I can contribute to my house, that I don’t need to take money from my parents and that I don’t need to worry about having to deal with the DWP.”* (Individual, Copywriter)

For some, starting or re-starting their business was their current ambition. A few had attempted to establish self-employment a number of times and were returning to self-employment after previous attempts. Others were becoming self-employed for the first time and were struggling with the transition. Difficulties related to their disability or health condition often exacerbated the problems faced by both groups, for example a fluctuating condition making it difficult to maintain momentum in the early stages of starting a business, or an extreme lack of confidence born of years of being doubted or excluded.

*“If I start something and then maybe get a couple of knockbacks, I slowly peter out and away from it.... I think “this is a barrier”, but I don’t necessarily know where to go for help”* (Individual, Disability Equality and Advocacy Trainer)

A distinct group of individuals were attempting to re-start their long-standing self-employment after becoming suddenly disabled following a relatively recent accident or illness, for example, a self-employed plumber who used to travel swiftly between jobs on a scooter found himself unable to drive due to the physical and psychological

## **Understanding Self-Employment**

damage following a severe traffic accident. His cognitive and concentration abilities were also affected, and he was finding it impossible to maintain the self-employment he used to enjoy. His ambition was to recover and to re-design his work in a way that worked for him.

# 4 Primary Research: Route into self-employment

This chapter explores disabled individuals' route into self-employment. Individuals were asked how they came to be self-employed, to determine whether they had, in effect, been "pushed" into this option due to the inaccessibility of other forms of employment, or more "pulled" into this way of working due to a passion or interest.

## 4.1 Self-Employment History

Many individuals had become self-employed later in life because their previous 'traditional' employment became increasingly inaccessible to them as it did not meet their needs or requirements as a disabled person.

*"The decision to go self-employed really was because I'd been in employed status for many years, but as my condition changes, I've had to make changes throughout my life."* (Individual, Audio Services)

There was a smaller group, however, that had always been self-employed, and this group comprised two distinct types of people. Some individuals in this group had been disabled for most or all their lives and so had chosen an early path into self-employment as they felt this would suit them well; their self-employment had therefore been built around their own requirements and they felt very comfortable in the role they had carved out for themselves. Another group had always been self-employed, but their self-employment pre-dated their becoming disabled. For example, a farmer who had a stroke, and a plumber who was in a serious car accident. These individuals' self-employment did not suit their 'new life' as a disabled person and were generally struggling to maintain the self-employment they had previously enjoyed.

## 4.2 "Push" and "Pull" Factors

Whilst numerous individual factors were identified as influencing an individual's decision to enter self-employment, most felt to some degree they had been forced out of 'traditional' employment because it had become inaccessible to their needs, i.e. they were mainly 'pushed' out of 'traditional' employment rather than 'pulled' into self-employment by a passion or interest.

Some reported that employers had tried to accommodate a fluctuating or degenerative condition, for example sight loss or increasing fatigue, by altering the individual's role or allowing for flexible working hours, though eventually this was not enough, or the individual wanted greater autonomy than the employer offered. Others

## Understanding Self-Employment

reported they had employers that were much less helpful or had experienced bullying and stigma at work. These individuals therefore probably would have remained employed if they had been able to, and largely moved into self-employment to regain the control and flexibility they needed to continue to work.

*“My employment record was characterised by discrimination, I saw starting my own business as a way to get out of a hellish situation and as a user of this technology thought it was something I could do and do well.”* (Individual, Product provision for visually impaired)

Many individuals therefore did not move into self-employment because they had a passion project or an interest that they wanted to turn into a business, but because ‘traditional’ employment did not work for them, or circumstances pushed them to set up on their own.

*“I had worked as a braille transcriber before for [organisation] so I had the skills and they supplied me with the equipment when I left ...the company was moving and I didn’t want to, so had to set up on my own... There wasn’t much choice. I had wanted to work in health care, but no one would hire me because of my visual impairment, so I did what I knew.”* (Individual, Braille Transcription Services)

That said, several individuals who started self-employment in the field of accessibility and inclusion became passionate about this; they felt their own experience as a disabled person meant they could help to improve the lives of other disabled people.

There were also a few individuals who were influenced more by “pull” factors, i.e. they started their own business largely due to a passion, for example a designer who decided to become self-employed and make theatre costumes; this suited her family situation more than her previous employment, but it had also been a longstanding passion of hers (and therefore she may have moved into this self-employment even if her employment had remained suitable for her).

*“I was totally drawn to it. It’s the best thing ever. I mean, there is that [passion], but mostly, it’s the impact on family life...there came a point where being self-employed was less disruptive to my family life than being employed.”* (Individual, Costume Designer)

Very few individuals were pulled into self-employment for entrepreneurial aims or financial success. Those that were, often came from a previous business background or because they saw a niche in a previous profession. However, financial independence was cited by some as a motivator, often so they could avoid reliance on benefits.

## 5 Primary Research: Experience of support and business advice for self-employment

This chapter explores the support and business advice received by the disabled self-employed people participating in the research. The chapter begins with the support received, including types and sources of support<sup>9</sup> and then covers the reasons some individuals do not receive support. Experience of business advice is then covered, including the types of advice accessed most often and where from.

### 5.1 Support received

Most individuals received practical support centred on their business. This included support with things like administrative tasks, mobility and managing workloads. A few individuals had personal support unrelated to their business, such as help with cleaning and cooking.

#### 5.1.1 Practical support

Most individuals received some form of practical support to increase accessibility or inclusion. This consisted of support with day-to-day activities needed to run their business and for their personal wellbeing. This type of support was delivered mainly by family and friends, and for some through formal arrangements like support workers and charities. There were very few cases where practical support was delivered by both channels.

Family and friends were the most common source of practical support and considered vital to many individuals in keeping their business running. This support typically related both to accessibility, and general business assistance. For example, individuals who use a wheelchair or other mobility aids described being driven by partners to meetings or to collect supplies. Others received help from partners, siblings or friends to manage their workloads or maintain organised records – something they found a struggle due to fluctuating concentration and energy levels.

In some cases, the support from family and friends was more emotional; a freelance mental health consultant said that she received support from her partner when

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<sup>9</sup> In many cases it is difficult to distinguish between support related to an individual's business and support related to an individual's disability or health condition, with the two often going hand-in hand. Therefore, broad distinctions have been drawn between support *primarily* related to an individual's business and support *primarily* related to an individual's disability or health condition.

## Understanding Self-Employment

travelling because doing so alone caused her to feel stressed, which in turn caused her to become upset and angry.

Some individuals received support through formal channels such as support workers who were either employed directly by the individual or funded by Access to Work (AtW) grants. For example, a visually impaired individual that ran a manufacturing business used an AtW funded support worker that provided him practical support with running the business, such as reading invoices and monitoring stock levels.

*“Getting a support worker is quite valuable to see colours or read invoices and so on... It’s very, very important. It’s very liberating. It means I can get on and do the job on my own terms, in my own circumstances”* (Individual, Manufacturer)

Some support delivered through formal channels was sometimes related solely to an individual’s disability or health condition and unrelated to the business, for example an individual received support cleaning his home from charity volunteers, while another individual received ongoing support from an NHS occupational therapist to help her improve her dexterity and ability to plan and organise tasks.

### 5.1.2 Financial support

Most individuals received financial support. This support was typically delivered in the form of state benefits, though many also received financial support from family and friends. A few received financial support from support organisations.

The most common benefits claimed by individuals included:

- Employment and Support Allowance (ESA);
- Personal Independence Payment (PIP);
- Universal Credit (UC); and
- Working Tax Credits.

For many individuals the income earned from their business alone was not enough to support themselves and their dependants, and so they needed to claim benefits. Many individuals received a combination of different benefits.

In addition, several individuals depended on specialist equipment and support worker services funded through AtW.

