
TX VRC Resource Tools

2. Considering Self-Employment

TX TWC policy regarding self-employment (SE) requires VR Counselors to educate customers interested in self-employment on:

1. potential benefits and risks;
2. financial planning; and
3. the specific strategies to be used (covered in the next tool).

The attached tool will assist VRC's to fulfill this responsibility and support the VR customer to make an informed choice about self-employment.

Benefits and Risks. Benefits and risks will differ from person to person. Review the attached tool with the VR Customer. The attached tool provides common risks and benefits prompting questions to guide your discussion.

Financial Considerations. In early conversations, you should explore the customer's financial needs and expectations. Discussing financial needs upfront during the business feasibility phase can help you and the customer decide if the business can meet the customer's needs. In addition to needed income, talk through the customer's need for health insurance (for self and family), Worker's Compensation Insurance and other liability protection, and the need to cover time off (sick time, vacation, holidays). Self-employed customers will need to pay quarterly taxes and save for retirement. The purpose of this conversation should not be to dissuade customers, but to think through the realities of self-employment and how it will work for them, given support available.

If the VR customer is receiving Social Security or other government benefits, refer them for benefits counseling early in the planning process as self-employment income is treated differently by Social Security.

Initial conversations around self-employment should explore needs, interests and possibilities. The VRC should present self-employment as an option to consider and provide information to help the customer make an informed choice.

Considering Self-Employment

General Potential Benefits and Risks:

Potential Benefits	Potential Risks/Concerns
Example: <ul style="list-style-type: none">• Creation of opportunity that may not currently exist• More choice and control• More flexibility in work schedules• Ability to use one's skills and talents in new or different ways.	<ul style="list-style-type: none">• Lack of a regular paycheck• Responsibility for business management• Potential loss of health insurance for self or family members• No paid vacation or holidays

Personal Potential Benefits and Risks:

Potential Benefits	Potential Risks/Concerns
<ul style="list-style-type: none">• What do you see as potential benefits of being self-employed?• What excites you about working for yourself?• What excites you about your business idea?	<ul style="list-style-type: none">• What concerns you?• How might we minimize those concerns?

Financial Considerations:

How much would you need to earn from the business to feel successful and meet your financial goals? What would success look like?	What other financial considerations need to be considered (health insurance, taxes, start-up costs, retirement, need for benefits planning, etc.)