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GETTING TO EQUAL:
THE DISABILITY INCLUSION ADVANTAGE

A research report produced jointly by AAPD Disability:IN

"Persons with disabilities present business and industry with unique opportunities in labor-force diversity and corporate culture, and they're a large consumer market eager to know which businesses authentically support their goals and dreams. Leading companies are accelerating disability inclusion as the next frontier of corporate social responsibility and mission-driven investing."

– Ted Kennedy, Jr.,
Disabilities Rights Attorney,
Connecticut State Senator and
Board Chair, American Association of People with Disabilities

Introduction

What if you found out that your company is significantly underutilizing a critical talent pool? At a time when there are more job openings in the U.S. than workers, you'd want to know more, wouldn't you?

And, what if, by recognizing the value of that talent pool and leveraging it, your company could also realize significant gains in profitability, value creation and shareholder returns—as well as other business benefits?

New research from Accenture, in partnership with Disability:IN and the American Association of People with Disabilities (AAPD), reveals that companies that embrace best practices for employing and supporting more persons with disabilities in their workforce are outperforming their peers.

In large part, companies haven't leveraged the talents of persons with disabilities for three reasons:

- A lack of understanding of the scope of the talent available;
- A lack of understanding of the potential benefits; and
- Misconceptions about the cost versus the ROI of disability inclusion.

But leading companies that are working successfully toward disability inclusion have also achieved tangible financial benefits. For example, the research shows that leading companies were, on average, twice as likely to have higher total shareholder returns when compared to other organizations.

A Vast, Untapped Market

Despite the strength of the U.S. labor market, persons with disabilities[1] are strikingly under-employed. As of July 2018, only 29 percent of Americans of working age (between ages 16 and 64) with disabilities participated in the workforce, compared with 75 percent of Americans without a disability. In 2017, the unemployment rate for persons with disabilities was more than twice that for those without a disability – 9.2 percent versus 4.2 percent.

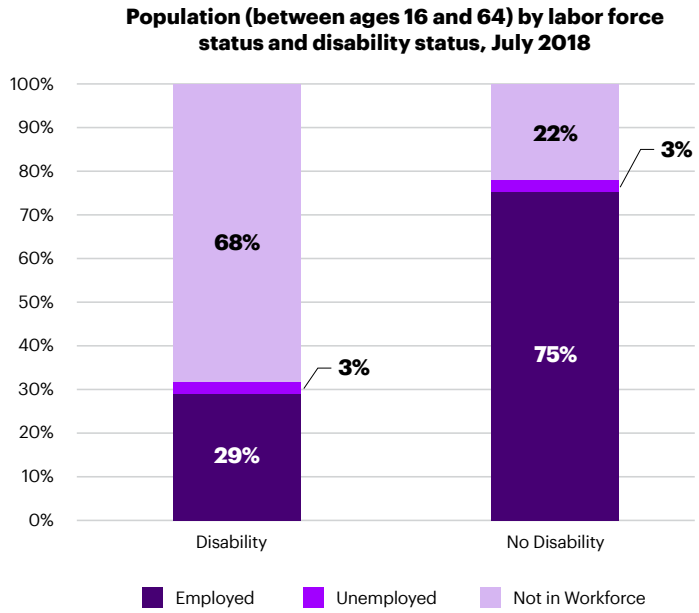
There are 15.1 million people of working age living with disabilities in the U.S., so the research suggests that if companies embrace disability inclusion, they will gain access to a new talent pool of more than **10.7 million people.**

That represents a significant opportunity to strengthen our businesses and our economy. According to other research cited within this report, employees with disabilities offer tangible benefits, including increased innovation, improved productivity and a better work environment. And, of course, workers are consumers, too. The GDP could get a boost up to **$25 billion** if just 1 percent more of persons with disabilities joined the U.S. labor force.

The good news, according to our analysis, is that U.S. organizations are successfully employing persons with disabilities and initiating and developing their disability inclusion programs.