Most individuals that received financial support through benefits and/or AtW felt that such financial support played a vital role in supporting them and their business. For example, a HR consultant claimed PIP and received funding from AtW. Although PIP is not an income replacement benefit, she emphasised that the regular income from PIP was essential for her personal wellbeing because there were times, due to a fluctuating health condition, where she was unable to work and therefore income from the business was low. She also said that AtW funding was very useful for running her business as it enabled her to employ a support worker that helps with travel and practical tasks.

## Understanding Self-Employment

A few individuals commented that the financial support they received from benefits was not enough. For example, a farmer had experienced a decrease in his household income since having a stroke because he was no longer able to work with livestock and his partner had given up work to care for him. Note however that PIP is intended to only cover the additional costs of disability, this individual incorrectly thought that the money received from PIP was meant to replace income and therefore considered it to be insufficient.

*“I’m getting about £75, £100 a week, which is nowhere near enough to cope with the level of loss in terms of income and all that that I’ve suffered... most folk are on £400 or £500 a week, and they need to be, because that’s the very bare minimum that you need to survive on.”* (Individual, Farmer)

Furthermore, some self-employed individuals that claimed benefits felt in a precarious situation as they were concerned that they might lose them. A few that claimed PIP and ESA were worried that they would lose access to these benefits if their condition was perceived by assessors to have improved. This was particularly a concern of those whose condition fluctuates who were concerned that on a ‘good day’ they might not appear eligible for the benefits they depend on.

Some individuals received financial support from their family and friends. This support was often provided in the business’ start-up phase to help fund things like purchasing materials and equipment, but also to enable the individual to focus on establishing the business without having to raise funds from elsewhere (e.g. through bank loans). A few individuals continued to receive financial support from family and friends after the start-up phase because they were unable to maintain enough income from the business alone.

*“I’ve been able to do it is because my husband has a stable, well-paid job and my parents are reasonably well off enough, so they have floated me several loans.”* (Individual, Freelance writer)

In a few cases individuals received financial support from support organisations and local councils. For example, an individual that provided a braille transcription service had received a grant from the Royal National Institute for Blind People (RNIB) to fund the purchase of specialist equipment, while a Human Resources consultant had received a grant from her local council to fund the development of a website and marketing activities.

### 5.1.3 Absence of support

A minority of individuals did not receive any financial or practical support; for a few individuals this was because they did not think that they needed any support, however, others said it was due to one of two reasons:

- They could not find the support they wanted.
- They could not access the support they wanted.

## Understanding Self-Employment

Of the small number of individuals that had not managed to get the support they wanted, a few mentioned practical or emotional support whereas others described trying to access financial support, such as AtW or benefits such as PIP or ESA.

New Enterprise Allowance (NEA), and the potential difficulties around accessing this support fully, was only mentioned by Jobcentre Plus staff (not organisations or self-employed individuals).

These different types of support are covered below.

### Practical or emotional support

Some individuals described practical or emotional support that would be useful to them but said they had not been able to find any such support. One individual that ran an engineering business wanted to find a support group where strategies could be shared about how to deal with autism in self-employment, specifically to help with his ability to network. However, he had been unable to locate one in his local area.

*“There are a couple of autism groups in Aberdeen, well I say there’s a couple, there’s really only one I suppose. It doesn’t meet at convenient times and it’s really aimed at people that have greater difficulties”* (Individual, Engineer)

### Financial support: Access to Work

Some individuals said that although they had identified AtW as a potential source of suitable financial support, they had been unable to access it. Some individuals had tried to attain AtW grants to fund the employment of support workers but had been unsuccessful. This was often because they had been unable to specify how frequently they would need support. Many felt that it was impossible to predict the frequency of their support needs due to the variable nature of their work and the variable nature of their disability or health condition.

*“With Access to Work they seem to want all the figures in little boxes so that it looks neat and tidy. So ‘how many hours will you work?’, well I don’t really know. As an average, maybe 20 hours, maybe 30 hours... I don’t know who is going to phone me. It’s not consistent work.”* (Individual, Baker)

*“I don’t use Access to Work anymore, I can’t be dealing with trying to explain again and again why I don’t need regular help. I might need someone to push my wheelchair and carry my things if I go to an inaccessible press conference, but I won’t need that again for another couple of months. I’m lucky that I can just turn down inaccessible work these days instead of depending on Access to Work”* (Individual, Freelance journalist)

Furthermore, a few individuals had not received financial support through AtW because they did not meet the eligibility criteria. In some cases, this was because

## Understanding Self-Employment

they had faced difficulties completing a business plan<sup>10</sup>, while in other cases they did not earn the minimum required turnover<sup>11</sup>.

*“Doing a business plan can be very daunting for some people as they are overwhelmed with the amount of information required. If someone cannot write or type a business plan because of their impairment, they cannot progress their business, including getting Access to Work”* (Organisation, Disability Support)

An engineer who was starting out in self-employment wanted an AtW grant so that he could pay for a support worker but was told that his business did not turnover enough money to qualify.

A few individuals (who might have been eligible for AtW) noted that they wanted financial support but did not know what was available to them as a self-employed person. For example, a freelance data security consultant was aware that AtW was available for those in employment but did not know if it was available for self-employed individuals.

*“I know someone who was in work, who was able to receive Access to Work help but I'm not even sure if it that is relevant to me [as a self-employed individual]. I think there might be support available, but it isn't advertised at all.”* (Individual, Data security consultant)

## Financial support: PIP and ESA

For a few individuals, income from self-employment was their only source of income. Many however tried to access benefits to supplement or replace their income. A few individuals reported that they had been unable to receive financial support through PIP and ESA. This was typically because they had been assessed to be ineligible for these benefits. Among these individuals, there was a perception that the outcome of these assessments was unfair. This was often attributed to a belief that those conducting the assessments did not have an adequate medical training or understanding of disabilities and health conditions<sup>12</sup>. For example, a freelance writer had been unsuccessful in her application for PIP and credited this to the assessor not fully appreciating the effect fatigue and chronic pain had on her ability to run her business.

*“I think a system that uses unqualified assessors and worse, has the ultimate decisions made by people who do not speak to the person involved, and have no medical training, is terrible.”* (Individual, Freelance writer)

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<sup>10</sup> Access to Work advisors can signpost individuals to other organisations/Jobcentres where they may be able to assist with the development of a business plan.

<sup>11</sup> To be eligible for Access to Work a self-employed claimant must have a minimum turnover of £5,800.

<sup>12</sup> Assessments are carried out by health professionals. For ESA, decisions are based on people's ability to perform functions rather than their medical condition, however PIP does not assess against work-related difficulties.

## Understanding Self-Employment

*“These people that come to assess you, they think they have MRI vision that they can see inside your head and say there’s nothing wrong with you ... I’ve got the MRI scan to prove it, but they don’t take any account of that, it’s only the assessment that gets you the benefit.”* (Individual, Farmer)

### **Financial support: New Enterprise Allowance**

All Jobcentre Plus staff interviews identified the New Enterprise Allowance (NEA) scheme as a valuable source of support that was available to help individuals start their own business. This scheme consists of both practical and financial support, offering applicants a business mentor, a weekly allowance during the start-up phase and access to loans.

However, most Jobcentre Plus staff interviewed commented that the scheme was not necessarily well suited to some individuals with a disability or health condition, particularly those with difficulties concentrating or planning, or with a fluctuating condition that meant they might miss some sessions. The 12-week window to develop a business plan, and the weekly allowance over 6 months, was considered too short a time frame for some disabled people trying to set up their own business; it was considered that the timeframes should be at least doubled for this audience.

Additionally, one Jobcentre Plus advisor did not feel that the NEA allowed for enough face to face contact, with too much of it conducted by email. This was felt less suitable for people who had specific or fluctuating health conditions and would need an opportunity to voice them.

*“And you would want more face to face time, I think most of the course is done by email and sometimes you get a face to face meeting. I think for this audience you would want more to be done face to face.”* (Organisation, Jobcentre Plus)

The self-employed individuals involved in the primary research had not used the NEA scheme and did not mention this as a known source of support.

