

## **Disability and Employment**

The following is the first of a four-part series on disability in the workplace, written by Joe Dale, Executive Director, Ontario Disability Employment Network

### **Are Ontario Businesses Missing Out on a Valuable Labour Source?**

#### **Part One: The Economic Case**

##### **Demographic Overview**

Statistics Canada pegs people who have a disability at 15.9% of the Canadian population. That's Canada's largest minority at almost 5.3 million people – equal to the combined populations of Alberta, Manitoba and Saskatchewan.

Furthermore, disability is a factor of aging and 43% of seniors have disabilities growing to 56% for 75 year olds. Statistics Canada has projected that by 2021 Canadians over the age of 65 will grow from the 2006 level of 13.7% to between 20 and 24% of the population.

Currently there are almost 1.8 million working age people who have a disability in Ontario alone. According to Statistics Canada this group faces an unemployment rate of 49% although we know that if people who have never been able to access the labour market were included this figure would be considerably higher.

Besides a 2001 Royal Bank study that showed Canadians who have a disability control over \$25 billion in disposable income we must surely be concerned that as many people who have a disability as possible contribute to the workforce and the tax base. The alternative, that these people live on social assistance payments, is untenable.

##### **Labour Shortage and Decline in GDP**

The Conference Board of Canada predicts a labour shortage of nearly one million workers in Canada by 2020 and economic think tank Global Insight forecasts this acute labour shortage will cause a decline in Canada's GDP from the current 3.2% to 2%. Canada is second of all industrialized nations in the severity of this problem, surpassed only by Mexico.

This decline in GDP will adversely affect the standard of living for all Canadians. Yet it seems that governments and corporations look primarily to immigration and expensive foreign worker programs as a solution to this problem. Clearly, consideration as to how we can increase participation rates of people who have a disability in the workforce must be part of the solution to what Prime Minister Steven Harper calls Canada's number one economic problem.

##### **High Cost of Employee Turnover**

San Francisco based Taleo – Workforce Management Solutions estimates the cost of employee turnover ranges from 30% to as much as 150% of the annual salary of each

position that turns over. Even a conservative estimate that the average turnover cost is equal to a worker's annual salary has a huge financial impact on a business. Taleo gives this example: "for a company with 100,000 employees at an average salary of \$40,000 and a turnover rate of ten percent, the cost of that turnover equals \$400 million. A reduction in turnover of one-half percent would result in savings of \$2 million dollars".

According to a Pizza Hut Corporation study, workers who have a disability are five times more likely to stay on the job than workers without disabilities. Toronto-based Tim Hortons franchise owner, Mark Wafer cites the average tenure of his employees who have a disability as just over 6 years on the job compared to an average of just under one year for his non-disabled employees.

### **The Innovation Factor**

In business, innovation can be defined as the successful exploitation of new ideas. And where better to look for innovation than the human capital within a diverse workforce. There are endless examples of innovation resulting from disability and disability-based research. In his latest novel *Design Meets Disability*, Graham Pullin cites Apple's new I-Phone Shuffle based on voiceover interface research for people with visual disabilities and British fashion designer Paul Smith's work on re-designing hearing aids as fashion accessories. But innovation as a response to meeting the needs of people who have a disability is not new. One only has to look at Thomas Edison who invented the gramophone to record books for his mother who couldn't read to know that there are great innovations and profits to be made in meeting the needs of this market segment.

### **The Competitive Advantage**

All of these items roll up to giving businesses with pro-active hiring practices a significant advantage over the competition. Developing the expertise of this important market segment is key to future success. Ensuring managers and employees have an understanding of their product and service needs and a comfort level in dealing with people who have a disability as customers will add to the bottom line. At the same time, accessing a largely untapped labour pool with a reputation for superior employer loyalty and lower turnover rates will cut costs.

### **Future Articles**

Employer Awareness and Acceptance on the Rise  
Best Practices in Employment Services  
Government Policy – Enabler or Added Barrier

To provide feedback or to contact the author email [jdale@rotaryatwork.com](mailto:jdale@rotaryatwork.com)