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Cost and Effectiveness of Accommodations in the Workplace: Preliminary Results of a Nationwide Study

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**Cost and Effectiveness of Accommodations in the Workplace:  
Preliminary Results of a Nationwide Study**

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## **Abstract**

This article provides a description and brief history of the Job Accommodation Network (JAN), a project funded by the U.S. Department of Labor's Office of Disability Employment Policy. Preliminary results from JAN's customer satisfaction survey are presented. At present, 778 employers and 882 individuals with disabilities have been interviewed. The findings to date indicate that a broad spectrum of business types use JAN's services. JAN customers reported that implementation of worksite accommodations would significantly reduce the individual's level of limitation due to the disability. Importantly, JAN customers reported having made highly effective accommodations at very little or no cost. Employers who were interviewed said slightly over half (50.5%) of the accommodations they implemented following discussion with JAN had been at no cost. For those employers who did experience some cost, the median dollar value was \$600.

## **Cost and Effectiveness of Accommodations in the Workplace:**

### **Preliminary Results of a Nationwide Study**

The economic implications of Title I of the Americans with Disabilities Act (ADA) have been the subject of debate during the past decade. One important topic in this debate is whether the cost of workplace accommodations required under Title I overly burdens employers, ultimately decreasing employment opportunities for people with disabilities (Blanck, Schur, Kruse, Schwochau & Song, 2003). A few studies have examined the cost of workplace accommodations and found accommodation costs are relatively low, especially when compared to the economic benefits. For example, Blanck reviewed workplace accommodations made by Sears, Roebuck and Co. from January 1, 1993, to December 31, 1995, finding the average administrative cost of hiring and training a new Sears employee ranged between \$1,800 to \$2,400, as compared to an average cost of \$45 for accommodating an existing employee (Blanck, 1996).

In a study conducted by the Job Accommodation Network (JAN) from 1992 through 1999, employers nationwide were surveyed regarding the costs and benefits associated with making accommodations for workers with disabilities. The median cost of accommodations as reported by these employers who had used JAN's services was \$250, while the median reported benefit of providing accommodations was \$10,000 (Job Accommodation Network, 1999).

Although these studies are useful, scholars examining the economic implications of the ADA suggest that more in-depth research is needed (Blanck, 2000; Blanck, Hill, Siegal, & Waterstone, 2003, 2005). In response, JAN and the Law, Health Policy & Disability Center are conducting an in-depth study of the cost and effectiveness of workplace accommodations. This article, the first in a series, provides an overview and history of JAN services, a discussion of JAN follow-up surveys, and preliminary findings from the new study.

## **Overview and History of JAN Services**

JAN is a free resource for information regarding job accommodations and Title I of the ADA. JAN is sponsored by the U.S. Department of Labor's Office of Disability Employment Policy (ODEP). Located at West Virginia University in Morgantown, JAN serves the United States via toll-free telephone lines and email. Although the service is available free of charge to anyone, more than two-thirds (68%) of accommodation inquiries are from employers and individuals with disabilities.

JAN provides one-on-one consultation about job accommodations, including the accommodation process, effective accommodation options, funding sources for accommodations, product information, disability awareness, and legal rights and

responsibilities. The JAN Web site includes accommodations for different disabilities, a Searchable Online Accommodation Resource (SOAR), information about disability-related laws, and Web portals for private employers, federal and state government employers, educational entities, and individuals with disabilities.

JAN was established in 1984 by the President's Committee on Employment of the Handicapped, which later became the President's Committee on Employment of People with Disabilities, and then the Office of Disability Employment Policy within the U.S. Department of Labor. Prior to enactment of the ADA in 1990, JAN served federal employers who were required to provide accommodations for employees with disabilities under Section 501 of the Rehabilitation Act of 1973. Other callers were large employers who affirmatively sought to hire and retain employees with disabilities. The inquiries typically involved questions about how to accommodate specific employees, with few questions regarding the legal obligation to do so.