# 5.2 Business advice received

Many self-employed disabled individuals had received some form of generic advice about self-employment, but it was rarer for individuals to have received tailored advice relating to their own business, or advice relating to inclusion or condition management while self-employed.

## 5.2.1 Generic business advice

The most common advice received took the form of free courses and webinars on generic topics such as tax requirements, book-keeping, simple marketing, financial planning or advice on conducting basic research. This type of advice was most needed at the business start-up stage to get familiar with the basics. For many, this general business advice had been received for free from government departments, banks and support organisations. For example, an accessibility consultant had attended a variety of courses and webinars provided by HMRC, Business Link and Barclays. Those that had used these courses were positive about them and felt they had helped to overcome the initial challenges of getting started.

Another common source of advice – utilised once the business was more established – involved professional networks. Individuals described keeping in contact with others they met through training or events, and sometimes approaching them at a later date if they felt they would be able to help each other.

It was less common for individuals to have accessed courses for building specific business-related skills, for example on how to improve social media use, or customer service or negotiation skills. The few that had accessed these had usually approached a private provider and paid for these courses, though some had found free options, such as an individual that ran a juice bar who had attended training courses at her local Chamber of Commerce.

## 5.2.2 Tailored business advice

Some individuals had received more tailored business advice, i.e. support relating specifically to developing their own business or self-employment, but this was less common than the generic advice described above. When it was accessed, this more tailored support was delivered by a range of sources, including DWP employment advisors, support organisations and charities, accountants and business coaches.

Examples of this kind of advice included support developing a business plan, or help navigating the benefit system as a self-employed person.

A few individuals had access to a mentor on an ongoing basis, which was considered incredibly helpful. One individual described how she had received support during the start-up phase of her business from a business advisor at the RNIB and continued to receive ongoing support from a mentor she met through the Blind Business Association Charitable Trust (BBACT). A freelance journalist who started her own paper had been put in touch with a mentor by a charity, someone who had started

## **Understanding Self-Employment**

their own newspaper overseas. She continued to be mentored by this person for over a year.

## 6 Primary Research: Challenges of self-employment

This chapter identifies the main challenges faced by disabled self-employed people. Some of these challenges are common to all self-employed people but are greatly exacerbated by the fluctuating health conditions of many disabled individuals, whereas others are more specific to this disabled audience.

### 6.1 Confidence

Low confidence was something experienced by many disabled self-employed people and underpinned many other challenges faced by this group. Some disabled people described a lifetime of being treated 'differently', of being doubted or in some cases over-protected, of feeling isolated, being stigmatised and discriminated against, and experiencing difficulties accessing the kind of activities and services that non-disabled people take for granted. This audience also described a lack of successful disabled role models, particularly in the field of self-employment.

Lack of confidence underpinned other challenges that this audience had around explaining requirements to clients, feeling self-conscious or not going for jobs due to previous poor experiences with employers. Some individuals also struggled to market themselves and articulate their worth to clients, citing lack of confidence as a key reason.

*"A lot of the time I have to go through a negotiation process to evidence where I added value and how much these people should pay me. This is quite hard for me as I lack a lot of self-confidence."* (Individual, Mental Health Consultant)

*"Often [disabled people] have experiences and setbacks inside of work or when looking for employment that have just destroyed their confidence".* (Organisation, Employment support)

### 6.2 Finance and income

#### 6.2.1 Difficulties managing finances

Difficulties with managing finances and maintaining income are experienced by many self-employed people. However, existing evidence cited in the literature review suggests disabled self-employed people face additional challenges around accessing finance and supplementing their day-to-day income and had fewer solutions available to them than non-disabled people. This was also borne out by the experiences of disabled people involved in the current research, e.g. their health condition meant

## Understanding Self-Employment

they were not able to get an additional job alongside their self-employment to supplement their income.

In terms of day-to-day income, fluctuating health conditions meant that many disabled people were unable to earn for periods of time; this not only meant their self-employment could bring in a particularly fluctuating income but also impacted their ability to take on additional part-time jobs to help finance business costs. As a result, individuals need for financial and practical support also fluctuated. Compounding these problems, many of these individuals struggled with eligibility for benefits or additional support during periods of financial hardship.

Financial difficulties with the start-up and maintenance phase of a business such as lack of secure income and capital affect all self-employed individuals but were intensified by the health condition of many disabled individuals. Some disabled people starting out in business did not have the start-up capital needed due to an inconsistent work history (given their fluctuating condition) and therefore lower previous earnings and little or no savings to invest or to 'fall back on'.

*"I was very lucky, I had a very good job before I became self-employed and so did my husband and we had some inheritance, if I didn't have that I don't think I ever would have tried starting out on my own"* (Individual, Journalist)

### 6.2.2 Difficulties accessing benefits

Accessing benefits and/or Access to Work (AtW) was an added stress and the fear of coming off them was commonly mentioned as having a significant impact on the individual's ability to become or remain self-employed.

*"They could be getting a number of benefits that would be helping them and supporting them. Then obviously, coming off that and having to pay for all that yourself and generate the cash and the income yourself, I think that would be a huge barrier, probably the biggest barrier."* (Organisation, Jobcentre Plus)

Some felt that assessments for benefits linked with disabilities, that could provide them with a much-needed financial cushion, were arduous and complex to complete.

*"(For PIP) The entry thing for these things is designed to prevent people getting them. The level of entry is so high, and the level of award so low that a lot of people that are entitled will not apply...they can't apply, they can't read the form."* (Individual, Self-employed Farmer)

### 6.2.3 Difficulties managing financial tasks and planning

Many individuals also had health conditions where they found it hard to concentrate, decipher large amounts of information or plan. This made administration of financial tasks such as tax planning especially difficult.

*"I can't process [communications about tax returns] because I can't break the information down. That's not me making excuses. Pre-stroke I would plan*

## Understanding Self-Employment

*schemes of learning and absorb and communicate pretty complex concepts and now I just look at it.” (Individual, Costume Designer)*

Another example of this was an individual with autism who struggled with understanding the value of money. Despite having a healthy annual income, they found it difficult to put enough money aside to pay taxes at the end of each financial year.

In common with most other self-employed people, disabled individuals used paid for accountants to help with tax affairs. However, many disabled self-employed people were also forced to hire staff or purchase specialist equipment to help with admin related to financial tasks. Examples included those with visual impairments who struggled to complete paperwork required for financial tasks, or those who suffered from certain mental health issues and were easily confused.

Many felt that this was a cost that they could ill-afford but did not feel they had any choice if they were to continue being self-employed.

Some individuals decided not to claim for benefits that they might be entitled to, such as the Personal Independence Payment (PIP). Often these individuals were deterred by an experience of an unsuccessful application process which they had found stressful and did not feel it was worth it. In some cases, it had impacted negatively on their health.

*“You’re not well enough to work for a big organisation and you want to work on your own, that’s when you need the extra financial cushion...If I had benefits that would have helped us tremendously, but I couldn’t handle the psychological pressures of going through an appeal.” (Individual, Education Consultant)*

## 6.3 Managing workload

Many disabled self-employed people struggled to manage their workload with health conditions that fluctuated.

Some individuals suffered from periods of pain, fatigue or poor mental health which they found difficult to predict. This not only impacted on their ability to earn a sufficient salary or grow a business, but also on their ability to manage their workload.

An example of this was a freelance copywriter who suffered from fluctuating fatigue and chronic pain. The effect of their health on their business was highly variable. On good days, they just required a short break, but on bad days they were unable to get out of bed. This was a real challenge for them, as sometimes they were unable to deliver work for clients and had to inform them that there would be a delay.

In addition, some individuals found that their fluctuating health condition interrupted their work flow. Often this meant that they had diminished ability to send reports or communications.

## Understanding Self-Employment

*“By Friday my cognitive ability has diminished and I can’t write emails.”*  
(Individual, HR Consultant)

Some also felt that clients were often not understanding around their requirement for extended work schedules or rest breaks. As such, some individuals felt that there was a need for support and advice on how to best handle this situation.