Figure 1: A Wide Employment Gap

Persons with disabilities are much less likely to be employed.



Source: Accenture analysis based on data from the Bureau of Labor Statistics, July 2018

[1] The Americans with Disabilities Act Amendments Act (ADAAA) defines a person with a disability as someone who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The ADA was amended in 2008 and became effective January 1, 2009. The ADAAA requires a broader interpretation of disability by schools, testing agencies and employers than the original law.



Accenture's internal disability champions network of more than 16,000 employees worldwide helps colleagues feel included at work.

A Market Worth Targeting

The U.S. Office of Disability Employment Policy categorizes persons with disabilities as the third-largest market segment in the U.S., after Hispanics and African-Americans. The discretionary income for working-age persons with disabilities is $21 billion—greater than that of the African-American and Hispanic segments combined.[2]

[2] A hidden market: The purchasing power of working-age adults with disabilities, American Institutes for Research, April, 2018

Disability Inclusion and the Bottom Line

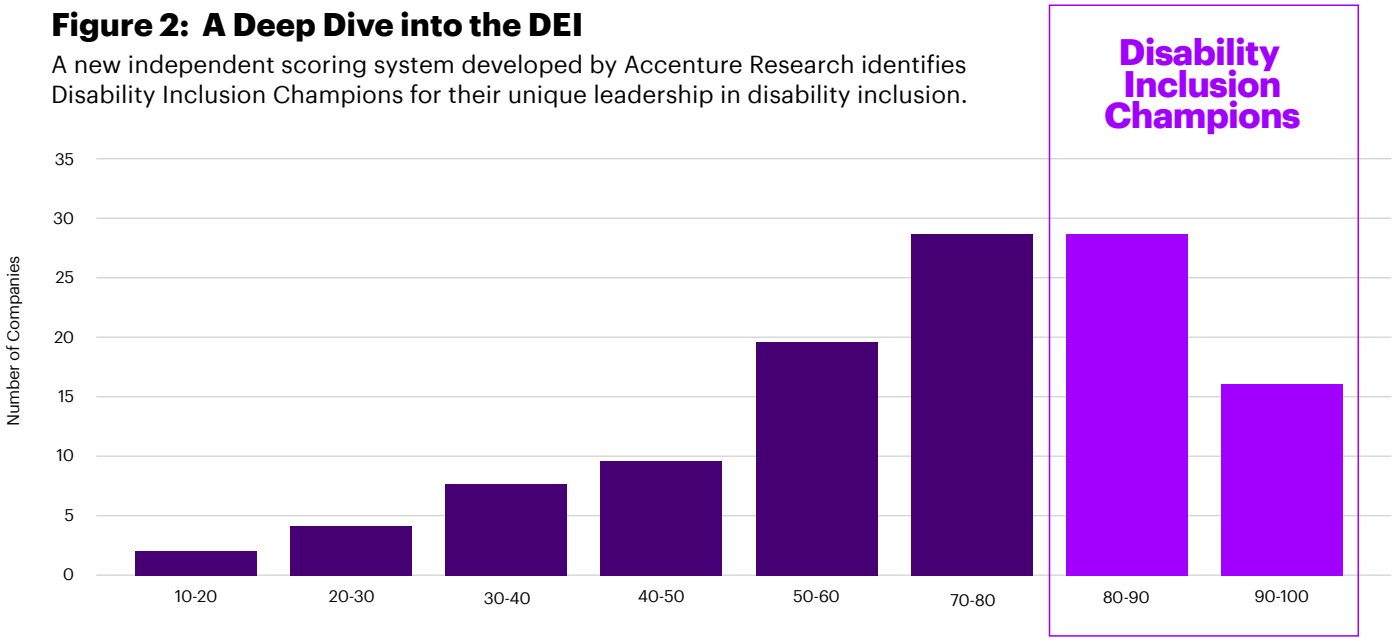
We took a closer look at DEI results over the past four years to unearth best-in-class companies – those that stood out for leadership in areas specific to disability employment and inclusion. We identified an elite group of 45 companies that excelled in these key categories, which we are calling Disability Inclusion Champions (or "Champions"). They make up 32 percent of the 140 U.S. companies that are part of this study. (See "About the Research" for more details.)

