Millions of working Americans are facing financial uncertainty.

The absence of emergency savings, rising medical costs, and an overall trend of fewer employers offering benefits to workers has created a uniquely challenging time. But now as much as ever, it’s important to understand that without some kind of income protection, more Americans could face severe financial difficulty if they need to miss work due to illness, injury or pregnancy.

Here are the critical numbers.

■ **One in four** of today’s 20-year-olds can expect to be out of work for at least a year because of a disabling condition before they reach the normal retirement age.¹

■ **At least 51 million working adults** in the United States are without disability insurance other than the basic coverage available through Social Security.²

■ **Only 40 percent of US households** have enough in liquid savings to cover at least three months of their recurring expenses, and only 28 percent can cover at least six months.³

■ **Three out of ten American adults** indicate they can’t pay an unexpected $400 bill without having to carry a balance on their credit card or borrow money from friends, family, or the bank.⁴

Chances of missing work due to illness, injury, or pregnancy are greater than most realize.

■ **Each year around 5% of working Americans** will experience a short-term disability (six months or less) due to illness, injury, or pregnancy.⁵
  - Almost all of these are non-occupational in origin.⁶

■ **The most common reasons for short-term disability claims are**:⁷
  - Pregnancies (22.3%)
  - Musculoskeletal disorders affecting the back and spine, knees, hips, shoulders, and other parts of the body (18.5%)
  - Injuries such as fractures, sprains, and strains of muscles and ligaments (11.4%)
  - Digestive disorders, such as hernias and gastritis (7.4%)
  - Mental health issues including depression and anxiety (7.3%)

■ **The most common reasons for long-term disability claims are**:⁸
  - Musculoskeletal disorders (27.6%)
  - Cancer (15.0%)
  - Injuries such as fractures, sprains, and strains of muscles and ligaments (12.0%)
  - Mental health issues (9.3%)
  - Circulatory (heart attack, stroke) (8.2%)

The consequences are alarming.

■ **A 2019 study of consumer bankruptcy filings** found that 77.8% of debtors cited income loss as a contributor to their bankruptcy. This included 44.3% specifically citing medically-related work loss as a contributor.⁹

■ **A large-scale study linking cancer registry data and bankruptcy filings in western Washington state found that cancer patients were 2.65 more likely to go bankrupt than people without cancer, with younger (under age 50) cancer patients having the highest rates of bankruptcy.**¹⁰
Workers’ Compensation and Social Security do not cover most of these challenges.

- **Workers’ Compensation only covers time away from work if the disabling illness or injury was directly work-related. In 2019, less than one percent of American workers missed work because of an occupational illness or injury.**

- From 2009 to 2018, only 32 percent of Social Security Disability Insurance (SSDI) claimants had their applications approved: 21 percent at the initial application stage and the remainder after a reconsideration or appeals process.

- It generally takes three to five months from time of application for SSDI benefits to get an initial decision.

- The backlog of appeals cases was more than 400,000 in fiscal year 2020, with 38 percent of them being over nine months old.

- From 2009 to 2018, only 32 percent of Social Security Disability Insurance (SSDI) claimants had their applications approved: 21 percent at the initial application stage and the remainder after a reconsideration or appeals process.

- It generally takes three to five months from time of application for SSDI benefits to get an initial decision.

- The backlog of appeals cases was more than 400,000 in fiscal year 2020, with 38 percent of them being over nine months old.

- From 2009 to 2018, only 32 percent of Social Security Disability Insurance (SSDI) claimants had their applications approved: 21 percent at the initial application stage and the remainder after a reconsideration or appeals process.

- It generally takes three to five months from time of application for SSDI benefits to get an initial decision.

- The backlog of appeals cases was more than 400,000 in fiscal year 2020, with 38 percent of them being over nine months old.

3. ACLI found that 4.3% of non-retired households ($1.3 million in total) did not report having disability insurance. Assuming there is at least one adult in each household, this means the number of “uncovered” adults is at least equal to the number of “uncovered” households.