Prior to the ADA, JAN averaged approximately 10,000 calls per year. In 1992, coinciding with the effective date of Title I of the ADA, inquiries received by JAN increased dramatically to over 35,000. Following this initial high mark, the annual number of inquiries has stabilized around 32,000.

The types of people using JAN services also has changed. In 1991, approximately 40% of JAN callers were employers and another 10% were individuals with disabilities. Following enactment of the ADA, the employer rate remained stable at about 40%, but the percentage of calls from individuals with disabilities doubled to over 20%. Other types of callers include family members, rehabilitation and medical professionals, educational professionals, and legal representatives.

The complexity of the requests and type of information needed also increased over time. Immediately after the effective date of the ADA, most callers who contacted JAN requested basic information about the law (e.g., who was covered and dates for compliance). When Title I went into effect in 1992, neither employers nor individuals with disabilities had much, if any, familiarity with terms used in the Act. In many instances, employers who contacted JAN with ADA-related questions in those early days were misinformed about its content and requirements. For example, many employers believed the ADA was a "quota" or preferential treatment law (Blanck, 2005; Blanck & Millender, 2000).

By the mid-1990s, however, approximately one third (35%) of JAN callers had specific ADA-related questions (e.g., about definition of disability and reasonable accommodation). Many callers still had misperceptions about the ADA, but their

questions involved both basic and complex issues. While some questions could be answered quickly or with available written materials, others required extensive research and production of customized materials.

By the end of the 1990s and through today, nearly all of the ADA-related inquiries handled by JAN involve specific and complex needs of an employer related to a particular individual. Responses to these inquiries require detailed discussion and preparation of individualized materials to allow both the employer and the individual to engage in interactive dialogue. For example, a supervisor may call JAN about an employee whom she believes is losing his vision, but the employee has not disclosed this to the supervisor. The employee is having performance problems, and the supervisor wants to understand possible accommodations and how to approach the sensitive issue with the employee.

In 1993, JAN began developing accommodation and ADA-related publications on frequently requested topics. JAN currently has over 148 publications available. Topics include accommodations by disability, how to request an accommodation, and medical inquiry in response to an accommodation. In 1994, JAN developed a Web site that it maintains and updates daily based on user suggestions and requests from JAN staff. In 2004, the JAN Web site handled over 2.2 million web page requests.

In addition to diversifying its service delivery, JAN expanded its outreach to employers with information about effective accommodations and compliance with the ADA. Since 2001, JAN has sponsored an annual conference for employers, produced a series of practical guides for employers, and maintained a customized portal for private employers who use the JAN Web site.

### **Surveys of JAN Consumers**

From 1992 through 1999, JAN periodically surveyed its users receiving 2,020 responses. The survey found that employers who sought advice from JAN were able to implement highly successful accommodations for their employees with disabilities. These employers reported that the accommodations benefited not only the individual, but produced significant benefits for the company in increased productivity, lower disability insurance rates, and decreased training costs to replace workers with a disability.

In 1999, Westat, a private research organization, conducted an independent review of JAN. Although JAN received extremely high scores on this evaluation,

Westat recommended JAN improve its follow-up methods by increasing the response rate and asking for more in-depth information from the employers it served. Based on Westat's recommendations, JAN engaged the Law, Health Policy, and Disability Center (LHPDC) to conduct an updated and scientifically rigorous study of employers, individuals, and others who have used JAN's services.

The LHPDC is interviewing JAN consumers about the effectiveness of the services JAN provides, types of accommodations implemented in the workplace, and accommodation costs, benefits and effectiveness. This article focuses on surveys of JAN's most frequent consumers, employers and individuals with disabilities. "Although data collection is ongoing, the present initial findings are of interest to researchers, employers, members of the disability community and others, and have shown sufficient stability to warrant discussion at this time.

## **Method**

At the conclusion of JAN's consultation, callers are asked if they would be willing to participate in a follow-up survey regarding the outcome of the accommodation situation discussed during the consultation. Callers who agree to participate provide their name and a telephone number where they can be reached. Although JAN's services are completely confidential, some callers prefer to remain anonymous.