Our analysis focused on two important measures of financial performance among respondents: profitability (revenues and net income) and value creation (profit margin).

Across all the dimensions of the DEI that we analyzed, Champions are, compared with other companies in the sample, performing above-average financially. Champions achieved – on average – 28 percent higher revenue, double the net income and 30 percent higher economic profit margins[3] over the four-year period we analyzed.

Figure 2: A Deep Dive into the DEI

A new independent scoring system developed by Accenture Research identifies Disability Inclusion Champions for their unique leadership in disability inclusion.



Source: Getting to Equal 2018: The Disability Inclusion Advantage, Accenture

N=140 (unique respondents to DEI survey 2015-2018)

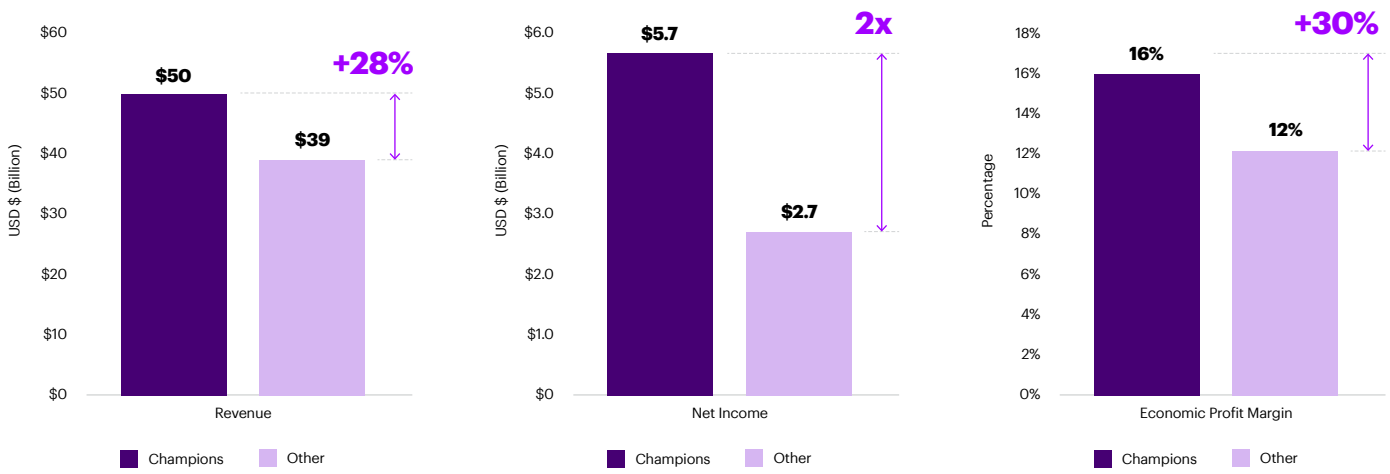
The Disability Equality Index

Disability:IN, in partnership with the American Association for People with Disabilities, produces the Disability Equality Index (DEI) – an annual transparent benchmarking tool that gives U.S. businesses an objective score on their disability inclusion policies and practices. It measures and weighs a wide range of criteria across key best practice categories: culture and leadership; community engagement and support service; employment practices; enterprise-wide access and supplier diversity (not included in this analysis). Companies participating in the DEI are typically large, with annual revenues of the total sample averaging $43 billion.

[3] Economic profit margin (or economic value add margin) is a measure of profitability that compares net operating profit to total cost of capital.

Figure 3: Champions Outperform on Profitability and Value Creation

Overall scores show a significant difference.



