



People-Centered Practices: Improving the Workforce Potential for Those with Disabilities



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Prabal Chakrabarti: *Welcome to the Federal Reserve's Economic Development podcast series. I'm Prabal Chakrabarti with the Federal Reserve Bank of Boston.*

While the overall employment outlook is improving, the magnitude of unemployment rates and low labor force participation suggests that recovery for certain populations will be more challenging. Indeed, while persons with disabilities faced significant employment challenges prior to the recession, innovative approaches will be required to ensure that this vital population sector is better positioned to meet the labor needs of local employers. Additionally, demographic trends suggest that significant shortages will require communities to develop approaches to increase [the] labor supply, and individuals with disabilities will need to be incorporated in such strategies.



Two experts in this field are with us today to share their perspectives regarding improving the workforce potential for persons with disabilities. Today I'm speaking with Kathy Krepcio, executive director of the Heldrich Center for Workforce Development at Rutgers University, and Michael Morris, executive director of National Disability Institute.

Kathy and Michael, thank you for speaking with us today.

Kathy Krepcio: Thanks, Prabal. I'm happy to be here.

Michael Morris: Thank you so much for the opportunity.

Chakrabarti: *To provide us with some context, could you each please share with us what your research has shown regarding the current state of employment of persons with disabilities across America? Also, what are some of the barriers persons with disabilities face with employment, and how has the economic recession exacerbated these challenges?*



Krepcio: First, let's look at the statistics. According to the U.S. Department of Labor, only about 20 percent of people with disabilities either are employed or are seeking employment, compared to about 69 to 70 percent of the general population without disabilities. For people with disabilities, they have double the unemployment rate as people without disabilities, and this has pretty much remained relatively unchanged for over a decade.

The barriers for people with disability are many and so well documented, and they include historic discrimination and segregation, federal policies that discourage work, low expectations about work both from themselves and from their family members, and a lack of access to skill attainment.

Morris: The National Disability Institute [NDI] has focused as well on the larger set of issues around the advancement of financial stability and economic self-sufficiency for all people with disabilities. What we know is that people with disabilities are three times more likely to be living at or below the poverty level.

We also know that in addition to the barriers that Kathy mentioned, there are policy barriers that keep many people with disabilities who want to work out of the competitive workforce. There are over 11 million individuals on SSI (Supplemental Security Income) and/or SSDI (Social Security Disability Insurance). With SSI, people face a very low asset limit of \$2,000 to continue to qualify for benefits. What this does is create a very large disincentive for millions of people with disabilities from seeking to work or seeking to work at their full potential.

Chakrabarti: *Michael, you've touched on some of this, much of National Disability Institute's work has centered on improving the economic well-being of persons with disabilities. The Urban Institute recently released a study on minority wealth accumulation showing that the wealth gap has widened among groups since the Great Recession. Is the same true for people with disabilities, and what's the correlation between employment, financial stability, economic advancement, and wealth accumulation?*

Morris: The recent Urban Institute study really highlights an issue which deserves more attention, and that is this income as well as wealth gap between Caucasian families and other minority families. That gap appears to have widened and gotten worse as a result of the recent economic recession of around 2008. We do have enough anecdotal evidence to know that people with disabilities suffer, and perhaps even more than other minority groups.

What is the connection between these different issues is a very important question. More and more employers, before they're hiring individuals with or without disabilities, are looking at individuals' credit score. Employers are becoming concerned about individuals' financial stability because it affects absenteeism and it affects both physical and mental health, which is again going to lead to potential challenges of staying in the workforce.

Over the next two years, the National Disability Institute will be selecting a number of cities to bring together these issues of financial coaching and financial counseling in the workforce development system to help people understand better their use of money, use of credit and budgeting, and improve outcomes not only related to their financial stability, but we ultimately believe will improve outcomes related to employment and overall sense of wellness.

Chakrabarti: *Kathy, the Heldrich Center's research transcends the workforce continuum. From your perspective, how might the workforce development system be more responsive to serving individuals with disabilities? And, for both of you, could you briefly describe some promising practices and emerging solutions that are improving the employment status of people with disabilities?*

Krepcio: Heldrich Center research has shown that today's public workforce system, while there are pockets of good practices and innovations, is really based on a labor market and federal policies that are really framed in 1930 and 1960s labor market, and is fundamentally out of sync with today's economy and labor market realities. But today's public workforce system is facing unprecedented resource pressures.

And I think in order for the system to be more responsible to all job seekers, including people with disabilities, the system fundamentally needs to be much more responsive to the hiring needs of employers. It needs to be much more flexible to be able to serve a wide variety of job seekers. It needs to view education and training and career development as a vital part of the reemployment assistance package, and it needs to both provide government benefits such as through unemployment and disability insurance, but it needs to wrap that assistance around with a much more robust package of services and supports, especially around education and training.

