

Summary of Major Findings of the U.S. Department of Labor SHELTERED WORKSHOP STUDY

The study was divided into two major parts:

VOLUME I (DOL 1977): WORKSHOP SURVEY

This survey gathered data from more than three-fourths of all known sheltered workshops. A total of 2,530 workshop programs operating in 1,786 establishments reported on operations, policies, and services.

VOLUME II (DOL 1979): STUDY OF HANDICAPPED CLIENTS IN SHELTERED WORKSHOPS

This part of the study examined the relationship between the workshops and the physically or mentally disabled persons being served in 1976. The study involved on-site interviews with a sample of workshop clients during which opinions regarding services, programs, and wage payments were solicited. Interview response data were supplemented by additional information about the clients, including demographic characteristics, income sources, living arrangements, and types of disability. Together this information permitted and assessment of the clients' abilities to earn a wage and live independently in the community.

SOME OF THE MAJOR FINDINGS (F) AND RECOMMENDATIONS (R) OF THE STUDY ARE SUMMARIZED BELOW

Population

F: The average daily client attendance in sheltered workshops in 1976 was 145,016. That represented an increase of almost two-thirds since 1973. About three-fifths of the persons worked in a work activities centers (*i.e.*, programs for persons whose productive capacity is "inconsequential").

Clients with developmental disabilities comprised the major part of the workshop population. Nearly two-thirds of all clients were mentally retarded. Physically disabled persons constituted less than one-fifth of the total.

R: Changes must be made in the workshop system to respond to the dramatic increase in the number of persons served and the general decrease in functioning levels.

Compensation and Benefits

F: Client earnings increased very little during the period covered by the study. They did not keep pace with the 44 percent increase in the FLSA statutory minimum wage from \$1.60 to \$2.30 per hour. Earnings of work activities center clients increased from 33 cents an hour in 1973 to 43 cents an hour in 1976 (26 percent), while regular client earnings rose from \$1.40 in 1973 to \$1.54 in 1976 (10 percent).

Three-fifths of the clients providing income data reported receiving some form of supplemental income. However, most of the clients in the workshop did not receive the fringe benefits usually provided to employees in the competitive labor market.

In a series of pilot demonstration projects should be conducted to explore the feasibility of providing wage supplements for those handicapped workers who are unable to earn a minimum wage because of the severity of their disability.

Worker's compensation and Old Age, Survivors and Disability Insurance (OASDI) should be extended to all workshop employee/clients.

Program Funding

F: The size of the operating budget in many workshops, especially those serving mentally retarded clients, was inadequate to support the necessary programs. Because of the funding limitations, existing facilities were substantially underutilized.

R: The use of various federal funds to finance the provision of training and other rehabilitation services in sheltered workshops should be reviewed by the funding agencies to evaluate their effectiveness. All workshops receiving federal funds should be required to comply with the provisions of the FLSA, the Service Contract Act, and the Public Contract Act.

The federal government should financially assist those workshops serving long-range clients, the level and continuation of such assistance being contingent on a showing of progress by the Handicapped workers.

Work

F: Lack of suitable work was also a major problem for workshop programs. Subcontract work was the most common type of work in all workshops. Only a small portion of the clients were involved in manufacturing or service occupations.

Most clients performed two or three different jobs a month. Many worked a relatively short work week or had interruptions during the year. Lack of work was a major factor in this restriction.

R: The Department is proposing that the regulations be changed so that subcontracting to sheltered workshops can be considered a part of a company's affirmative action program.

A nationally coordinated program to develop and expand industrial markets for the products and services of sheltered workshops will be developed with the joint funding of the Departments of HEW and Labor.

A demonstration program should be developed to assist, with a subsidy, workshops to bid on contracts which might otherwise go to firms outside the United States.

Placement

F: Clients were moved from the workshop into competitive employment in the community at a rate of 12 percent of the total clients served annually. The rate of placement for work activities

R: The Department should require companies, in their affirmative action programs, to include plans to seek out and hire the severely handicapped who can perform in private industry. Workshops should also be assisted in educating employers to the value of hiring persons who emerge from the workshop environment, helping such persons bridge the gap between sheltered and competitive employment, and following up on the progress of such persons outside the sheltered environment.