All results are significant at 1 percent. Test was based on panel data regression model to account for temporal and industry variation; see Appendix for more detail on methodology
Source: The Disability Inclusion Advantage 2018, Accenture

Moreover, Disability Inclusion Champions were, on average, two times more likely to outperform their peers in terms of total shareholder returns compared with the rest of the sample.

Whether or not a company qualifies as a Champion, strengthening its commitment to persons with disabilities makes a difference:

2x

Champions were **twice as likely** as others to have total shareholder returns that outperform those of other companies

Accenture research shows that companies that have improved their DEI score over time ("Improvers"[4]) were four times more likely to have total shareholder returns that outperform their peers, compared to non-improvers. On average, Improvers' TSR outperform industry peers[5] by 53 percent, while other companies outperform their peers by only 4 percent.

4x

Companies that have improved their inclusion of persons with disabilities over time were **four times more likely** than non-improvers to have total shareholder returns that outperform those of other companies

[4] Improvers were identified as the top 25% of DEI study participants based on the ratio between their annual DEI score change and the maximum number of points they could gain to reach 100.

[5] In our TSR models, we compare survey respondents to the top 10 company peers as recommended and reviewed by Vanguard. The peer group is defined by S&P Capital IQ's proprietary algorithm. The algorithm is based on 5 main components: (1) Revenue within similar ranges, (2) Industry (based on the Global Industry Classification Standard (GICS) codes, developed jointly by S&P and MSCI Inc.), (3) Number of common equity analysts' coverage, (4) Available information on recent financial data, (5) Company Location based on macro-regions (e.g. Europe) and country GDP.

What's Holding Companies Back?

Some companies are not taking advantage of the benefits of disability initiatives. While many are concerned about the costs of accommodating persons with disabilities, these are actually minimal and fruitful investments.

According to employers participating in a recent study by Job Accommodation Network, a service from the U.S. Department of Labor's Office of Disability Employment Policy, a high percentage (59 percent) of accommodations cost absolutely nothing to make, while the rest typically cost only $500 per employee with a disability.[6]

CEOs and investors need to know the strong qualitative and quantitative business case for robust disability inclusion programs. If we make companies aware of the potential gains, share success stories and demonstrate how to build DI programs, we can quickly get more persons with disabilities into the workforce, where they can thrive.

"Deafness is just a way of life, a lifestyle. I tell my colleagues all the time just because someone has a disability, it does not prevent them from delivering great work."

– Joaquin Ortiz, Consultant



[6] https://askjan.org/topics/costs.cfm

"Being honest about where you stand can be a hard—yet crucial—first step toward becoming a more inclusive company. Accountability and creating an environment of trust where employees feel comfortable self-identifying as having a disability are true measures of inclusion."

– Chad Jerdee,
General Counsel & Chief Compliance Officer and
Persons with Disabilities Sponsor,
Accenture

How can companies build an inclusive workplace and reap the benefits?

The Four Key Actions

Accenture's in-depth interviews with leaders from DEI-participating companies reveal four key actions for attracting, hiring, retaining and advancing diverse talent.

1

Employ

Organizations must ensure that persons with disabilities are represented in their workplace. Beyond hiring, employers should implement practices that encourage and progress persons with disabilities.

Recruiting in Fresh Ways

"In the case of people with autism, the knowledge base and technical aptitude of individuals can be very high, so we had to figure out why we weren't placing them. We discovered the problem—the interview process. We changed our approach to what the process should look like. Now we work with a local group to bring candidates in for a week-long academy. We offer team work and technical exercises, and a lot of training. At the end of the week, we have an idea of those who will receive a job offer."

– Jenny Lay-Flurrie,
Chief Accessibility Officer,
Microsoft

2

Enable

Leaders must provide employees with disabilities with accessible tools and technology and/or a formal accommodations program. Consider cultivating greater awareness through formal training programs for those without disabilities to learn about the tools and accomodations available for better integration across teams.

