



Women More Vulnerable to Economic Impact of Disability

The rate of disability among working women in the United States has grown almost twice as fast as the rate among working males during the past decade (over 60 percent and 32 percent, respectively), according to Social Security Administration data. Yet half of women (51 percent) are unprepared to cover their living expenses for three months or more should an accident or injury leave them unable to work, according to the *2008 Worker Disability Planning and Preparedness Study*, conducted by the Council for Disability Awareness (CDA).

According to a recent article in *Parade Magazine*, two-thirds of Americans are living paycheck-to-paycheck. This makes the consequences of losing income serious for most workers and their families. The ability of women, in particular, to cope with the financial impact of disability may worsen as household credit card debt is at an all-time high – averaging close to \$10,000 – and personal savings rates are at an all-time low. To make matters worse, women tend to save less than men, according to the Bureau of Labor Statistics.

“With disability on the rise for both men and women, it’s clear most Americans need to better prepare for an income-limiting disability. But this is especially appropriate for women who are experiencing even higher rates of disability while, in general, being less prepared than men,” says Bob Taylor, president of the CDA, a nonprofit organization focused on helping the American workforce become aware of the growing incidence of disability.

The financial risks of disability can be severe and long lasting. Disability is one of the leading causes of personal bankruptcies and mortgage foreclosures in America. During a disability, your ability to earn an income may stop while increased medical bills and ongoing living expenses can quickly deplete savings and other resources, such as retirement and college savings.

“Workers, and in particular women, who haven’t discussed how they would financially manage their financial affairs if a disability arises should begin to realistically think through what would happen if they were unable to work and earn a living,” Taylor explains. “Creating a disability financial plan should follow – one that helps estimate the impact that disability would have on personal expenses and where income would come from.”

Taylor encourages all workers to understand their workplace sick pay and disability benefits. He explains that healthy lifestyle habits like seeing a doctor each year and quitting smoking can pay dividends, because leading a healthy lifestyle can reduce the likelihood of becoming disabled in the first place.

“Disability planning and preparedness is critical, especially for working women,” he says.

For more information about the survey and for tools and tips on how to financially prepare for disability, visit the Council’s Web site, www.disabilitycanhappen.org.

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