Employer Practices to Increase Employment of People with Disabilities in Small to Medium Sized Businesses

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Introduction

In 2024, the employment rate of working-age people with disabilities in the United States was 37%, compared to 75% of persons without disabilities (BLS, 2025).

Despite employment-related legislation, policies, and programs that attempt to close this gap, individuals with disabilities continue to face significant barriers in accessing employment opportunities (Bonaccio et al., 2020)

Their un- and underemployment stems from both “supply side” (those seeking jobs) and “demand side” (employer) factors.

Background

- Small businesses with fewer than 100 employees account for 97% of businesses in the US and employ over half the workforce (U.S. Census Bureau, 2022).
- Companies with over 15 employees are subject to the workplace non-discrimination requirements of the Americans with Disabilities Act (ADA)
- Only 12% of small companies (5–14 employees) and 29% of medium sized companies (15–249 employees) employ people with disabilities, compared to 68% of large employers (Gasper et al., 2020).
- Most studies on increasing disability employment focus on concerns and practices that are relevant and appropriate for larger businesses.

Scope of the Study

- We explored employers' beliefs that act as barriers or facilitators to hiring people with disabilities.
- Rather than treating disability as a homogeneous group, this study investigated variations in the willingness of small businesses to hire individuals with different types of disabilities to help determine the effect those differences may have.

Research Team

Goodman, N., Deane, S., Hyseni, F., Soffer, M., Shaheen, G., & Blanck, P. (2024). Perceptions and bias of small business leaders in employing people with different types of disabilities. *Journal of occupational rehabilitation*, *34*(2), 359-372.

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Research Questions

1. How do small businesses perceive and prioritize various barriers and facilitators when considering the employment of individuals with disabilities and what is the moderating role of the ADA?
2. To what extent do small businesses exhibit favorable perceptions towards certain types of disabilities over others when making hiring decisions?
3. What is the relationship between barriers and facilitators and stated hiring likelihood?

Methodology

- A team of researchers from the Burton Blatt Institute at Syracuse University and Rutgers University developed a set of questions to identify demand side barriers and facilitators to disability employment.
- The questions were fielded as part of the on-line SSRS Multi-client Small Business Omnibus Survey conducted in August 2022.
- A total of 500 business owners, presidents, and general managers of small businesses with 100 or fewer employees completed the online survey.
- For the data analysis, we excluded responses from 93 businesses with only one employee and 14 businesses who responded “not sure” or “prefer not to answer” on all questions related to barriers and facilitators.

Outcome Measure

Likelihood to Hire

- Participants were asked “If you were to hire one or more persons with a disability into your business, how likely might you be to hire persons with the following categories of disabilities?” Participants were asked to rate their response for each disability type on a 3-point scale of 1 = not likely, 2 = a little likely, and 3 = very likely, with options for not sure and prefer not to answer.
- For parts of the analysis, the likelihood variables were recoded into a binary variable where 1 is “very likely” and 0 is all other responses (not likely, a little likely, and not sure).
- The categories of disability types were intellectual and developmental disabilities (IDD), blindness, deafness, physical or mobility disabilities, and mental health disabilities (referred to on the survey as mental illnesses).

Barriers

Barriers (1 = not a concern, 2 = somewhat of a concern, and 3 = major concern)

1. People with disabilities do not apply to the jobs
2. They apply but do not meet the qualifications
3. That the respondent is not familiar with how to hire or accommodate an employee with a disability
4. That employees with disabilities are not as productive
5. That you cannot discipline or fire a worker with a disability due to possible legal issues;
6. Uncertainty about cost of accommodations
7. Concerns that other employees may feel it is unfair that an employee with a disability receives an accommodation
8. Belief that overall costs outweigh the benefits
9. Concerns about reactions of clients or customers when interacting with employees with disabilities

Facilitators

Barriers (1 = not important, 2 = somewhat important, and 3 = very important,)

1. Factors or personal experience or familiarity with disabilities motivating the respondent to hire
2. Hiring people with disabilities improves the company's business image in the community
3. Employees with disabilities contribute to a positive and more productive work environment
4. Employees with disabilities contribute to business's bottom-line through knowledge and productivity
5. The business has a diversity hiring policy that includes recruiting and hiring qualified people with disabilities
6. Respondent is motivated to hire people with disabilities after hearing or reading about costs vs. benefits of hiring them
7. The respondent was motivated by government policies such as those encouraging federal contractors and employers to hire people with disabilities

