

America's Largest Untapped Market: who they are, the potential they represent

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People with disabilities want to work for you, and they want to buy your products. With skilled and loyal employees at a premium and traditional market growth slowing, can you afford to ignore or stereotype them?

A vault in Kansas City, Missouri, contains every [Hallmark](#) greeting card ever printed, neatly organized in chronological order, providing a history of social change. Only recently has the climate-controlled room held cards for people with disabilities. Increasingly, corporate America is looking to the market that Hallmark discovered—as individuals, consumers, and valued employees.

The Market

[Stevie Wonder](#) wants companies to "advance the world through their vision." He's doing his share by partnering with [SAP America](#) to launch the SAP/Stevie Wonder Vision Awards designed to increase employment for people with vision impairments. He also wants to separate fact from fiction about people with disabilities. And the facts are compelling. Stevie Wonder is one of 859 million people worldwide who have a disability. There are 54 million people with disabilities in the U.S. alone, making them *the single largest minority group in America*.

They aren't just disabled – they're CEOs, secretaries, scientists, artists, parents, children – all consumers in a market any one of us could belong to overnight. And they don't just buy wheelchairs and TTY devices. They also buy cars, houses, stocks, and toothpaste. It's estimated that the aggregate income of people with disabilities, now at \$796 billion, will exceed \$1 trillion by the year 2001. Even though their unemployment remains high, their discretionary income stands at \$176 billion. That's a lot of toothpaste.

Of the millions of people limited in their activities due to long-term disability, 73% are the head of household, 48% are principal shoppers, 46% are married, 77% have no children in the household (boosting their disposable income and free time for travel and leisure activities), and 58% own their own homes, according to Simmons Market Research Bureau. They spent \$81.7 billion on travel in 1995, excluding the expenditures of their families, friends, and escorts, says the [Society for the Advancement of Travel for the Handicapped](#). The [Hertz Corporation](#), tapping this market, began offering assistance to travelers with disabilities as early as 1965.

It is estimated that at least one-half of all non-disabled adults have a disabled spouse, child, parent, or friend. One in every five houses in America has a person with a disability in it. Companies marketing to people with disabilities can reach as many as **four in every 10 consumers**. Corporate America can't afford to ignore or stereotype this market.

These trends will provide the greatest fuel for continued expansion of this consumer market:

- People with disabilities will work in greater numbers, in part because of the Americans with Disabilities Act (ADA). Between 1991 and 1994, the number of disabled Americans employed increased by more than 1.1 million, according to the Census Bureau. Employment rates for young adults with severe disabilities is triple that of their older counterparts.
- Education rates for people with disabilities are increasing: 75% of them finished high school in 1994, up from 60% in 1986; their college enrollment leapt from 29% to 44%. >>>

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- Technological advances are eliminating many of the physical and informational barriers that have long existed for people with disabilities.
- Public awareness of disability issues is growing and changing.
- America's population is aging, and disability increases with age. The number of Americans aged 65 and older is projected to increase 135% between 1995 and 2050, according to the Census Bureau. People with disabilities are coalescing as an economic and social power.
- In 1994, for the first time, a majority of people with disabilities said they felt a strong sense of identity with other people with disabilities, according to the National Organization on Disability/Harris Survey on Americans with Disabilities.
- Cause-related marketing is increasingly effective. Customer demands are higher than ever that corporations "stand for something." Fifty-six percent of Americans said they shopped during the 1997 holiday season at retailers associated with a cause.

Awareness and Brand Loyalty

"It's difficult for a company to constantly innovate," says Carol Cone, CEO of Boston-based [Cone Communications](#), a strategic communications firm. "True product or service differentiation is tough. Consumers are asking for added value. They're saying to corporate America, 'let me know who you are and what you stand for.' In a world with so much choice, consumers are seeking companies that look like them and are aligned with their values."

Studies by the 1996 Atlanta Paralympic Games Committee indicated that even individuals who don't have disabilities – and don't live with those who do – exhibit strong brand loyalty toward products affiliated with disability-related causes. Cone remembers [Dunkin' Donuts](#) sponsoring signing for hearing impaired guests at a business function. They got "instant recognition," she says, "as a company that cares about this special population." To reap the benefits of cause-related marketing, there must be a good "fit," says Cone, a logical relationship between the company, its values, customer, community, employee, and cause.

Three in four adults say they would be likely to switch to a brand associated with a good cause, according to a 1997 study by Roper Starch Worldwide for Cone Communications. That's up from 66% just three years ago and is even more significant since consumer loyalty in general has fallen off. U.S. corporations now lose half of their customers in five years, half of their employees in four years, and half of their investors in a matter of months, according to Fred Reichheld, author of *The Loyalty Effect* and a director of Boston-based [Bain and Company, Inc.](#)

A Boom Waiting to Happen

Unlike other minority markets being tapped by corporate America, this one is undervalued and misunderstood, a boom waiting to happen in a competitive environment where population growth and traditional market growth are slowing. According to Ken Smikle, publisher of Chicago-based *Target Marketing News*, who has tracked the buying power of black America for years, "the ones first in the market catch the gold."

