

Economic Benefits Study

FOOD SERVICES



PEOPLE WITH DISABILITIES WORK: AMERICA BENEFITS

Economic Benefits Brief on
Government Entitlements and
Taxpayer Contributions through
AbilityOne Employment on
Federal Food Service Contracts

AbilityOne

PROGRAM



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ECONOMIC BENEFITS STUDY

Food Services

This brief presents research results from an evaluation of how AbilityOne Program employment of individuals with severe disabilities reduces their use of government entitlements and increases their taxpayer contributions. The subject of the study was food service contracts acquired through the AbilityOne Program.

The AbilityOne Program is the largest source of employment for people who are blind or have other severe disabilities in the United States. More than 600 community-based nonprofit organizations (NPAs) across the nation participate in the AbilityOne Network. They train and employ these individuals and provide quality goods and services to the federal government at a fair market price.

For the purposes of this research the sample population was comprised of 20 NPAs that have AbilityOne Program food service contracts. Conducted in late 2008 by LMI Government Consulting, the study was undertaken on behalf of NISH, one of two central nonprofit agencies that facilitate the AbilityOne Program on behalf of the Committee for Purchase From People Who Are Blind or Severely Disabled, an independent federal agency.

ECONOMIC BENEFITS STUDY

Food Services Facts

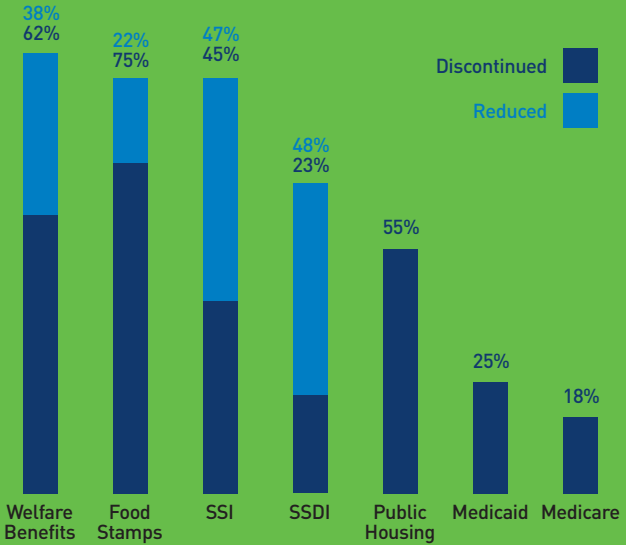
- Forty-five percent eliminated receipt of Supplemental Security Income (SSI) as a result of AbilityOne employment on a food service contract.
- Seventy-five percent of employees eliminated their usage of food stamps and 62% eliminated welfare benefits. The need for unemployment compensation ceased entirely.
- Prior to working on an AbilityOne food service contract, only 4 in 10 individuals with severe disabilities were employed. Their average hourly wage as a result of AbilityOne employment is \$10.08.
- Employees eliminated their dependence on public housing assistance by 55% while eliminating their reliance on Medicaid by 25%.
- Average annual wages increased nearly 30% as a result of AbilityOne employment.

Employing individuals with severe disabilities on federal food service contracts through the AbilityOne Program saves the federal and state governments an estimated \$4.7 million annually. These employees also increase their payments to the government through income and payroll taxes. The net positive impact to the government is an estimated \$5.8 million annually.

In all, the employment of 3,438 full-time equivalents in AbilityOne food service contracts positively impacts the annual government balance sheets by \$10.5 million. This is an average annual savings of \$3,067 per employee.

ANNUAL SAVINGS PER FULL-TIME EMPLOYEE:

\$3,067



Percentage of AbilityOne Employees with Disabilities Discontinuing or Reducing Government Entitlements

Percentages are based on the number receiving each particular entitlement one month prior to AbilityOne employment. No reductions in Medicare are shown since individuals are either enrolled in this program or not.





ABILITYONE EMPLOYEES REDUCE RELIANCE UPON GOVERNMENT ASSISTANCE

Seventy-five percent of employees with severe disabilities who received food stamps just one month prior to their employment on an AbilityOne food service contract *discontinued* this benefit after commencing employment while another 22% *reduced* their use of this entitlement. Forty-five percent *discontinued* their reliance upon SSI while another 47% *reduced* the SSI benefits they received as a result of AbilityOne employment on food service contracts.

More than half (55%) *discontinued* their use of public housing benefits. One-quarter (25%) of the individuals with severe disabilities who received Medicaid prior to employment in the AbilityOne Program *discontinued* this benefit once employed on a federal food service contract. Social Security Disability Insurance (SSDI) benefits *discontinued* for 23% and *reduced* for almost half (48%) as a result of employment.



nish

**Creating Employment
Opportunities
For People With
Severe Disabilities**

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Benefits Studies were conducted among 20 NISH-affiliated nonprofit agencies participating in AbilityOne food service contracts that train and employ people with disabilities.

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