Making it Work

"We have a support services team that is made up of 300 people with intellectual disabilities. They work in four different locations in the U.S., and do fulfillment services and external client engagement. That helps the individual, the community, and us. They service all customers – those with and without disabilities; both internal and external."

– Wil Lewis,
SVP of Diversity and Inclusion,
Bank of America

3

Engage

To foster an inclusive culture throughout the organization, companies must generate awareness-building through recruitment efforts, disability education programs and grass-roots-led efforts (for example, an employee resource group) and events.

Building the Pipeline

"Four years ago, we started sponsoring the National Wheelchair Basketball Association. Their youth tournaments are a blast! But we are there for more than the fun. The events allow us to talk to youth about what it means to work at T-Mobile. These conversations are pivotal because many of these kids have never considered that they have an option for an independent life. My favorite part is seeing their self-confidence improve, and the inspiration that comes from these events."

– Bri Sambo,
Senior Program Manager,
Military & Diversity Sourcing, T-Mobile

4

Empower

Companies must offer mentoring and coaching initiatives, as well as skilling/re-skilling programs, to ensure that persons with disabilities continue to grow and succeed. Persons with disabilities should occupy roles at all levels, including top leadership positions.

Getting the Best

"People with disabilities tend to be some of the most creative, innovative and, quite frankly, most loyal employees. A person with a disability wakes up every day thinking about being innovative – that is a skill set. That ability to problem solve is innate to them. Our training programs quickly went from philanthropy to skill search."

– David Casey,
VP, Workforce Strategies &
Chief Diversity Officer
CVS Health

The Next Frontier of Corporate Social Responsibility

Encouragingly, we estimate that the number of DEI companies empowering their employees with disabilities has increased 40-fold over the past four years. But there is still much work to be done.

To unleash the trapped value within the persons-with-disabilities community, organizations must assess where they are by leveraging benchmarking tools such as the DEI, self-identification of their current employee base, and employee engagement and awareness surveys. Then, they should share the compelling business case for disability inclusion and implement the holistic actions that are associated with increased innovation and profits, a better reputation and other benefits—for all employees and customers.

Empowered companies are not merely compliant or acting out of perceived obligation. They are excitedly embracing the advantages that come with employing more creative, industrious and well-rounded people.



"As a single mom with a physical disability, I struggled to find work. Now I have a job I love and can support my family. It has changed my life completely."

– Ntombifuthi Dhlamini, employed through Leonard Cheshire Disability's "Access to Livelihoods" program, supported by Accenture

Beyond Revenue: Countless Benefits of Inclusion

A large body of previous research shows that disability inclusion efforts are a boon to employers, specifically across six key areas of "inclusion incentives."



Increased innovation

Persons with disabilities have to be creative to adapt to the world around them. As such, they develop strengths such as problem-solving skills, agility, persistence, forethought and a willingness to experiment—all of which are essential for innovation.[7]

Having employees with disabilities across departments helps ensure that the products and services that go to market are truly inclusive. And making things more accessible for persons with disabilities can translate into products and services from which everyone benefits—for instance, home devices using natural voice recognition, driving sales and growth.[8]



Improved shareholder value

Businesses that hire persons with disabilities and foster inclusive cultures report bottom-line benefits that show proven ROI.[9]

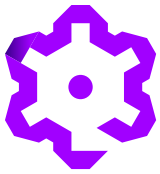
Regulators and the investor community increasingly monitor company culture and diversity. Disability inclusion is a key component of these metrics, and mandatory reporting on them will be enforced for some federal contractors starting in 2019.[10]

[7] Millennials with Disabilities: A Large, Invisible Talent Cohort with Innovative Potential, Inc. Magazine, November 2017, https://www.inc.com/sylvia-ann-hewlett/millennials-with-disabilities-a-large-invisible-talent-cohort-with-innovative-potential.html.