Companies have made fortunes targeting new and emerging markets. But never before have American corporations begun to so vividly focused their attention – their "inner vision" as Stevie Wonder says – on people with disabilities. As early as 1986, [McDonald's](#) aired a commercial showing two teens talking about Big Macs in sign language. In 1990, [Citibank](#) aired an ad starring a woman speaking in sign language. >>>

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A [Kellogg's](#) Corn Flakes commercial in 1993 was virtually silent, with sign language and text subtitles. These commercials were as memorable to their non-disabled audiences as they were to viewers with hearing impairments.

In a survey by the National Captioning Institute, 57% of hearing-impaired people said they were more likely to buy a product advertised in a captioned commercial. Closed-caption viewers, they found, purchase the same products as the general audience, but exhibit unusual brand loyalty. Seventy-eight percent nearly always notice the funding credit that appears at the beginning of a closed-captioned program; 53% make a special effort to purchase products from companies that underwrite program captioning, and 38% actually change brands as a result of an advertiser's support. Companies have begun to recognize the enormous appeal and impact that this inexpensive accommodation can have on the millions of Americans who are deaf or hearing impaired.

The 1988 [DuPont](#) commercial featuring Bill Demby playing basketball with artificial feet made a lasting impression, not only on the quarter-million amputees in the U.S. – a number that grows by 60,000 to 70,000 every year – but also on non-disabled viewers. [Toys "R" Us](#) Vice Chairman and CEO Michael Goldstein says that his company's catalog for disabled children "is something that our customers love, whether or not they have a child with a disability. It's good for our business because it improves how we stand with all our customers." In fact, research conducted by the Atlanta [Paralympic Games Committee](#) revealed that 52% of all households pay more attention to advertising that features people with disabilities.

From Pictures to Paychecks

Consumers increasingly look beyond advertising to question the deeper commitment of the company to people with disabilities. When he travels, Urban Miyares likes to stay in [Marriott Hotels](#), not because of their ad campaigns but "because they hire people with disabilities," he says. Miyares is president of the San Diego-based [Disabled Businesspersons Association](#). His perception is correct – Marriott consistently supports the inclusion and employment of people with disabilities.

The Marriott Foundation for People with Disabilities facilitates the employment of young people with disabilities. 87% of the students they've placed with over 900 employers have been offered continued employment, says Mark Donovan, executive director of the program.

According to Niki Archambeau, senior director of diversity at [Merck](#), "we value a productive workplace that is agile – not in physical terms, but able to respond quickly in a changing marketplace. We need people who are multi-talented and an environment that lets all employees contribute to their maximum potential. There is talent out there that we need to attract and retain," she says. At [UNUM Life Insurance Company of America](#), a unique three-day program, "A Day in the Life," ensures that all UNUM employees – from the president down – learn about disability issues firsthand.

There is heightened demand for qualified personnel in corporate America. Business solutions may be right in front of us: 74% of people with severe disabilities are unemployed; 70% of people who are blind and visually impaired are under- or unemployed. Among people with non-severe disabilities, unemployment hovers around 23%. Increasing numbers of these people believe they can work and say they want to work.

[NationsBank](#), headquartered in Charlotte, NC, puts its money where its mouth is. The bank has earmarked \$100,000 in scholarships for students with disabilities, and it hires scholarship recipients as interns after they graduate. A corporate budget of \$250,000 is in place, says Sandy Spoonmore, manager of corporate resources for the disabled, to ensure that managers have what they need to hire and eliminate barriers for people with disabilities. >>>

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The nation's largest employer with over 800,000 employees annually, [Manpower, Inc.](#) uses a "funnel approach" to skills testing, focusing on what job candidates can do, not what they can't do. The company's proven ability to accommodate and maximize the potential of people with disabilities is the focus of a landmark nationwide study being conducted by Peter Blanck, professor of law and medicine at the University of Iowa and member of the President's Committee on Employment of People with Disabilities, on whether the staffing industry can play a key role in transitioning people with disabilities into the workplace.

Hiring Employees with Disabilities

The passage of the ADA in 1990, outlawing discrimination against people with disabilities, was a turning point. Companies moving into compliance quickly learned that the benefits of hiring workers with disabilities far outweighed the costs. Many of the participants in [Pizza Hut, Inc.](#)'s Jobs Plus™ Program are people with mental retardation. Their turnover rate is only 20%, compared to a 150% turnover rate among non-disabled employees. After Carolina Fine Snacks in Greensboro, NC, started hiring people with disabilities in 1988, absenteeism dropped from 20% to less than 5%; and tardiness dropped from 30% of staff to zero.