*“Understanding who to talk to around budget and timescale and working out if you physically can do the job and which bits will need rest afterwards, and then when and how to tell the client.”* (Individual, Education Consultant)

Attempted solutions from some individuals included taking medication for their physical pain when they could not afford to take time off, and others worked when they should have been recuperating. These attempted solutions generally had a negative impact on the overall health of individuals.

A few individuals had learned over time to have assertive conversations about their working requirements, or simply chose not to work with clients that they found to be unaccommodating.

### **Case study: the challenges of workload management around health conditions**

#### **About the business**

This individual carried out research and training overseas in the education sector. She had a physical health condition that caused her severe pain and fatigue. She had left her previous employment because they could not provide the flexibility in working hours and practices she needed for her condition.

#### **Challenges faced**

On starting self-employment, she felt a lot of financial pressure to earn which was exacerbated by losing her Personal Independence Payment. She took on more work than she could cope with and began failing on projects. As a result, she has learnt to build in rest time to project timescales but is still not sure how to explain this to clients.

Physiotherapy appointments are another factor that reduce her time and ability to earn.

*“I have to pay for taxis and while the hospital has been fantastic – any time out is a huge cost to the profitability of the business”*

She has also learnt to only work in countries with good infrastructure, as poor-quality roads caused her a lot of pain and meant she needed a substantial period of recovery on arrival.

### 6.4 Travel

Travel was a common challenge for many disabled people; alternatives to public transport were expensive and often costs were not covered by clients.

Accessing transport was challenging for many people with health conditions including wheel chair users, people with visual impairments, those suffering from fatigue or serious mental health issues. Often these individuals could not travel unassisted, could not use certain types of transport or found travelling very tiring and/or stressful.

*“Getting around is stressful - I use taxis and trains extensively, I wish I used the trains a bit less frankly, the nature of my job means I go everywhere in the UK. Doing a job in Manchester is fine, it's up the road but having to go to Gloucester or Aberdeen is bad – the trains are very tiring for me.”* (Individual Access Software Designer)

Because of challenges encountered around travel, some individuals were limited by distance or what types of areas they could work in i.e. large cities rather than suburban or rural locations or domestic rather than international work. This meant that some missed out on potential work opportunities.

*“I used to go to places like Afghanistan but the way it's set up is a problem, the roads are so jolty that by the time I get to the site I'm in too much pain to carry on working.”* (Individual, Global Education Consultant)

Some had support workers or used taxis extensively. This increased costs which were often not covered by clients. Others relied heavily on family/friends to accompany them or to drive them for portions of the journey.

Some had attempted to use AtW for travel but felt it was not suitable for ad-hoc use.

Unable to get funds from clients or support, some who could not afford taxis or assistants, were forced onto types of transport which they found unpleasant and stressful.

*“Getting around London is expensive by Taxi so sometimes I have to get a tube, which makes me nervous. When I get off the tube everyone rushes and then they are gone, and I can't find the lift, or use the stairs without help and you can't do escalators with the (guide) dog...that happens 3-4 times a year.”*  
(Individual, Digital Accessibility Specialist)

### 6.5 Networking

Many self-employed disabled people experienced specific barriers to networking which they felt impacted on their ability to remain competitive and win clients. Networking was regarded as an important component for maintaining and developing business by individuals.

*“If you go to an exhibition and you walk around there might be a few hundred exhibitors...not only are you interested in who's exhibiting, you're interested in*

## Understanding Self-Employment

*who's talking to the exhibitors because they could be competitors or customers. So (if you are blind) that all becomes more difficult... (for) business development and...networking and awareness of the competitive surroundings and the business evolution.”* (Individual, Model Manufacturer)

Often this was related to access, with some venues being out-of-the-way or inaccessible.

Networking events also often happened in the evening and some individuals found it hard to navigate areas they did not know in the dark.

*“(Networking) is very difficult for people who are blind, it's done in the evening and I don't like being out at night as I have no idea about where to go or who to talk to etc.”* (Individual, Digital Accessibility Specialist)

Many individuals also had difficulties connecting with people, this was linked either to their disability, fatigue or general low confidence.

*“It is very tiring, early morning breakfast meetings at 7.30 and I have a stick and I'm trying not to drop my coffee, I enjoy it, but it is hard, and it takes a while to get used to.”* (Individual, HR Consultant)

One individual with autism struggled to network with potential clients. Their condition meant that they tended to speak their mind and struggled to make small talk or say things in a way that did not cause offence.

Another individual who was visually impaired found it hard to build relationships with clients and suppliers as they were unable to read body language and visual clues. As a result, they found it hard to trust people as they often had to make business decisions solely based on aural cues.

Individuals attempted to cope with these challenges in varied ways depending on their requirements. One journalist who used a wheelchair had previously used an assistant from AtW to help her lift her wheelchair over small steps and carry her papers, however she needed this help infrequently and so stopped using AtW as she found it did not work for ad hoc requests. She then decided against attending events that would be inaccessible for her.

Other individuals looked for networking events more suited to their requirements, avoiding those at times of day that were not suitable. An individual with autism said he would like to find guidance on how to better socially navigate these kinds of situations, but the only 'support groups' he could find were for people who he felt had more severe difficulties than him.

Some individuals continued to go to these events despite feeling awkward, uncomfortable or disadvantaged, but did not always feel that they were able to benefit from them in the way that their non-disabled peers did.

### 6.6 Technological changes

In some cases, technological changes had been used by disabled individuals to overcome challenges. For example, many people with mobility issues used online information e.g. courses, webinars etc. so they were able to access information around starting businesses without leaving their home.

At the same time, new technologies were also found to reduce accessibility, particularly for people with visual impairments. Those who were blind or partially sighted felt disadvantaged because the internet and social media were such visual spaces. Often, they had to rely upon someone else to explain what was happening to them.

In one case a visually impaired person needed to submit a proposal for a new project online. They struggled to upload the necessary documents as the site was not designed to be accessible. After multiple attempts, they had to phone the potential client and explain the issue before finding another way to submit their work.

*“The website was so inaccessible I couldn’t get into it, I reported it and they said there was nothing wrong with it – the rule is you have to have an audio option for signature and it wasn’t there!” (Individual, Digital Accessibility Specialist)*

## 7 Primary Research: Ideal support for self-employment

This chapter reviews existing gaps in support and investigates what ideal support disabled self-employed people wanted to receive. These findings came both from disabled self-employed individuals and representatives from support organisations, speaking from their experience of supporting disabled self-employed people. While the support identified could be suitable for all self-employed people, this chapter will also highlight the importance of this support for disabled people.

### 7.1 Peer mentoring

Appropriate peer mentoring was deemed very important and many disabled self-employed people wanted access to this support. Key to their needs was that they wanted mentoring and support delivered by people that had lived experience of disability and who had/have been successful in establishing their own business.

#### 7.1.1 Existing gaps in support

It was felt that most people in existing self-employment advice roles did not understand the lifestyles or challenges of disabled people. As a result, they were often unaware of what practical support could help disabled people who were self-employed.

In addition, there was no known 'hub' or forum of disabled self-employed people that could be used for help.

*"Where are these other people who are disabled who are trying to run their own business? I don't know any!"* (Individual, Life Coach)

Many self-employed disabled people wanted access to positive role models. These were identified as self-employed people who had life experience of disability and successfully managed their health condition whilst also running their own business.

*"It would be great to have a role model, someone who has done it themselves - an able-bodied mentor might be too gushy and just wouldn't get what it's like day to day - you would need tough love, and advice on how you manage things and how to do things differently."* (Individual, HR Consultant)

### 7.1.2 Ideal support

Ideally, delivery of this mentoring would be aligned with the needs of the individual, so that they would have a choice of regular or ad-hoc meetings which would be either face-to-face or over email or telephone.

That said, even a solely online offering - perhaps simply facilitated access to a 'hub' of disabled self-employed people that individuals could contact - could be hugely valuable as there was felt to be very little like this available currently.