Other Independent Variables

- Covered by the Americans with Disabilities Act (ADA)
- Respondent Job Category (owner or manager)
- Number of Years in Business
- Industry
- Knowing Someone with a Disability

Data Analyses

We conducted two sets of multivariate analyses for ADA and non-ADA businesses:

1. We conducted a set of linear regressions where the dependent variable is the composite hiring variable. In the first model, the independent variables include the composite barriers and facilitators. In the second model, the independent variables include the full set of 10 barriers and 7 facilitators coded as binary variables.
2. We used the same two sets of independent variables to estimate separate logit models for each disability type where the dependent variables are binary variables indicating if the employer is likely to hire a particular type of disability.

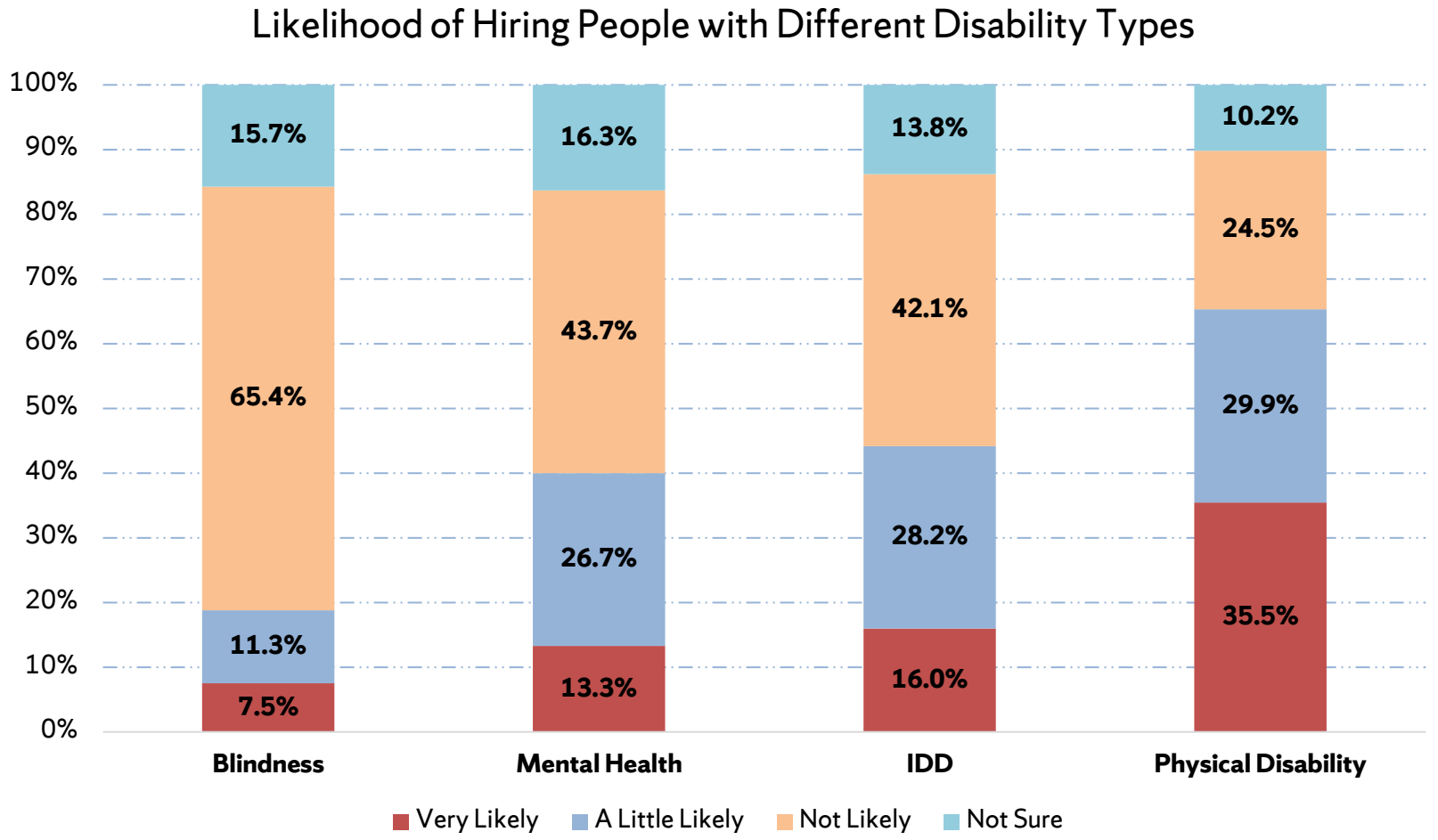
Q1: How do small businesses perceive and prioritize various barriers?

