

Myth Busters 2.0

WIOA American Job Center (AJC) Services



Myths are misconceptions that interfere with the ability to fully implement an integrated workforce development system as envisioned under the Workforce Innovation and Opportunity Act (WIOA). Myths may result from misunderstanding laws and regulations and from lack of experience with other workforce partners. Listed below are some myths and the facts that provide the real story:

Self-Employment

Myth:

The workforce system should not promote or devote resources to self-employment or employment in the “gig economy,” those temporary positions which contract with independent workers for short-term engagements, such as Uber drivers.

Fact:

Self-employment or a gig job can be the right employment solution for some participants, particularly those with barriers to employment, and the workforce system can help these individuals connect with useful resources. Some participants may find self-employment or gig work attractive as it may provide a temporary, supplemental income during program participation.

Benefits of self-employment or [small business](#) ownership can include a flexible work schedule and the satisfaction that comes from creating and implementing one’s own [business plan](#).

The U.S. Department of Labor (DOL) has developed a number of resources to assist self-employed individuals or individuals interested in self-employment. For example, the DOL Office of Disability Employment offers resources that can answer questions individuals with disabilities may have about self-employment, <https://www.dol.gov/odep/>.

DOL’s Self-Employment Assistance program (SEA) offers dislocated workers the opportunity for early re-employment. The program is designed to encourage and enable unemployed workers to create their own jobs by starting their own small businesses. Under these programs, States can pay an SEA allowance, instead of regular unemployment insurance benefits, to help unemployed workers while they are establishing businesses and becoming self-employed. Participants receive weekly allowances while they are getting their businesses off the ground.

- The SEA program is voluntary for States and to date Delaware, Mississippi, New Hampshire, New York, and Oregon have active SEA programs. The State Workforce Agency websites for these States can be accessed at <http://www.servicelocator.org/OWSLinks.asp>.

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The Small Business Administration's (SBA) collaboration with the Department of Labor helps ensure that States have tools and resources to begin and sustain successful entrepreneurship training programs. States can effectively administer their SEA program by utilizing SBA's expertise and by collaborating with SBA's nationwide network to provide SEA program participants with easy access to essential knowledge to start their own businesses.

Additional Resources:

10 Steps to Start Your Business:

<https://www.sba.gov/business-guide/10-steps-start-your-business/>

Write Your Business Plan:

<https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

Self-Employment & Entrepreneurship:

<https://www.dol.gov/odep/topics/SelfEmploymentEntrepreneurship.htm>

In addition to the services offered by DOL-administered programs authorized under title I of WIOA, the U.S. Department of Education's VR program, another core program in the AJC network, can assist eligible individuals with disabilities to achieve an employment outcome in self-employment. To do so, the eligible individual and VR counselor must agree, on an Individualized Plan for Employment (IPE), that self-employment is the appropriate employment goal. Once agreed, the eligible individual and VR counselor will specify on the IPE all services the individual needs to achieve that goal.