While some individuals thought that finding a mentor with requirements similar to theirs, and working in a similar area, would be ideal, these factors were not a prerequisite for most individuals finding a mentor useful.

That said, a very small number of self-employed individuals had found mentors who worked in the same area of business as them (for example a journalist who started her own paper was put in touch with someone who had done the same thing a number of years ago, through a charity), and had found this hugely valuable because the area of work was the same as hers.

Ideal support would be a mix of practical help with running the business and a sounding board for business ideas. Positive role models would also offer emotional support and encouragement, and would help to build confidence in individuals by providing acceptance and empathy.

*"It would be helpful to have someone to literally bring up the examples of the challenges that they had faced and how they overcame them, you know, both on an emotional and a practical level."* (Individual, Copywriter)

Crucially, practical help should be tailored to a disabled audience. Guidance on where to find disability-friendly suppliers or staff was also wanted, as was advice on how to talk about disability to clients and contractors in a positive way.

## 7.2 Centralised information source

Access to a centralised information source was also seen as very important. Many disabled people felt a centralised 'one stop shop' of self-employment related information would be hugely beneficial to them. Central to this requirement was that it would be tailored to help disabled people - there was a general uncertainty about what information might be available for this audience, with some assuming there must be something out there but uncertain about what it might comprise and where they could find it, and others unsure if there would be anything available for them. While there are perhaps information sources targeted at the self-employed more generally, disabled people felt that they needed a source that was badged as providing access to the specific types of information that they need. The concentration, attention and fatigue-related difficulties experienced by some disabled people mean it can be much more challenging for this group to look for support and advice across large numbers of different sources and platforms.

## Understanding Self-Employment

Underlining this, individuals mentioned, and Jobcentre Plus staff acknowledged, a lack of 'frontline' expertise around self-employment especially in the context of being a disabled person. Jobcentre Plus staff said that they were not equipped with the knowledge to provide ad hoc advice or support on self-employment, or very much sign-posting beyond referring to the New Enterprise Allowance Scheme. Of course, this is in line with the expectations of Jobcentre Plus staff, but a lack of wider knowledge on the topic underlines the usefulness of a centralised information source.

*"I feel completely lost – I know there must be so much out there, but I don't know where to start or where to look. I didn't know about Access to Work until recently."* (Individual, Business Not Trading When Interviewed)

Areas that many people struggled to find relevant information on included accessible courses, trusted suppliers, interaction of benefits and self-employment earnings, mentoring by or for disabled people, and finance i.e. funding or small loans.

Individuals described the ideal of a centralised (online) resource that brought together this kind of information.

*"It's providing someone with some kind of channel where you can go to for help and support, almost like a one stop shop."* (Individual, Data Specialist)

A key area of support identified would be clear signposting to details on accessible courses. This would ideally be via region and type of course, as well as both free and paid for courses. Course types would include both those with a business content and those that offered more general development around 'soft skills' such as negotiating, positive disclosure, customer service, and communication. Some of the disabled people included in the research said they found these elements of communication difficult due to a lack of confidence or lack of social ease or experience. Negotiating was considered something that would be particularly valuable for this audience because some of the disabled people involved in the research found it difficult to be assertive about the money they felt their products or services were worth, alongside disclosing their particular requirements e.g. for extended timescales, rest days, particular types of transport, how they prefer to communicate, or how much flexibility they might need on a particular task.

Another area of support seen as key for this audience, was an online catalogue designed to provide information on mentors, advisors and charities that could offer advice to disabled self-employed people.

A section of the online resource could also provide financial signposting for example, collated comparable details on loans and funding offered by reputable banks and charities.

This audience also wanted access to other self-employed people with similar experiences and backgrounds. It was therefore felt that the central resource should contain a link to a forum for connecting disabled self-employed people. This would

## Understanding Self-Employment

not only provide a network of support for individuals but also a forum for swapping tips and examples of best practice.

It was felt amongst both individuals and organisations that a centralised information resource would be particularly beneficial to those who were first starting out.

*“(We need to) Ensure that they are going in with their eyes more open. This (centralised resource) would mean that they would have all the relevant information that would help them.”* (Organisation, Charity)

*“(For setting up a business) I’d like access to one place that lets you know ‘these are the basics, this is a checklist of things to do’.”* (Individual, Transcription Services)

### 7.3 Flexible ad-hoc support: personal assistants and travel fund

A need was identified for access to a pool of short notice Personal Assistants (PAs) who could help with physical access and travel on an ad hoc basis. Self-employed disabled people would benefit from a service that was short notice, i.e. being able to book someone less than a week in advance. For this ideal support, they would only have to pay for the hours required and would not need to commit to future or regular use.

These PAs would ideally have experience of working with disabled people or at least be trained in disability awareness.

Many individuals also struggled with public transport and relied upon taxi services, so a need was identified for a flexible fund for travel that did not require any commitment for regular use. Ideally individuals using the service would be paid upfront rather than being reimbursed. This could be for taxi services or a car service specifically designed with disabled people in mind.

*“One of my competitors is able to use a service where they drive him to the place...then leave him and then come back and pick him up - that’s what I want...”* (Individual, Access Software Designer)

Overall, the provision of a flexible travel fund would improve finance, physical access and reduce barriers to travel for self-employed disabled people.

### 7.4 Finance

Finance is an issue for lots of self-employed people, especially when first starting out. Existing research (highlighted in the literature review) suggests that disabled people are at a greater disadvantage compared to self-employed people in general as they often lacked access to resources and had fewer opportunities than non-disabled people to improve their financial position. This was borne out too by the experience

## Understanding Self-Employment

of disabled people in the current research, e.g. difficulties utilising a second job to earn money due to a fatiguing or painful health condition.

There was a desire for small, interest free loans for disabled people who needed to pay for start-up costs e.g. accountancy services, property costs, materials or equipment.

Loan providers could be private banks, or government-backed organisations. They would need to provide jargon-free and accessible terms and conditions.

One suggestion was for the provision of a 'standard' welfare entitlement in one or two lump sums (on top of earnings, and unaffected by earnings) in the first 6 months of self-employment. This could help to test trading conditions but provide some income as a safety net.

*“On benefits it is secure, you know what you are going to get each week - it is scary to go cold turkey. The government could provide conditions that allowed for test trading (trading but staying on benefits for the first 6 months or so). Seed funding could also be provided through a bank that is willing to provide loans.”* (Individual, HR Consultant)

## 7.5 List of approved suppliers and services

Linked with finance was access to a vetted group of suppliers, such that disabled people could be confident they were getting value for money.

A few individuals described suppliers 'taking advantage of them', potentially due to their low confidence and fluctuating concentration. Others said that their fluctuating income meant they had to be all the more vigilant about getting value for money from suppliers and were not always confident that they did, and found extensive searching and comparisons exhausting.

These suppliers would encompass a range of services essential for successful start-up and business maintenance and would include professions such as advertising and marketing, accounting and solicitors.

Ideally these suppliers would offer preferential rates for their services for the first few years of self-employment, i.e. focused on start-up.

## 7.6 Alternatives to sick pay

There was an acceptance among many that lack of sick pay was one downside of being self-employed, however disabled self-employed people described sometimes experiencing longer periods off sick than the general population. Some cited taking time off work to attend medical procedures or had to build time into projects for recovery and recuperation. Often this affected their income or forced them into working when it was not medically advisable, which in turn impacted on their health.

## Understanding Self-Employment

A few felt that an alternative to sick pay would be very beneficial to provide a much-needed safety net. Insurance was felt to be a credible alternative, a mechanism that could be self-driven, i.e. something paid into and used when needed most.

There was a consensus amongst those suggesting this kind of insurance that any product would need to be made affordable and accessible. Expensive products with monthly payments running into hundreds of pounds were not seen as viable for most self-employed disabled people.