	Overall % with concerns	Non-ADA % with concerns	ADA % with concerns	p-value for difference
Cannot discipline	38.5%	39.0%	33.2%	0.32
Unfamiliar with how to hire and accommodate	36.5%	36.9%	32.1%	0.40
Uncertainty about cost of accommodation	35.1%	35.5%	31.6%	0.49
People with disabilities did not apply to the job(s)	27.8%	27.4%	32.3%	0.38
Potential cost outweigh benefits	26.6%	26.7%	26.2%	0.93
Not as productive	25.4%	25.1%	28.5%	0.51
Not qualified	24.8%	24.0%	31.8%	0.15
Fairness for other employees	20.6%	20.1%	27.2%	0.16
Client/customer reaction	13.0%	12.3%	22.1%	0.02
Overall barriers	1.30	1.29	1.37	0.15
% with Concerns includes Somewhat a concern, Major Concern, and Don't Know. p-value based on adjusted Wald test for each binary variable				

Q1: How do small businesses perceive and prioritize various facilitators?

	Overall % with concerns	Non-ADA % with concerns	ADA % with concerns	p-value for difference
Positive work environment	73.8%	73.1%	81.8%	0.09
Bottom line	69.7%	69.0%	77.5%	0.13
Company policy	60.6%	59.4%	74.9%	0.01
Improves corporate image	59.0%	58.0%	70.7%	0.03
Personal familiarity	53.9%	52.5%	69.1%	0.01
Costs versus benefits	46.2%	44.9%	61.2%	0.01
Government policies	40.0%	38.4%	57.8%	0.00
Overall facilitators	1.79	1.78	2.03	0.00
% Important includes somewhat important, very important and don't know. p-value based on adjusted Wald test of each binary variable				

Q2: To what extent do small businesses exhibit favorable perceptions towards certain types of disabilities when making hiring decisions?



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Q3: What is the relationship between barriers and facilitators and hiring likelihood?

	Non-ADA	ADA
Owner (versus manager)	− 0.109	− 0.064
Percent disability employment	− 0.026	0.025
Years in business	− 0.003*	− 0.003
Have disability relationships	0.08	0.122*
Industry		
Retail	0.073	0.227**
Finance	0.062	0.199
Business	0.099	0.177*
Other	0.052	0.185*
Avg barriers	− 0.227*	− 0.299***
Avg facilitators	0.188**	0.112
Constant	0.259***	0.188
R-Squared	0.1785	0.1796

OLS regression predicting overall likelihood to hire from compositive scores of barriers and facilitators by subpopulations.
Weighted N = 156–379. The omitted industry type is Transportation. ***p < 0.01, **p < 0.05, *p < 0.1

Key Findings

- The most important concerns among employers are: inability to discipline, being unfamiliar with how to hire and accommodate, and uncertainty over accommodation costs.
- These concerns do not differ between employers covered by the ADA and non-covered employers. However, ADA-coverage may make a difference as ADA-covered employers are more likely to say they would hire an applicant with a disability.
- Employers are least likely to hire someone with blindness, followed by mental health disabilities, intellectual disabilities, deafness, and physical disabilities.
- We find that for small companies, the positive effect of the facilitators almost completely offsets the negative effect of the barriers. However, for the larger companies, the marginal effect for an additional barrier is significantly more predictive than for an additional facilitator.

Conclusions

- Understanding small employers' underlying concerns and effectively addressing those factors is crucial for developing effective intervention strategies to encourage small employers to hire and retain people with different disabilities.
- Our results suggest greater openness among ADA-covered employers to hiring people with disabilities, but the perceived barriers indicate a need for ongoing information on effective intervention strategies to increase disability hiring among all small employers.
- Future research: Create different interventions for businesses covered by the ADA and those that are not covered. It is also important for trainers to note that businesses with more than 15 employees may be more responsive to barrier-busting type interventions, as opposed to facilitator-promoting ones.

Contact Information and Funding

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‘We can change the world.
The first step is to change ourselves.’
- Burton Blatt

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