



ECONOMIC RETURNS OF NATIONS INVESTING IN SPECIALLY ABLED PEOPLE

EXECUTIVE SUMMARY BY **CALEB LI, MATTHEW YOU, & SARTHAK PANT** | AUGUST 2020

Persons with disabilities (PWD), defined by the United Nations as “persons who have physical, mental, intellectual or sensory impairments” are an overlooked yet significant component of societies all across the world.¹ Due to preconceived notions of the high costs required to accommodate PWDs, many governments and businesses underinvest in PWDs and overlook the enormous potential economic benefits to society and return on investment. According to CEO of The Return on Disability Group, Rich Donovan, the combination of the global population consisting of PWDs, with their friends and family, control over \$8 trillion in annual disposable income.² Unfortunately, most of this income is untapped. In the U.S. alone, more than \$150 billion is lost in tax revenue annually due to the limited utilization of PWD in the workforce, a GDP impact of 2.77%, ignoring any multiplier effects.¹

To mitigate barriers PWD face in the areas of labor employment, accessible infrastructure, healthcare, and education, national governments should allocate more resources towards PWD through investments in local rehabilitation/skill training programs, financial hiring incentives, specialized education, accessible infrastructure (especially tourism), and preventative healthcare procedures. In addition to government interventions, businesses should realize the positive returns from these investments into PWD-inclusive workspaces. These actions taken by governments and corporations would both empower PWD communities and cause significant boosts to national economies, far exceeding investment costs.

The purpose of this research was to gain insight into the economic returns from investments in the disability sector made by the U.S. federal government and project the impact of similar scale investments made by Brazil and India. Data collection and quantitative analysis was conducted on four investment sectors: (1) Labor, (2) Accessibility, (3) Healthcare, and (4) Education. The four sectors were chosen as a way to group the heaviest influences on economic return in both a comprehensive yet mutually exclusive way. Brazil and India were chosen due to their population and economic development potential. Economic returns were measured by calculating 10-year net growth in GDP and annual benefit-cost ratios for each nation. Benefit-cost ratios describe the benefit, or monetary return, per every dollar invested in necessary costs.

The labor employment sector economic model predicted a benefit-cost ratio of 1.93 for India and 2.92 for



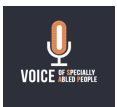
Brazil. Required investment costs involved training program setup, physical building capital, and financial hiring incentives to employers. Benefits specific to the government involved savings on social security income welfare payments and also collected tax revenue from newly employed PWD. Benefits to the economy as a whole involved the additional income and consumption (with economic multiplier effects) of newly employed PWD due to training and hiring incentives. Over a 10-year period the model predicted economic GDP growth of \$11.4 billion in India and \$25.8 billion in Brazil based on investments.

The accessible tourism economic model predicted a benefit-cost ratio of 11.42 for India and 10.88 for Brazil. Required investment costs involved room remodelling, transportation services, and salaries of new service aide jobs created. Benefits involved the spending of untapped disposable income by PWD tourists who would be able to travel given available accessible accommodations. Other benefits come from the economic multiplier effects on consumption by new service aide employees. Over a 10-year period the model predicted economic GDP growth of \$127.8 billion in India and \$34.7 billion in Brazil.

The healthcare model predicted a benefit-cost ratio of 4 for India and 3 for Brazil. Required investment costs involved the coverage costs for the uninsured PWD population for visual, auditory, and mobility disabilities. These costs come from the price of surgeries and procedures for each disability sector which included cataract surgery for visual disabilities, cochlear implant for auditory disabilities, and physical activity rehabilitation and powered mobility devices (PMD) for mobility disabilities. Benefits involved the financial savings given to uninsured PWD which translated to government revenue in the form of taxes as well as economic benefits from the economic multiplier effects on consumption. Over a 10-year period the model predicted economic GDP growth of \$839.4 billion in India and \$463 billion in Brazil.

