



Financial Planning: Your Greatest Asset is Your Ability to Earn an Income

The first week in October is Financial Planning Week, and, with the number of American workers who suffer income-limiting disabilities on the rise, “disability” financial planning and preparation have never been more important for America’s workforce.

If you experienced an accident or illness and could not return to work for a few months — or even years — how would you and your family manage financially?

The Council for Disability Awareness (CDA) has prepared five questions to help you understand how you would handle your regular expenses during a period of lost income due to an accident or illness:

1. What are my “necessary” monthly living expenses that would continue even if my income stopped? My rent or mortgage, utilities, food, medical insurance?
2. Would my personal savings pay for my “necessary” monthly expenses – for one month, three months, six months, longer? Would my savings also cover my “out of pocket” medical expenses (deductibles and co-pays)?
3. Does my employer have a sick pay plan or long-term disability program, or both? Am I participating? When would it start, how much would it pay me and for how long?
4. What other sources of income might be available to help me pay for my expenses? My spouse’s income, second mortgage, retirement funds, credit cards?
5. Could I afford my medical COBRA premiums, and what would happen to the contributions to my 401k account or retirement plan?

“For most folks their greatest asset is their ability to work and earn an income,” explains Robert Taylor, president of the Council for Disability Awareness. “If you should lose that ability, it’s important for you to understand how you would manage, and plan accordingly. The five questions are a good start to planning ahead.”

To learn more about tools and resources that can help you assess your current financial situation and enhance your financial security, visit the CDA Web site, www.disabilitycanhappen.org.

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