The cost of accommodating workers with disabilities is not nearly as burdensome as some employers fear, either. Almost 70% of people with disabilities say they don't need special equipment to perform their jobs.

Accommodations that are needed cost an average of \$45 and almost 75% cost nothing, notes Blanck. "The cost of accommodating qualified workers with disabilities is forty times less than the cost of training and replacing workers," he says.

The Role of Technology

By the year 2000, it's estimated that 95% of jobs in the U.S. will require workers familiar with computers and other information-processing technologies, advancements that are key to the greater inclusion of people with disabilities in the workplace. High tech companies lead the way in providing Internet and World Wide Web access for people with disabilities. Microsoft Corporation will launch an "accessibility wizard" with Windows '98 to help users find all the accessibility options of their products. "We have an obligation to our users," says accessibility product manager Luanne LaLonde, "and we also have a responsibility to the industry."

[Apple Computer's](#) Worldwide Disability Solutions Group has worked with partners worldwide since 1985 to ensure that people with disabilities aren't overlooked in the computer revolution. The World Wide Web Consortium (W3C) recently launched an effort to achieve Web functionality for people with disabilities. [IBM's](#) recent launch of ViaVoice software that allows users to talk to their computers in normal conversational tones is but one sign of the world that is opening up for people with disabilities-and their employers.

Telecommuting offers even greater opportunities for people with disabilities to enter the workforce. "The last barrier to telecommuting is not the technology," says Burke Stinson, senior public relations director for AT&T. Rather, he says, "it is managerial attitudes about people working from home."

Our Graying Population

With age comes a greater chance of disability – and we're all living longer. Though the elderly are just 12% of the population, they comprise 34% of those with a disability and 43% of persons with a severe disability, according to the Census Bureau. In the next ten years, the number of Americans over 50 will increase by 40%. With age also comes the **highest income, greatest wealth, and most discretionary time**. American Demographics reports that the one quarter of Americans who are 50 or older control one half of the nation's buying power and three-fourths of its assets, representing \$150 billion in annual discretionary income, and billions more for necessities like housing and food. >>>

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Toward Universal Design

Many products geared toward the disability market are now finding wider, and more imaginative, application. The [Reader's Digest](#) Large Edition for Easier Reading is useful not only to people with vision impairments, says spokesperson Lesta Cordil, but also to a much larger market-it helps 30 million people learning English as a second language, 12 million children learning to read, and 27 million adults with literacy problems. [General Motor Corporation](#)'s Paragon Project explores ease of entry into vehicles, user controls, and legibility of icons, among other items. Improvements in these areas not only benefit people with disabilities, but the public as a whole.

Economic Impact

Hiring people with disabilities makes good economic sense for the nation, as well as the individual employer. "More than \$109 billion annually goes to support people with disabilities who are unemployed," says Blanck. If only one million more people with disabilities found work, there would be an annual increase of as much as \$21.2 billion in earned income. There would be annual decreases of \$1.2 billion in means-tested cash income payments; \$286 million in Food Stamps; and \$1.8 billion in Supplemental Security Income payments; 284,000 fewer people would be using Medicaid, and 166,000 fewer would be using Medicare, according to a report by Rutgers University labor economist Douglas L. Kruse.

Roll a Mile in my Chair

Only 15% of people with disabilities in the U.S. were born with them. One in six Americans will be disabled sometime in their lives. And as compelling as such statistics are, it's when non-disabled people experience disability themselves – whether short- or long-term – that they "get it," understanding not only the potential and rights of people with disabilities, but also the challenges and frustrations of living and working in a world that creates barriers for them.

Arthur "Arte" Nathan, vice president of human resources for the [Mirage Resorts](#) in Las Vegas, must be doing a lot of things right. The Mirage had already ranked second on FORTUNE's Most Admired Companies list. But it wasn't until Nathan severely tore his Achilles tendon and relied on a motorized cart for transportation that he experienced first-hand what it was like for wheelchair users to visit the Mirage. "There were places in the hotel I just couldn't get to." says Nathan. "We changed that."

Experiences like Nathan's can and do alert executives to the fact that they need to provide opportunities-and eliminate barriers-for people with disabilities. Other companies have found their way to good business practices by more philosophical routes. AT&T spokesman Stinson echoes their sentiments: "We're grateful for the acknowledgment we've received for employing people with disabilities, but there are miles to go before business is where it should be."

Smart companies already know that one key to better bottom-line performance is empowering workers to do their best for the organization. Another is making it easy for customers to buy and use their products. That's why eliminating barriers for employees and customers fits solidly into every forward-looking business plan. As Stevie Wonder put it, "The more you make people independent, the more money you can make – and that benefits everyone."

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