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.

Only 38% of employees said they fully understood the key points of their employer’s disability plans.1

48% of employees said they lacked enough information about purchasing disability insurance.1

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. More than 25% of today’s 20-year-olds will become disabled before they retire.2

Some factors that affect the likelihood that a worker will experience a disability of at least three months during his or her career:3

- Average weight
- Nonsmoker
- Office/academic work
- Average lifestyle
- Good health history

- Overweight
- Smoker
- Mostly physical labor
- Unhealthy lifestyle
- Poor health history

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.

Percentage of employees who rated each cause for disability as “very” or “somewhat likely.”10

- Serious accident: 71%
- Stroke: 45%
- Cancer: 43%
- Heart disease: 40%
- Paralysis: 32%
- Injuries at work: 32%

Top five causes of new long term disability claims in 2012.11

- Muscle/Bone Disorders: 28.5%
- Cancer: 14.6%
- Accidents: 10.6%
- Mental Disorders: 8.9%
- Cardiovascular: 8.2%

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

Women’s bundled risks. Women comprised more than half of new long term disability claims in 2012.12

Women made up the majority of new long-term disability claims in 2012.12

54%
46%

Women comprised more than half of new long term disability claims in 2012.12

Pregnancy-related claims were the biggest contributor to the growth in women’s claims. From 2011 to 2012, new long term disability plans increased 24%, accounting for 12.8% of all new disability claims by women.11

No more 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.14

Visit 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.

Sources:
1 CDA 2010 Consumer Disability Awareness Study, p. 7
2 CDA 2010 Consumer Disability Awareness Study, p. 10
3 CDA 2013 Employer Disability Awareness Study, p. 10
4 CDA 2013 Employer Disability Awareness Study, p. 11
5 CDA 2013 Employer Disability Awareness Study, p. 6
6 U.S. Social Security Administration, Fact Sheet February 7, 2013
7 WhatMAYO.com estimate based on a 35-year-old
8 CDA 2014 Consumer Disability Awareness Study, p. 10
9 Gen Re, U.S. Individual Disability Risk Management Survey 2011, based on claims closed in 2010
10 U.S. Department of Labor – Economic News Release – Table 1, Oct. 2010
11 DisabilityCounter.org
12 2013 Long Term Disability Claims Review, p. 5
13 2013 Long Term Disability Claims Review, p. 5
14 America’s Disability Counter, DisabilityCounter.org