Participation in the survey is entirely voluntary. Callers are informed that their decision whether to participate in the follow-up surveys will not affect their ability to use JAN services. Interviews occur approximately 45 to 60 days after the JAN consultation. This allows employers time to decide whether they want to implement an accommodation and, possibly to implement the accommodation. Because some employers and individuals call JAN repeatedly, either regarding the same or different issues, callers are asked to participate in a follow-up interview once in any six-month time period.

## **Participants**

From January 13, 2004 through April 25, 2005, LHPDC interviewed 778 employers and 882 individuals with disabilities who consulted with the Job Accommodation Network. JAN provided LHPDC with contact information for 1,074 employers and 1,406 individuals with disabilities who indicated their willingness to be interviewed, resulting in completion rates of 72.4% for employers and 62.7% for individuals with

disabilities. During this time period, JAN completed 3,335 employer and 6,134 individuals with disabilities cases.

Employer participants cover a range of sizes and business types. Business sizes range from small, fewer than 10 employees, to large companies with nearly 1 million employees. Approximately one-sixth (16.6%) were businesses with 100 or less employees. Slightly less than one-third (29%) had more than 100 but equal to or less than 1,000 employees. Companies with 1,001 to 10,000 employees made up two-fifths (39.6%) of the participants. One eighth of the participants (12.5%) were companies with 10,001 to 100,000 employees. A small percentage (2.2%) reported more than 100,000 employees. The median size employer had 1,500 employees.

Of those for which business type data was available, the most prevalent business type was public administration or government offices (37.8%) and other service industries (33.9%). Of the service industries, health care and social assistance companies made up almost half (44.2%), educational institutions 28.2%, and media and information providers 9.6%. Professional, scientific and technical services, management, arts, entertainment and recreation, accommodation and food service, and other services made up the remaining service business requests.

The table immediately below further summarizes JAN inquiries and consultations by business market sector, showing that service and public administration organizations together comprised almost three-quarters of all calls (72%).

Market Category	N	%
A. Agriculture, Forestry, and Fishing	1	0.2
B. Mining	2	0.4
C. Construction	9	2.0
D. Manufacturing	39	8.5
E. Transportation, Communications, Electric, Gas, and Sanitary Services	35	7.6

F. Wholesale Trade	2	0.4
G. Retail Trade	12	2.6
H. Finance, Insurance, And Real Estate	30	6.5
I. Services (including Food Services)	156	33.9
J. Public Administration	174	37.8

Employers were most likely to seek JAN's assistance for employees who were female (60%), Caucasian (73.5%), with a college education (29.8%). Thus, of the individuals with a disability about whom employers contacted JAN, more than one-third had a high school diploma or GED (37.7%). Another 29.8% had graduated from a four-year college degree program, 9.9% had an associate's degree, and 13.0% had a graduate or professional school degree. Approximately 40% were males (N = 541). In nearly three-fourths of the cases (73.5%), the employee with a disability was described as white (non-Hispanic), 14.6% were African-American, 6.2% were Hispanic, and the remaining 5.8% classified as Other.

Similar to employees for whom employers sought assistance from JAN, individuals with disabilities who contacted JAN on their own behalf were most likely to be Caucasian females with some college experience. Of the 616 individuals who reported their educational level, 34.4% had a high school diploma or GED, 21.1% had an associate's degree, 25.8% had a four-year degree, and 14.8% had a graduate-level or professional school degree. There were 439 females (70.4%) and 185 males (29.6%). Concerning ethnicity, 77% indicated they were white/non-Hispanic, 12.6% were African American, and 4.5% were Hispanic, with 5.9% listed as Other.