*“I can mostly cope but occasionally I do need sick days and for these I don’t get paid. (I need) access to sick pay or some kind of part government supported insurance policy for self-employed people with a health condition.”*  
(Individual, Transcription Services)

This would fulfil needs around finance but also provide disabled people with confidence and security around taking the necessary time off to recuperate and work in a healthy manner.

## 7.7 Flexible business courses

Whilst access to business courses would be a benefit for all self-employed people, flexibility was of specific importance for disabled people. Typically, this group found that current, linear, courses that covered several different topics over different sessions, did not offer the kind of extended time periods they would need or were too intensive i.e. there was little opportunity to stop and carry on later.

*“[Organisation’s] course gives you 12 weeks to write a business plan from scratch - I think if someone has a health condition this isn’t enough. It should probably be double that.”* (Organisation, Jobcentre Plus)

Courses would ideally be ‘hop on and hop off’ for different modules so disabled participants could go at their own pace and allocate themselves time off. It was felt by some that these courses could be best delivered predominantly online allowing for greater flexibility, with in-person courses having more challenges around accessibility for some individuals. This online provision would need to be quality assured.

It was also felt that there needed to be some time regularly planned in to ensure that the individual was managing their health condition and the demands of the course, and regular surgery hours would ensure that they could ask questions when they needed to.

## 7.8 Additional guidance for those recently/ suddenly disabled

Recently disabled people needed specialist support to help navigate the health and benefits system and understand the challenges of a new life as a disabled person. For many individuals their change in health circumstances was profound.

## Understanding Self-Employment

There was felt to be a lack of 'joined up' support for someone experiencing a life changing accident or illness while attempting to run their own business. Often, they relied upon friends/family and workplace contacts, many of whom were not well placed to provide the sort of support and advice they might need.

*"Becoming disabled needs a project management qualification! It is a full-time job in itself!"* (Individual, Life Coach)

The suggested support was a consistent advocate or case worker who would be assigned before discharge from hospital. They would offer regular advice, support and guidance on for example, navigating the benefits system, dealing with the emotional upheaval of a new (initially more limited) way of life, providing advice and guidance on different types of support that can be accessed, how to talk to family, colleagues and clients about the person's new requirements, and eventually advice and guidance on re-entering self-employment or employment.

## 8 Primary Research: Conclusions

This chapter summarises the main findings from the primary research with self-employed individuals with a disability or a health condition, organisations supporting them and Jobcentre Plus staff. The themes covered in this research emerged from an initial literature review, which can be seen (along with its conclusions) in Chapter 2.

**Disabled entrepreneurs may need more support than other people entering self-employment because it is common for them to be pushed into self-employment.** It was common for disabled self-employed people to have entered self-employment because their previous employment had become inaccessible, or their condition meant that they required greater flexibility than their employer was willing or able to provide. Therefore, most individuals were ‘pushed’ into a self-employed venture due to the alternative not being viable for them, rather than because they had wanted to be self-employed per se. This can mean that they enter self-employment without the conviction that those who have been ‘pulled’ into it might have, and also without the same amount of time to mentally and financially prepare for the transition.

**Fluctuating conditions can make self-employment very difficult to manage.** The fluctuation in some individuals’ conditions, which led to fluctuating periods of work and fluctuating income, underpinned many challenges faced by this group, and sets them apart from non-disabled self-employed individuals who can more easily predict when they will be capable of working. Individuals found that self-employment did afford them the flexibility and freedom they had hoped for, though some found that trying to earn a living around a condition that fluctuated in unpredictable ways was more difficult than they imagined.

**Some of the businesses run by disabled entrepreneurs are at the margins of financial viability.** Even though most of the individuals we spoke to had successfully started a business (and there will be some not yet at this stage), many fell into a “struggling” category, i.e. earning £10,000 a year or less from self-employment. Even those falling into the “surviving” category, earning between £10,000 and £25,000 a year, often earned at the lower end of this bracket and were still dependent on some benefits alongside their self-employed income (often these were income replacement benefits, though some were on Personal Independence Payment or Disability Living Allowance). In addition, many self-employed individuals relied on unpaid support from family – particularly their partners – and said their business depended on having this help long-term.

**But generally business owners feel that being self-employed is preferable to being entirely dependent on benefits.**

**There is a perceived need for more support for disabled self-employed people – both financial and practical.** Existing financial and practical support (such as

## Understanding Self-Employment

Access to Work (AtW) does not seem to accommodate the fluctuations in income common to self-employment in general, and those with a fluctuating health condition. Training courses related to self-employment also currently follow structured, linear delivery patterns which are not always suitable for this audience. Low confidence was common among disabled entrepreneurs and there was considerable uncertainty around how to positively discuss requirements with clients, and how to assertively negotiate needs, as well as how to plan effectively for their business when their condition fluctuates unpredictably. This is often following a lifetime of being treated 'differently' and doubted, and never having seen a disabled person running their own business.

**There may be a need for support for disabled entrepreneurs that is distinct from that aimed at others in self-employment.** Disabled business owners generally conclude (as a result of past experience) that support targeted at those in self-employment generally will not meet their needs. Individuals have found that those providing existing support around self-employment can have a limited understanding of disability, and rarely have any lived experience of it.

**There is an appetite for this tailored support both in the form of peer mentoring and also an information hub or bank with information specifically for disabled entrepreneurs.**

**There may be a need to examine how well the benefits system supports disabled entrepreneurs.** Some individuals felt that they had been turned down for support because their earnings were too low to qualify as viable self-employment for the purposes of benefit assessments, such as those required for Universal Credit<sup>13</sup>, or assessments for discretionary grants, like AtW. However, at the same time, they felt that they were operating at the limit of what they could cope with. It may be worth considering if there is a financial argument for helping these individuals to continue in self-employment in terms of the direct savings in benefit payments (if the only alternative would be to claim out of work benefits) and in terms of improved well-being of the individuals concerned.

**There is a potential need for flexible, ad-hoc support to be made easier to access through AtW.** Currently some individuals find it time consuming and difficult to access ad-hoc support through this channel, and so are electing to manage without the sort of support that could help their business to grow, such as ad-hoc personal assistants and short-notice support with travel. Individuals often do not need this type of support on a regular and predictable basis which they feel makes it difficult for them to use AtW. Opportunities to attend client meetings, networking events or conferences often only came up at relatively short notice.

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<sup>13</sup> There is no assessment of earnings / viable self-employment to be entitled to Universal Credit. If a UC claimant is expected to work and is gainfully self-employed for over a year, DWP assumes they earn a minimum income. If they are not gainfully self-employed or they have been self-employed for less than a year, their UC award is based on their actual declared earnings. If a UC claimant is not expected to work, no assessment for being gainfully self-employed is made. They have to declare any earnings from self-employment and their UC award is adjusted accordingly. However, their UC entitlement is not affected.

## Understanding Self-Employment

**There may be a need for financial products that are accessible to disabled entrepreneurs (but which also take account of the relatively low earnings of many).** Individuals mentioned a need for micro-loans for small costs associated with starting up or growing a business. Disabled entrepreneurs are less likely to enter self-employment with the capital that others may have, and they are less likely to have the option to work for an employer alongside setting up their business. At the same time, they are less likely to be successful in applying for commercial loans (this was demonstrated in the literature review and some individuals had experienced difficulties personally) and perhaps more likely to be concerned about taking on the risk of borrowing. Disabled entrepreneurs also mentioned a desire for a form of 'sick pay' arrangement that would give them some income in periods where they were unable to work. These may not be attractive propositions for commercial providers, but they could perhaps be offered through not-for-profit models.