Morris: I believe there are a number of projects we've been involved with, with the Employment and Training Administration at the Department of Labor and also the Office of Disability Employment Policy, that are worth noting.

Currently, with our LEAD Center funded by the Office of Disability Employment Policy at the Department of Labor, we're working in a number of states on bringing a different approach to assessment and identification of individuals with disabilities, which we feel may in the future show great merit in helping individuals better market themselves and also better find a match to the jobs that are being identified through employers.

We're also working with another strategy that's called "customized employment," which looks at the ways that one can negotiate with an employer to really find a match between employer needs and employee strengths.

Also, through the project that's called Disability Employment Initiative with the Employment and Training Administration [we] have been working with what are called "disability resource coordinators" in America's Job Centers in some 23 states. What the disability resource coordinators are doing is helping people with disabilities better navigate through core intensive and training services in America's Job Centers, and better finding ways that they truly can be matched with jobs that are available that make full use of their talents.

Chakrabarti: *Michael, NDI's had some success in engaging industry in increasing employment opportunities and matching skill sets to employer needs. Why and how might employers consider increasing their share of persons with disabilities in their labor force?*

Morris: The [National Disability Institute] project, with funding from the Kessler Foundation, called Best Interns is working with one market sector, in this case, credit unions—the financial service sector. We started in New Jersey, and it starts with talking with credit unions about what were their challenging workplace needs; what kind of labor do they need; what skill sets; what kinds of training could we do in advance of bringing them a qualified candidate with a disability. This led to the development of both classroom-based instruction and internships at credit unions across New Jersey. The project was successful and won an award from the national level of Federation of Credit Unions in terms of an innovative approach to meeting employers' needs with talented individuals with or without disabilities.

What we do see in this model is the possibilities for what becomes a trade association market sector approach to working with employers that builds on what they need: starts with them, builds the training and education program that responds to their needs, recruits individuals with disabilities, works very much collaboratively with both the vocational rehabilitation system and public funding, and works also with the state's department of labor and workforce development system.

Chakrabarti: *Lastly, how might the federal, state, and local governments develop policies that facilitate workforce opportunities for persons with disabilities? Do you have examples of a policy that's been particularly effective?*

Morris: I talked earlier about the challenges and disincentives to work for individuals with disabilities who are receiving Social Security benefits. It's clear that if we would lift the asset limits, which is currently at \$2,000 for individuals and \$4,000 for a household or couple, and brought that upward, we would remove for people a significant disincentive to work.

I also believe that a proposed change in policy from the Office of Federal Contract Compliance Programs, which would for all federal contractors at a certain level create a much more detailed set of requirements regarding adding people with disabilities to the workforce of federal contractors, particularly showing and requiring proof and documentation of marketing and outreach to hire people with disabilities, accommodations, efforts at retention, efforts at career advancement, is a good way to go.

I also come back to the issue of tying together financial stability and financial capability and employment, where all America's Job Centers offered financial education classes, offered information resources and links to financial coaches and financial counselors that are free or at a low cost.

Krepcio: I think there are a number of things government can also do to facilitate workforce opportunities for people with disabilities.

First, state and local governments can do a much better job of including people with disabilities in their broader economic development and workforce development programs and strategies. Too often we see that people with disabilities are treated like special projects or segregated into "disability-centric projects" versus projects where they're included in the broader economic development and workforce strategies that are taking place in the state.

Second, state and local governments need to do a better job of listening to and engaging both large and small employers. And while the workforce system has been getting better at this, especially in looking at community college and employer partnerships, and sector strategies, it still remains a large problem among what I call "disability serving organizations."

Third, focus really needs to be paid in preparing the next-generation workforce, including youth with disabilities, in having the same expectations and opportunities and access to education and training and the labor market that we offer to youth without disabilities. This includes paying attention to ensuring high school graduation, exposure to work through internships, and looking at postsecondary education, which is becoming increasingly critical to success in today's labor market.

And it's really not possible to truly assess the impact and effectiveness without support for more rigorous evaluation and research. So, in the future, I really would like to see more support for research and evaluation and more experimental designs, so that public resources can be more focused in the future on evidence-based practices.

Chakrabarti: *Thank you.*

Krepcio: Thanks, Prabal.

Morris: Thank you so much.

Chakrabarti: *This concludes our podcast. We've been speaking with Kathy Krepcio, executive director with the Heldrich Center at Rutgers, and Michael Morris, executive director with National Disability Institute. For more podcasts on this topic and others, please visit the Atlanta Fed's website at frbatlanta.org. If you have comments or questions, please e-mail podcast@frbatlanta.org. Thanks for listening.*

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