## Instruments

Separate although similar telephone interview questionnaires were developed for each population (e.g., employers, individuals with disabilities, rehabilitation professionals). Each instrument was subjected to a rigorous vetting process to ensure the resulting data were reliable and valid. Questions asked covered: (a) job situation of the individual with a disability about whom JAN was contacted (e.g., a job applicant, retaining a current employee, a company-wide issue), (b) level of the



individual's limitations, (c) company demographics such as the size of the company and percentage of employees with a disability, (d) demographics of the individual with a disability such as length of employment, wages, number of work hours per week, education, gender, and ethnicity, (e) whether an accommodation was implemented following contact with JAN, (f) type of accommodation made, (g) costs involved in making the accommodation, (h) who paid for the accommodation, and (i) what, if any, net benefits were derived from providing the accommodation and the estimated dollar value of those benefits. Because employers and individuals with disabilities contact JAN for information, questions are phrased according to whether the interviewer is speaking with an employer regarding an individual with a disability or speaking directly with the individual.

## Results

By far, most of the respondents had called JAN regarding a person with a disability who was employed and needed an accommodation. The category "retaining an employee" accounted for 83.7% of the responses from employers (N = 578) and "keeping your current job" accounted for a similar 81.6% of the responses from individuals (N = 614).

When the employer contacted JAN, the average term of employment for the worker with a disability was 7.0 years (N = 466, SD = 7.19). The average hourly wage for those employees paid by the hour was \$13.42 (N = 197, SD = \$6.26), and these employees worked an average of 36.7 hours per week (N = 192, SD = 6.26). If the employee was paid a salary, the annual wage averaged \$47,823 (N = 131, SD = \$20,839).

When the contact point was the individual with the disability, he or she had worked at the company an average of 8.6 years (N = 578, SD = 8.54), earned an average hourly wage of \$15.29 (N = 310, SD = \$6.75) and worked an average of 37.9 hours per week (N = 308, SD = 8.54), or averaged an annual salary of \$49,072 (N = 222, SD = \$31,778).

Employers and individuals reported a significant level of limitation due to the disability that could be mitigated significantly by accommodations. When asked about limitations, 61.0% of the employers (N = 510) and 73.1% of the individuals (N = 602) reported that the employee had a physical, mental, or other health condition that substantially limits the kind or amount of work that he or she can do. That is, the limitation was substantial in nature.

Without workplace accommodation, employers indicated the mean limitation level on a scale of 1 (not limited) to 5 (substantially limited) as 3.66 ( $N = 282$ ,  $SD = 1.24$ ). Individuals with disabilities reported their mean limitation level as 3.88 without an accommodation ( $N = 402$ ,  $SD = 1.16$ ). Using the same scale, employers reported that with accommodations the employee's mean limitation level dropped substantially to 2.18 ( $N = 251$ ,  $SD = 1.28$ ). This difference was statistically significant at the  $p=.001$  level using a paired-comparison t-test. With accommodations, individuals rated their functional limitation level at a mean of 1.89 ( $N = 366$ ,  $SD = 1.03$ ). Again using a paired-comparisons t-test, this difference was significantly different at the  $p = .001$  level.

Half of the employers (49.4%,  $N=553$ ) reported an accommodation was made for the employee following contact with JAN. Of those who had not yet implemented an accommodation, 7.3% indicated a decision had been made to accommodate the individual but implementation was pending. Another 22.9% said that the decision whether to accommodate was still pending. For those responding in the negative, 18.9% reported that the accommodation had been rejected (but were not asked whether it was the employer or the employee who rejected the accommodation), 21.5% decided an accommodation was not needed, and 8.4% decided it was not possible to accommodate the individual without creating an undue hardship. Only 5.1% of the employers interviewed indicated the reason they chose not to make the accommodation was because they determined it was not required under the ADA or other applicable legislation.

A considerably different picture emerged when the contact point was the individual with a disability. When interviewed, only 18.4% reported that their employer made an accommodation after they (the individuals) had obtained information from JAN ( $N = 613$ ). Of those who had not yet received an accommodation, 5.7% said they were awaiting implementation of an accommodation that had been approved, 21.5% were waiting for a decision to be made, and 32.7% reported the accommodation presented had been rejected (again, whether this rejection was by the individual or the employer was not asked). Other responses by this group were that in 9.4% of the cases an accommodation was determined to be unnecessary, 4.1% determined it was not possible to accommodate, and 2.2% decided the accommodation was not required under the ADA or other legislation.

