



**Business security:**  
Spending gets  
tighter Page 17

# CRAIN'S

**CSFB FACES  
STRUGGLE  
TO GROW AGAIN**  
PAGE 27

**TOP INVESTMENT  
BANKS**  
PAGE 28

Vol. XX, No. 11 www.craainsny.com

**NEW YORK BUSINESS**

March 15-21, 2004 Price: \$3.00

## SMALL BUSINESS

# Seeing advantage in hiring disabled

Firms reduce their turnover, gain tax credits, but more education is needed

BY ERIKA RASMUSSEN JANES

**F**ACING HUGE HIKES IN THE cost of insuring his staff of bike messengers, Larry Zogby, president of RDS Delivery Service, decided a few years ago that the time had come to make more deliveries on foot. It was then that he came to a remarkable conclusion: The smartest thing he could do would be to hire men and women with developmental disabilities.

"We already had a handful of walkers who have disabilities," he says. "They'd been here for years, they were loyal and came to work every day with good attitudes."

Increasingly, small businesses like Manhattan-based RDS are discovering that some of their most dependable and hardest-working employees are the ones other employers often overlook. They are men and women with disabilities, felony convictions and other strikes against them—people who have been trained by community groups such as Manhattan-based Fedcap and the Brooklyn Bureau of Community Service.

"More and more businesses are recognizing the value of working with us and hiring persons who have been trained by us," says Donna Santarsiero, executive director of the Brooklyn Bureau.

Several government programs make the arguments in favor of hiring the disadvantaged even more compelling. The federal Work Opportunity Tax Credit hands back to employers 40% of a full-time employee's first \$6,000 in wages—that's \$2,400—and 25% of a part-time employee's. A New York state program, the Workers with Disabilities Employment Tax Credit, essentially extends that federal incentive by crediting employers with 35% of an employee's first \$6,000 in wages during her second year of employment.

"It's a bottom-line cost reduction for the employer," says Miriam Miles, a career development and placement adviser for Fedcap.

### More loyalty

While Mr. Zogby takes advantage of the tax credits, he notes that the biggest benefit to his company comes from increased employee loyalty. Since he began hiring disabled workers eight years ago, his turnover rate has been cut in half. Today, 40 of his 100 employees have disabilities, and 65% of those staffers with disabilities have been with RDS for more than two years.

High retention rates are the big reason why Joyce Moy, director of the Small Business Development

## The hard part

### CONVINCING SMALL BUSINESS

owners to hire the disadvantaged can be a struggle. Donna Santarsiero, executive director of the Brooklyn Bureau of Community Service, says that many employers worry that persons with disabilities will present safety and communication issues that cannot be overcome. She counters such fears with education.

"We tell employers that our (workers) are trained and pre-screened, and receive a job-matching analysis to assure that they have the **necessary skills**," she says.

Unfortunately, there is no easy way to dispel the doubts of the clients of companies that hire the disadvantaged. Hector Reyes, marketing director of Bronx-based Samson Moving & Storage, once discovered that a competitor was disparaging Samson's employees to its potential customers.

Mr. Reyes hires a handful of workers with **felony convictions** from Wildcat Service Corp., which specializes in helping ex-offenders and welfare recipients find work. When he found out about the campaign, Mr. Reyes confronted his accusers and also contacted clients to reassure them that his workers were reliable.

Center at LaGuardia Community College in Queens, encourages employers to hire such workers. "People with disabilities who are employed have longer retention rates and tremendous loyalty," she says.

### Lower training costs

One employer who has made that discovery himself is John Liantonio, vice president of Flatbush Moving Van Co. in Brooklyn. He estimates that he saves \$5,000 a year in training costs by employing disabled workers from the Brooklyn Bureau.

Mr. Liantonio hires about a dozen workers on an as-needed basis to deliver and set up voting machines throughout New York City. "I train them once, they retain what they're supposed to do, and we don't have to teach anyone else," he says.

Another benefit, especially for small businesses such as Flatbush Moving that employ part-time workers, is the ease of hiring. "I can make one phone call to Brooklyn Bureau and quickly get five guys," Mr. Liantonio says. ■

**@** Need small business advice? Send questions to **"Ask the Expert"** at [www.craainsny.com](http://www.craainsny.com). Click on **"Small Business."**