

# The Disability Disconnect

Income is critical to most employees' financial security, yet employees rarely think about how an illness or accident puts their income at risk. Learn the facts about the causes and odds of experiencing an income-interrupting disability.

**Short on guidance.** Many workers lack information about how to protect themselves from an income-interrupting disability.

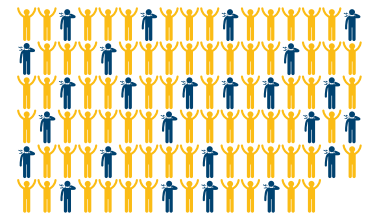


**Weighing the odds.** The chance of missing work for three months or longer as a result of illness or accident is far higher than most employees realize, especially when lifestyle, profession and other factors are considered.

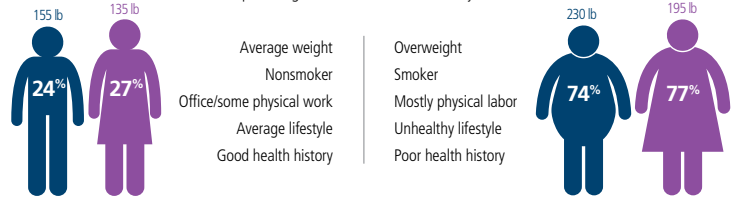
Many employees believe their odds of becoming disabled for at least 3 months are **1%**.<sup>3</sup>



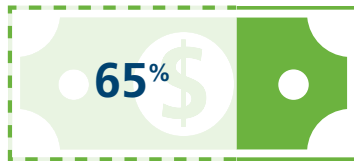
More than **25%** of today's 20-year-olds will become disabled before they retire.<sup>4</sup>



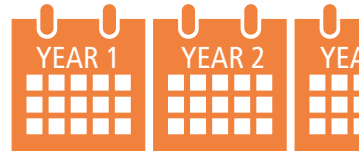
Some factors that affect the likelihood that a worker will experience a disability of at least three months during his or her career.<sup>5</sup> The percentages indicate the odds for a 35-year-old.



**Time is money.** A long term disability can have a devastating effect on a person's financial situation.



More than half of employees could not pay their bills for more than a year without an income.<sup>6</sup>



However, the average group long term disability claim lasts **2.6** years.<sup>7</sup>



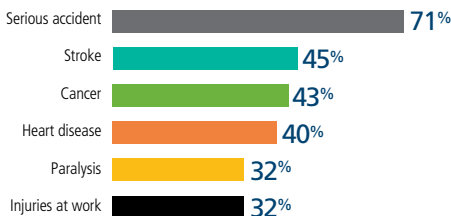
A disability lasting 2.6 years translates to **135** weekly paychecks missed.



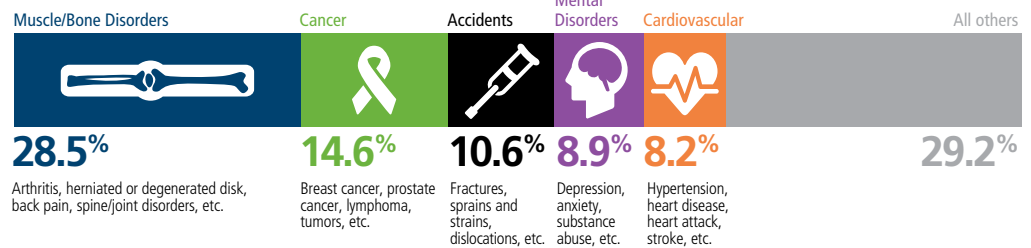
At the average wage of \$21.50 an hour,<sup>8</sup> that's enough money to buy **6** compact cars.<sup>9</sup>

**Causes for concern.** Employees may underestimate their risks because they don't understand the causes.

Percentage of employees who rated each cause for disability as "very" or "somewhat likely."<sup>10</sup>

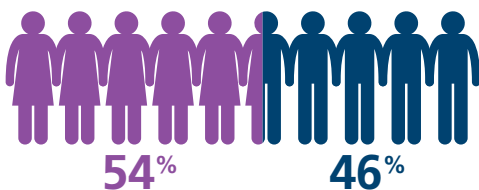


Top five causes of new long term disability claims in 2012.<sup>11</sup>



**Women's bundled risks.** Women comprised more than half of new long term disability claims in 2012. Pregnancy-related claims were the biggest contributor to the growth in women's claims.

Women made up the majority of new long term disability claims in 2012.<sup>12</sup>



From 2011 to 2012, new long term pregnancy-related claims increased **24%**, accounting for 12.3% of all new disability claims by women.<sup>13</sup>

**No time to waste.** Workers' livelihoods could change in an instant—and frequently do.



Approximately every **7** seconds, a working-age American suffers a disabling injury or illness that will last for at least one month.<sup>14</sup>

Visit [DisabilityCanHappen.org](http://DisabilityCanHappen.org) to learn more.

The Council for Disability Awareness can help educate about the financial impact a disability can have on wage earners and their families.

The Council for Disability Awareness (CDA) is a nonprofit organization dedicated to educating the American public about the risk and consequences of experiencing an income-interrupting illness or injury. The CDA engages in research, communications and educational activities that provide information and helpful resources to wage earners, employers, financial advisors, consultants and others who are concerned about the personal and financial impact a disability can have on wage earners and their families. The CDA consists of 20 member insurance companies that together represent more than 75 percent of the individual and group commercial disability insurance market.

**Sources:**

<sup>1</sup> CDA 2013 Employer Disability Awareness Study, p. 10

<sup>2</sup> CDA 2013 Employer Disability Awareness Study, p. 11

<sup>3</sup> CDA 2013 Employer Disability Awareness Study, p. 6

<sup>4</sup> U.S. Social Security Administration, Fact Sheet February 7, 2013

<sup>5</sup> WhatsMyPDQ.org estimate based on a 35-year-old.

<sup>6</sup> CDA 2010 Consumer Disability Awareness Study, p. 10

<sup>7</sup> Gen Re, U.S. Individual DI Risk Management Survey 2011, based on claims closed in 2010

<sup>8</sup> U.S. Department of Labor – Economic News Release – Table 1. DoI.gov (2013-06). Retrieved on 2013-09-11.

<sup>9</sup> Estimate based on Edmunds True Market Value® new 2013 Honda Civic LX:\$17,893, Edmunds.com. (Average wage x 2.6 years = \$116,272; \$116,272/\$17,893 = 6.498)

<sup>10</sup> CDA 2010 Consumer Disability Awareness Study, p. 7  
Employees could make multiple selections

<sup>11</sup> 2013 Long Term Disability Claims Review, p. 6

<sup>12</sup> 2013 Long Term Disability Claims Review, p. 5

<sup>13</sup> 2013 Long Term Disability Claims Review, p. 5

<sup>14</sup> America's Disability Counter, DisabilityCounter.org