In some accommodation situations, more than one solution is required to accommodate the individual effectively. The 273 employers who reported that an accommodation was made following contact with JAN implemented a total of 380

accommodations. The most common type of accommodation made was a change to a work schedule (23.9%). Purchasing a product or piece of equipment was second in frequency at 16.3%. Of the 113 individuals with disabilities who said an accommodation had been implemented on their behalf at the workplace, a total of 232 accommodations had been made. Consistent with the employer reports, the most frequent was a change to a work schedule (29.3%), followed by purchase of a product or piece of equipment (14.7%).

One concern of many employers is the perceived cost of accommodating an employee with a disability. A total of 212 employers were able to provide cost information regarding the accommodation(s) made. Of these, half (50.5%) reported the accommodation was made at no cost (e.g., change in work schedule). Another 42.0% said the costs incurred were one-time only in nature, 5.2% said the costs would be incurred on an annual or ongoing basis, and 2.4% reported one-time and annual costs were involved. Of the 42.0% that had a one-time accommodation cost, the median cost reported was \$600. Given the low occurrence rate for those accommodations requiring an annual cost or a combination of one-time and annual costs, no results currently are presented.

Only 157 of the individuals with disabilities who had contacted JAN were able to report cost data. Of these, almost three-quarters (72.0%) said the accommodation made was at no cost. Another 22.9% said the accommodation involved a one-time cost, 3.2% said an annual cost was involved, and 1.9% said a one-time cost and an annual cost were required. Of the 22.9% that reported a one-time cost, the median cost was \$400. As with employers, the low occurrence rate precludes reporting data regarding annual costs and combined one-time and annual costs.

When asked about the effectiveness of the accommodation(s) implemented, employers reported an average effectiveness, on a scale of 1 (not effective) to 5 (highly effective), of 4.08 (N = 195, SD = 1.08). Individuals with disabilities reported an average effectiveness of the accommodation(s) implemented by their employer of 3.77 (N = 134, SD = 1.36).

## Discussion

This article presents initial findings from an ongoing study of workplace accommodations after passage of the ADA. The study is the largest of its kind to date but not without limitations. We cannot conclude with confidence that the inquiries JAN receives either from employers or individuals with disabilities are representative of accommodations made or requested from either population. The

relatively high sample of employers in the service industries and low percentage of employers in other types of businesses, as well as the education and ethnic demographics of the individuals, support this conclusion. Nevertheless, the sample findings illustrate that the accommodations made, and their associated costs, benefits and perceived effectiveness, are representative of the population of accommodations made by employers or for people using JAN services.

The initial findings illustrate the need of employers and employees being engaged meaningfully in the accommodation process. The lower percentage of accommodations implemented when the individual with a disability was the contact point as opposed to the employer may have several explanations. For example, individuals may have less informed or less realistic expectations as to the accommodations their employer may be able to implement. Alternatively, employers may have less information (or receive less information from the employee) about the particular effectiveness of certain accommodations for individuals with disabilities. This is the reason JAN consultants stress to employers and individuals with disabilities the importance of engaging in the accommodation interactive process (Blanck, et al. 2005).

The most consistent finding from the present data is rebuke of the perception that accommodations are costly to implement (Blanck, 1997). The majority of accommodations implemented by those who contacted JAN for assistance were made at little or no cost, and certainly at less cost than employee turnover (Blanck, 1996). One frequently needed accommodation is a change in schedule, which may be implemented without causing great expense or a hardship either in terms of cost or impact to the business. Importantly, the accommodations implemented were reported by employers and employees to be effective in allowing the individual to perform the required job tasks.

In summary, the present study confirms that JAN's services and consultations, free of charge to all, result in effective and low cost accommodation solutions when implemented by employers and employees with disabilities. The findings continue to dispel misperceptions that accommodations are costly, burdensome, and difficult to implement. Indeed, the findings suggest the contrary: accommodations accrue to employers' bottom lines in positive and measurable ways, and they enable qualified individuals to achieve their full level of participation as engaged members of the workforce.

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