[8] Break down disability barriers to spur growth and innovation, Financial Times, September 2017

[9] http://workplaceinitiative.org/wp-content/uploads/2017/01/01-Disability-Employment-Inclusion-Guide-Business-Case.pdf

[10] https://www.governmentcontractorcomplianceupdate.com/2018/08/14/breaking-news-ofccp-issues-new-directive-ordering-focused-compliance-evaluations/



Improved productivity

All workers benefit from a more diverse workplace. Studies show that working alongside employees with disabilities makes non-disabled individuals more aware of how to make the workplace more inclusive and better for everyone. Staff turnover is also lower—by up to 30 percent—when a well-run disability community outreach program is in place.[11]

Work environments that are more inclusive of persons with disabilities often see improved productivity levels. For example, Microsoft has built a successful disability hiring program – specific to people on the Autism spectrum. More organizations are discovering that employing persons with disabilities is not as expensive or challenging as is often assumed. A DuPont employee survey found that when graded on the same scale as other employees, 90 percent of employees with disabilities receive performance ratings of "average" or "above average."[12]



Access to the supplier ecosystem

Business leaders have discovered that a diverse supply base is a competitive advantage.[13] Hackett's 2016 Supplier Diversity Study, for instance, found that companies allocating 20 percent or more of their spend to diverse suppliers attributed 10 to 15 percent of their annual sales to supplier diversity programs. According to the WeConnect report on global supplier diversity and inclusion, the advantages of inclusive sourcing are:

- Access to new suppliers, innovative solutions and cost savings through increased competition;
- Awareness of diverse customer needs, increased market share and shareholder value; and
- Brand enhancement and recruitment/retention of employers who want meaningful work.

Government incentives to contract diverse suppliers also benefit businesses. In addition to the "set-asides" in federal contracts, disability-owned businesses are eligible for preferred purchase programs run by various state governments.[14] [15]

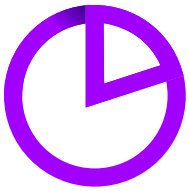
[11] Disability Employment and Inclusion: Your Guide to Success — Business Case, Workplace Initiative, 2017, http://workplaceinitiative.org/wp-content/uploads/2017/01/01-Disability-Employment-Inclusion-Guide-Business-Case.pdf

[12] An Untapped talent Pool: The Opportunity in Employing People with Disabilities, National Governors Association, November 2017, https://medium.com/nga-economic-opportunity/an-untapped-talent-pool-the-opportunity-in-employing-people-with-disabiltiies-77be9f76339c

[13] Supplier Diversity and Competitive Advantage: New Opportunities in Emerging Domestic Markets, Graziadio Business Review, https://gbr.pepperdine.edu/2010/08/supplier-diversity-and-competitive-advantage-new-opportunities-in-emerging-domestic-markets/

[14] Advancing Economic Opportunities for Business Owners and Jobseekers with Disabilities, Employee Assistance and Resource Network, http://www.askearn.org/wp-content/uploads/docs/stateprocurement.pdf

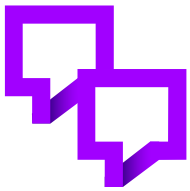
[15] Set-asides are a procurement preference that may be total or in part where the contract is "set aside" for bidding only by a designated and identified group of firms (e.g., small business, small minority-owned business, environmentally "green" firms, etc.).



Improved market share

Persons with disabilities represent a significant portion of the consumer market. The U.S. Office of Disability Employment Policy categorizes persons with disabilities as the third-largest market segment in the U.S., after Hispanics and African-Americans. This market expands when family members, caregivers and others who prioritize goods and services that are inclusive of persons with disabilities are counted.

A study by the American Institutes for Research (April 2018) reveals that the total after-tax disposable income for working-age persons with disabilities is about $490 billion (compared with $582 billion for Hispanics and $501 billion for African Americans.) According to the Workplace Initiative 2017 report, companies that set up specific disability-related programs and complete targeted marketing efforts can expect an increase in patronage from persons with disabilities.