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# Appendix 2: Guide to discussion with individuals

## A Introduction (5 mins)

### A1 Introduction by the researcher:

- Name, work for IFF Research, a completely independent research company. We've been commissioned by DWP to better understand what support is required for people with disabilities or health conditions who are self-employed or starting self-employment.
- Your identity will be strictly anonymous – DWP will not know who IFF has spoken to; and this interview will not affect your own dealings with DWP, either now or in future.
- Participation in the research will not affect any benefits or tax credits you are claimants, now or in the future.
- The interview will take around 45 minutes to complete. You will be given £20 as a thank you for completing the interview, either in the form of a cheque, a voucher, or through Paypal.
- Our report will use anonymised quotes but won't mention anything that could identify you.
- There are no right or wrong answers, we are just interested in your honest opinion and experience. If there is anything you don't wish to answer, it's fine just to say so.
- Check permission to record – just so I don't have to rely solely on taking notes. The recording will be stored on an encrypted area of our server at IFF and only the IFF researchers and IFF's in-house quality assurers will have access to it. DWP will not have access to it. The recording will be destroyed at the end of the research project.

### *IF PARTICIPANT QUERIES WHAT WE ARE GOING TO COVER:*

We will be talking about the challenges that you face as someone who is self-employed, and disabled / has a health condition. We will also explore what support, advice or assistance you have experienced, and what sort of advice you would ideally have access to.

## Understanding Self-Employment

### B Getting to know you and your business (5-10 min)

#### A2 Tell me about yourself and being self-employed...

- a. How long have you been self-employed? What does your business do? Do you employ any staff?
- b. When did you first start thinking about starting your current self-employment? Was there much of a delay between thinking about it and actually getting it started?
- c. What sort of hours do you work each week? How is it for you to work these hours? Why do you say that?
- d. Are you happy to say what your approximate earnings are, from your self-employment?
- e. Do you have any other jobs in addition to being self-employed?
- f. And we covered this before but can I just double check – you said [you're not on benefits at the moment / you currently claim XYZ]
- g. Have you been self-employed before? When? IF YES: how different is what you do now, compared to what you do then?
- h. What are your ambitions for being self-employed? Are you looking to grow?

#### A3 **And if you're happy to, could you also tell me a bit about your disability / health condition in terms of whether it has an impact on how easy or difficult it is for you to be self-employed?**

- a. In what ways does it have an impact?
- b. Are you happy to give some examples?

## Understanding Self-Employment

### C Understanding the advantages of self-employment (5-10 min)

#### A4 Tell me about how you came to be self-employed

- c. Briefly, how did this come about?
- d. Why did you decide to be self-employed instead of choosing a more 'traditional' form of employment?
- e. IF NOT OBVIOUS: Would you describe yourself as being 'pulled' towards self-employment due to an interest or a passion, or more 'pushed' into it, because it was difficult to find work? Or maybe somewhere in between the two, or a combination, or both? Tell me a bit about this.
- f. Did you think there would be any advantages before you started? IF YES: what advantages did you expect?
- g. And what are the advantages of self-employment to you? Tell me about these. How are they different from what you expected?
- h. Do any of these advantages relate to the disability or health condition you have? How does self-employment suit you, with regards to your disability / health condition? Can you give me some examples? If you weren't self-employed, how would that be for you? What impact would it have?

### D Understanding the challenges and barriers relating to self-employment (15 min)

#### A5 Tell me about the challenges or difficulties you've faced when starting out being self-employed, and then maintaining, and even growing, your self-employment...

**PROBE: What else has been challenging?**

**PROMPT: Anything relating to networks / access to help and support? Lack of finance? Specific issues you're less sure of?**

**PROMPT - IF PREVIOUSLY SAID THERE WAS A DELAY TO STARTING: You mentioned earlier there was a delay to getting started - were there any particular challenges that caused this delay?**

**INTERVIEWER: As you ask the following questions, sketch a timeline with the participant, from "before business started" to "present", and note the main difficulties along it.**

#### A6 So taking the difficulties in turn... for each one:

- i. When along this line (on your self-employment 'story') did this difficulty / challenge affect you? E.g. Before you started? Starting up? General maintenance? Trying to Grow?

## Understanding Self-Employment

- j. Is it something that is challenging you now? In the past? Both?
- k. Can you give me some detail about exactly how it affected you and / or the self-employed work that you do?

### A7 I'd now like to know:

- i. Are any of these challenges related to your disability / health condition in any way (or made worse by it)? Which ones?**

- i. For each challenge that is related to your disability/health condition, can you tell me in a bit more detail about how this challenge is created by, or made worse by, your health condition?

- j. Are any of these challenges totally unrelated to your disability / health condition? Which ones?**

- i. For each challenge that is not related to your disability / health condition, can you tell me in a bit more detail what does cause this difficulty, or make it worse?

PROMPT IF NECESSARY: lack of knowledge / confidence / time / money / self-employment support / what else?

### A8 So for each of the challenges mentioned, could you tell first briefly about the ones you managed to overcome ... how did you manage to overcome these?

PROMPT IF NECESSARY: a change they made themselves, their own research, support from friends / family / an organisation, anything else?

### A9 And are there any challenges that you just didn't manage to overcome? Which ones were these?

- Why didn't you manage to overcome these?
- What effect did this have on you, or your self-employment?

## Understanding Self-Employment

### E Understanding self-employment support / advice (20 min)

I'd now like to talk more generally about any support that you have received over the course of setting up, and during, your self-employment. This could be support or assistance related to your disability, or simply related to being self-employed, or both.

A10 First of all, have you ever received any support or advice relating to being self-employed?

- This could be support you're receiving now or in the past
- This could be support relating to the start-up, maintenance or growth of self-employment
- Perhaps think about the challenges we have just talked about, and think about any support you received in relation to those?

IF YES, CONTINUE. IF NO, GO TO A20

A11 What support / advice have you received since being self-employed? I'd like to know about all the different support that you have received related to being self-employed.

#### INTERVIEWER:

- Briefly bullet point types of support received
- If received several types of support / on different occasions, please ask the following (A12-A19) about each type of support, where relevant.

## Understanding Self-Employment

FOR EACH TYPE OF SUPPORT ASK:

A12 **Why did you seek this support / advice?**

- **PROBE: Can you tell me about what you needed, and why?** INTERVIEWER CHECK WHETHER RELATED TO ANY OF CHALLENGES MENTIONED IN SECTION C
- **PROMPT: Was this support related just to your self-employment, or your disability / health condition, or both?**

A13 **When did you receive this support / advice?**

- **At what point/s in your self-employment journey e.g. Before starting? At start-up? During general maintenance? When trying to grow?** INTERVIEWER PLEASE NOTE THESE ON THE TIMELINE – INCLUDING ANYTHING THE PARTICIPANT IS RECEIVING CURRENTLY
- **Is this advice you are receiving now? Received previously? Both?**

A14 **Where did the support/advice come from (which organisation/s)?**

**PROMPT: Did you receive any advice or support from DWP or the Local Authority? What support was this?**

A15 **How did you find / identify this support/advice?** (INTERVIEWER PROBE SPECIFICALLY FOR DWP / LA ADVICE)

A16 **How much, if at all, did the support/advice help you? Can you give me some examples of which bits helped, or didn't help you, and why?**

A17 **Overall, what difference did the support make to you?**

A18 **How could this support have been better for you?**

**PROMPT IF NECESSARY FOR WAYS SUPPORT COULD HAVE BEEN BETTER: timing of support? Amount of support? The expertise of the support person/organisation? The cost? The variety of support available? What else? Please be as specific as you can.**

A19 **Why would this type of support have suited you better (check whether this is related to disability / health condition)? What impact would it have had? Can you give me some examples of how it would have helped you?**

## Understanding Self-Employment

ASK ALL

I'd now like to ask you about support that you didn't have, but would have liked... so the "ideal support"...