The education economic model predicted a benefit-cost ratio of 7.06 for both India and Brazil. Required investment costs involved assistive devices for students, special educator salaries and training, accessible infrastructure in schools, and early special education programs. Benefits involved increased income from higher PWD graduation rates (completed K-12 education) and savings on welfare and remedial education spending. Over a 10-year period the model predicted economic GDP growth of \$1.1 trillion in India and \$33 billion in Brazil.

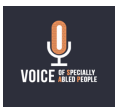
In the labor employment sector, the analysis recommends government investments in (1) development of vocational rehabilitation programs similar to those in the U.S., (2) construction of training program centers, and (3) hiring incentives equal to 10% of annual salary plus two months of salary accessibility training costs per PWD. Regarding accessible tourism, the analysis recommends government policy (1) increasing the



amount of accessible hotel rooms to 5% of total rooms, (2) increasing paratransit services, and (3) creating additional service aide jobs scaled to meet new PWD tourism demand. For healthcare, the analysis recommends unique amounts of funding to increase coverage for uninsured PWD in the visual, auditory, and mobility disability sectors. The implementation is spread out over a period of 10 years to encourage stable progress and to increase success rate. In education, the analysis recommends (1) investment in assistive learning devices, (2) additional training and hiring of special educators, and (3) development of early special education programs. The analysis predicts investments spread across the four sectors will lead to strong economic returns on investment, an overall 5.27 benefit-cost ratio for India and an overall 4.42 benefit-cost ratio for Brazil. Total 10-year economic returns for investments in all sectors are forecasted to be \$2.1 trillion for India and \$80 billion for Brazil.

¹ United Nations. "United Nations Convention on the Rights of Persons with Disabilities." United Nations, December 6, 2006. <https://www.un.org/disabilities/documents/convention/convention-accessible-pdf.pdf>

² Donovan, Rich. "2016 Annual Report: The Global Economics of Disability," May 1, 2016. <https://www.rod-group.com/sites/default/files/2016%20Annual%20Report%20-%20The%20Global%20Economics%20of%20Disability.pdf>



ABOUT THE AUTHORS

Caleb Li is a student at Northwestern University majoring in Economics and Statistics. He is a quantitative research assistant at the NU2Gen Laboratory and works as a financial consulting intern at Accelerated Growth Advisors. In the past, he has co-authored two papers on computational prediction of drug candidate binding to cancer target STAT3 protein. He is interested in running, soccer, violin and piano.

Matthew You is currently a student at Northwestern University where he is enrolled in the dual degree program majoring in Economics and Saxophone Performance. As an active student on campus, he participates in cultural clubs like CSA and KASA. His passion for dance has led him to join NU's Refresh Dance Crew and Fusion Dance Company. When he has time, he likes to cook, workout, and play volleyball.

Sarthak Pant is a student at Skidmore College pursuing a double major in Economics and Psychology with a minor in Statistics. He plays the double bass for the orchestra and is involved in different multicultural clubs. Outside of college he enjoys reading, hiking, cycling, driving, and anything else car related.

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WHY THIS MATTERS TO VOSAP

VOSAP recognizes the lack of financial investment for Persons with Disabilities in the developing countries. VOSAP believes that there is a huge economic expansion opportunity for Nations and this research project developed a comprehensive model to explain the ROI. In an effort to encourage governments to invest in its country's disabled population, specifically developing nations, this research project quantified the return on investment for investing in the disability sector.

ABOUT VOICE OF SPECIALLY ABLED PEOPLE INC.

The Voice of Specially Abled People (VOSAP) is a global advocacy organization built on the principles of Empowerment of Specially Abled People. In Special Consultative Status with UN ECOSOC, VOSAP is working to create an Inclusive and Accessible world by accelerating implementation of UN Sustainable Development Goals (SDGs) and goals of UN CRPD (Convention on the Rights of Persons with Disabilities) treaty. The organization has created the VOSAP Mobile App through which volunteers can take a pledge to volunteer and rate the accessibility of public places, creating a crowdsourcing platform to aggregate demand for accessibility.