Enhanced reputation

Companies that adopt inclusive marketing and advertising efforts tend to stand out from the competition. A survey undertaken by the National Business and Disability Council in 2017 found that 66 percent of consumers will purchase goods and services from a business that features persons with disabilities in their advertising, while 78 percent will purchase goods and services from a business that takes steps to ensure easy access for individuals with disabilities at their physical locations.[16]

A Nielsen study in 2016 found that persons with disabilities tend to be more brand loyal and also make more shopping trips and spend more per trip than the average consumer.[17]

[16] A hidden market: The purchasing power of working-age adults with disabilities, American Institutes for Research, April 2018,

[17] Reaching Prevalent, Diverse Consumers with Disabilities, Nielsen, 2016, http://sites.nielsen.com/newscenter/measuring-impact-consumers-disabilities/

About the Research

This research is based on approximately 140 unique respondents of the Disability Equality Index (DEI) between 2015 and 2018. In partnership with Disability:IN and the American Association of People with Disabilities, we analyzed two measures of financial performance: profitability (revenues and net income) and value creation (economic profit margin). Our sample includes companies from all the major industries but is limited to the U.S. market.

We applied econometric models to public and proprietary data to identify:

1. The link between disability inclusion policies and business performance in terms of profitability, value creation and total shareholder return.

2. The relationship between disability workforce participation and GDP.

PERSONS WITH DISABILITIES
The Americans with Disabilities Act Amendments Act (ADAAA) defines a person with a disability as someone who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The ADA was amended in 2008 and became effective January 1, 2009. The ADAAA requires a broader interpretation of disability by schools, testing agencies and employers than the original law.
https://www.ada.gov

CHAMPIONS
Accenture Research assessed 140 leading disability-inclusive companies with select data from a four-year sample of the DEI. The assessment revealed key differentiating factors, activities and best practices in 45 of the 140 companies (32 percent). All companies that participate in the DEI are already advancing disability inclusion. However, the 45 "Disability Inclusion Champions" are those assessed as providing leading-edge disability programs and initiatives that can be potentially implemented by others.

IMPROVERS
Since 2014, there has been an overall improvement in the DEI scores achieved by participating companies. To quantify the effort in improving the disability-related policies, we introduce an "improvement score metric" calculated as the ratio between the annual score change and the maximum number of points they could have gained to reach 100. We define top improvers as those companies that ranked in the top 25 percent of our own improvement score metric.

PEER GROUP
In our TSR models, we compared survey respondents to the top 10 company peers as recommended and reviewed by Vanguard. The peer group is defined by S&P Capital IQ's proprietary algorithm, which is based on five main components: (1) Revenue within similar ranges; (2) Industry (based on S&P Capital IQ classification derived from SIC code); (3) Amount of common equity analysts' coverage; (4) Available information on recent financial data; and (5) Company location based on macro-regions (e.g. Europe) and country GDP.

About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world's largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 459,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com. And for more on Accenture and inclusion, visit
www.accenture.com/pwd

Accenture Research

Accenture Research shapes trends and creates data-driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients' industries, our team of 250 researchers and analysts spans 23 countries and publishes hundreds of reports, articles and points of view every year.

Our thought-provoking research—supported by proprietary data and partnerships with leading organizations such as MIT and Singularity—guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients.
www.accenture.com/research

About Our Partners

Disability:IN, formerly known as the US Business Leadership Network, is the leading nonprofit resource for business disability inclusion worldwide. Partnering with more than 160 corporations, Disability:IN expands opportunities for people with disabilities across enterprises. The organization and 50 affiliates raise a collective voice of positive change for people with disabilities in business. Through its programs and services, Disability:IN empowers businesses to achieve disability inclusion and equality, with the goal of advancing inclusion to the point when the organization is no longer necessary.
https://disabilityin.org/

The American Association of People with Disabilities (AAPD) is a convener, connector and catalyst for change, increasing the political and economic power of people with disabilities.