- A20 **What topic or area would this support / advice be on?**
- A21 **What format would it take (face to face? Telephone? Online? Seminar? Webinar? With others or individually? How often would you have it?)**
- A22 **Why would this support help you? What impact would it have (please be as specific as possible)?**
- A23 **What specific need of yours would it be meeting? Tell me a bit more about this need. Is there anything else that could help to meet this need?**
- A24 **Ideally, when would you receive this support / advice (at what point/s in your self-employment journey e.g. start-up? Growth? General maintenance)? Why would it help to receive it at these times? INTERVIEWER PLEASE NOTE THESE ON THE TIMELINE**
- A25 **Where would the support/advice ideally come from (which organisation/s)? Why do you say this?**
- A26 **How would you want to find / make contact with this support/advice provider?**

**RECAP:** INTERVIEWER REFLECT BACK A SUMMARY OF THEIR 'IDEAL' SUPPORT, WHAT NEEDS OF THEIRS IT WOULD MEET AND WHY IT WOULD BE HELPFUL. **Is there anything I've missed, or anything else you'd like to add about this ideal support?**

**Understanding Self-Employment**

# F Final thoughts

Thinking about everything we have talked about today, I'd just like to reflect a bit on the hopes you had for your self-employment before you started, or around the time you were starting...

A27 **Have your hopes / aspirations for your self-employment changed as time has gone on?**

- How have they changed?
- Why do you think they have changed?
- How do you feel about the difference between your hopes, and reality?

A28 **Is there anything else you would like to say on the subject of support for disabled people, who are self-employed?**

On behalf of IFF Research and DWP, thank you very much for your time today.

Please tell me how you'd like to receive your £20 thank-you payment.

I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.
Interviewer signature:
Finish time:

**INDIVIDUAL GUIDE:** INTERVIEWER TO FILL IN AT THE END TO CONSOLIDATE THINKING

# Appendix 3: Guide to discussion with organisations/Jobcentre Plus representatives

## A Introduction (5 mins)

### A29 Introduction by the researcher:

- Name, work for IFF Research, a completely independent research company. We've been commissioned by DWP to better understand what support is required for people with disabilities or health conditions who are self-employed or starting self-employment.
- Your identity will be strictly anonymous – DWP will not know who IFF has spoken to; and this interview will not affect your own dealings with DWP, either now or in future.
- The interview will take 45-60 minutes to complete depending on how much you have to say.
- Our report will use anonymised quotes but won't mention anything that could identify you.
- There are no right or wrong answers, I just want to know about your own experience. If there is something you don't wish to answer, it's fine just to say so.
- Check permission to record – just so I don't have to rely solely on taking notes. The recording will be stored on an encrypted area of our server at IFF and only the IFF researchers and IFF's in-house quality assurers will have access to it. DWP will not have access to it. The recording will be destroyed at the end of the research project.

### *IF PARTICIPANT QUERIES WHAT WE ARE GOING TO COVER:*

- We will be talking about the barriers that disabled people, or people with a long-term health condition, face if they are self-employed, and we will explore what support, advice or assistance this group of people would ideally have access to.

## B Getting to know you and your role (5-10 min)

A30 **Tell me about yourself and the work you do...**

- a. Briefly, what sort of advice / support / guidance does your organisation provide for your clients?
- b. What is your role within this organisation?
- c. Does your organisation's support / advice 'target' a particular kind of individual? How prevalent is this kind of individual?
- d. Can you describe your typical client to me?

A31 **Do you personally work *directly* with those who are self-employed / disabled and self-employed / disabled?**

A32 **Please could you tell me about your personal experience of working with people who are disabled or have a long-term health condition, and who are self-employed (or interested in becoming self-employed).**

- e. What support / advice / assistance do you provide to people who are disabled and / or self-employed? How often do you do this?
- f. Are you happy to give me some examples?

## C How / why people become self-employed (5-10 min)

A33 **Can you outline for me the reasons why some of your clients who are disabled or who have a health condition, typically decide to become self-employed?**

- g. What motivates them to become self-employed?
- h. In your experience, do they tend to be 'pulled' into self-employment due to an interest, passion or opportunity, or 'pushed' due to difficulties finding / staying in work? Or maybe somewhere in between the two, or a combination, or both?
- i. What are some of the key advantages that they experience? Tell me about these. Do they change over time? How?
- j. Are these different from the advantages that they *expect*?
- k. Do any of the advantages of being self-employed, relate to the disability or health condition they have? Can you give me some examples?
- l. In general, how realistic are your clients' expectations about what self-employment will be like / what they want to achieve?

## Understanding Self-Employment

- m. How does self-employment compare to regular employment for the people that you support? Why do you say that?

## D Understanding the challenges and barriers relating to self-employment (10-15 min)

**I'd like to know about the challenges, barriers or difficulties that clients who are disabled or who suffer from a health condition, face when starting, maintaining or growing self-employment.**

INTERVIEWER NOTE: Jobcentre Plus professionals may typically encounter challenges linked to *starting* self-employment. Professionals from other organisations may be more likely to encounter challenges along the whole self-employment timeline.

A34 **Please list out these challenges / difficulties...**

A35 **And now, for each one:**

- l. When along the self-employment line do these difficulties / challenges tend to occur? E.g. Before starting up? When starting up? General Maintenance? Trying to Grow?
- m. How do these challenges / difficulties actually impact on your clients and their efforts to become self-employed, or maintain self-employment? Some examples would be great if you can give them to me.
- n. How much, if at all, do you think this challenge/barrier is related to a client's disability or health condition at all?
  - ii. IF RELATED TO DISABILITY / HEALTH CONDITION AT ALL:  
Can you tell me in a bit more detail about how this challenge is created by, or made worse by, their disability / health condition?

IF NOT RELATED TO DISABILITY / HEALTH CONDITION AT ALL: what does create this challenge? PROMPT IF

NECESSARY: lack of knowledge / confidence / time / money / self-employment support / what else?

## E Providing self-employment support / advice (20 min)

**We've talked about the challenges and difficulties some of your clients who are disabled or suffer from health conditions experience when starting out as self-employed.**

**I'd now like to talk about the support or assistance that your clients typically receive (from your organisation as well as others).**

A36 **Typically, why do these clients seek support / advice from you? What do they need? To what extent is it linked to their disability / health condition at all?**

INTERVIEWER: Note whether related to any challenges mentioned in Section D

A37 **When do they seek support/advice?**

- At what point/s in their self-employment journey e.g. Before starting? At start-up? When generally maintaining their self-employment? When trying to grow?

INTERVIEWER PLEASE NOTE THESE ON THE TIMELINE – Jobcentre Plus STAFF MAY PREDOMINANTLY PROVIDE SUPPORT AT PRE-OR START UP PHASE

A38 **You've told me about the support that you / your organisation provides – how well do you think this meets the needs of the self-employed people you help, who are disabled or have a long-term health condition?**

- o. What needs of theirs can your organisation not meet?

A39 **What is your perception of what / how much other support (outside your organisation) is available to disabled people who are self-employed? Do you know of other organisations offering support to this group?**

- p. Do you feel this group has some needs that don't currently get met by any organisation?

**I'd now like to talk about the ideal support for self-employed people who are disabled or who have a long-term health condition.**

A40 **Ideally – what different sorts of support / assistance / advice would they receive?**

- What would this support actually look like? What format would it take (face to face? Online? Telephone? Seminars? Webinars? What else?)? How much / often would it be provided?
- Ideally, when would this support / advice be most useful (at what point/s in their self-employment journey e.g. start-up? Growth? General maintenance?)? Why would it help to get support at these times?

## Understanding Self-Employment

- Which aspects of this support / assistance are related to the person's disability or health condition? Which ones? What specific needs would the support meet?
- Are there aspects that are completely unrelated to their disability / health condition?
- What impact would this have for the self-employed people you see? What exactly would it do for them?

A41 **Where** would the support/advice ideally come from (which organisation/s)? **Why** do you say this?

**RECAP:** INTERVIEWER REFLECT BACK A SUMMARY OF 'IDEAL' SUPPORT, WHAT NEEDS WOULD BE MET AND WHY IT WOULD BE HELPFUL. **Is there anything I've missed, or anything else you'd like to add about this ideal support?**

## F Final thoughts (5 minutes)

A42 **Is there anything else you would like to say about support for disabled people who are self-employed?**

**On behalf of DWP, thank you very much for your time today.**

I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.
Interviewer signature:
Finish time: