

# 5 Ways to Mitigate the Financial Downside of a Disability

Whether you were injured on the job or fell ill, you can reduce the money stress your family will face.



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In September 2006, Debra Muth's husband, Dennis, hurt his back at work. His job as a maintenance mechanic involved lifting heavy pieces of machinery, and when he accidentally moved the wrong way, he felt pain so severe he was temporarily paralyzed. The injury eventually led to surgeries, debilitating long-term pain and the inability to lift anything over 10 pounds.

The physical injuries were compounded by the lack of support the Waukesha, Wisconsin-based Muths received from Dennis' employer. After his job was given to someone else while he was out

recovering, and his employer failed to properly submit his workers' compensation claim to the insurance company, the Muths had to wait years before they received their workers' compensation payout. With three young children, that [left the family straining](#) to keep up with their expenses.

"I took a second job and didn't spend as much. We learned to cut back, but it's a huge challenge," says Debra Muth, who wrote a book, "The Dark Side of Injury," published last year, about the injury and years that followed. Debra, a holistic health practitioner, and Dennis, who is currently unable to work because of his disability, get by on Debra's income along with federal disability payments. Those payments amount to around \$1,200 a month, which is far less than Dennis' previous salary of around \$1,000 a week.

The Muths' struggle is a [relatively common one](#) in this country, where 1 in 4 20-year-olds will become disabled at some point in their working lives, according to the Council for Disability Awareness. Only 40 percent of employers offer short-term group disability insurance and 33 percent offer long-term group disability insurance, according to the nonprofit organization. Purchasing the insurance outside of work is not a common practice, partly because it's expensive.

While the word "disability" might conjure images of wheelchairs or missing limbs, most disabilities leading to the inability to work are more pedestrian: pregnancy, a torn ligament or even a sprained ankle. Illnesses like cancer, which require prolonged treatment, are another common cause, says Carol Harnett, president of the Council for Disability Awareness.

"Disability as it relates to work is about the messy reality of our lives. Sometimes it's happy times like having a child; it's also about inconvenient times, like if you tweaked your back or got a concussion," she says. The median amount of time it takes to return to work after a disability is six weeks, and Harnett says many people don't have the savings on hand to see them through that long without income.

That's why many experts recommend building a significant emergency fund, taking out disability insurance if it's available to you and finding an employer that will support you along the way. Here are ways to protect your family from experiencing the financial stress that the Muths did in the [wake of a disability](#):

### **1. Prioritize your rainy day fund.**

"We were lucky we were just starting to build that. If we hadn't, we would have been in major trouble," Debra Muth says. Since there can be delays with workers' compensation and disability insurance payments, it's important for families to have access to cash right away.

Stephanie Thompson, a financial advisor with the MetLife Premier Client Group in Oak Brook, Illinois, encourages her clients to set aside at least six months' worth of living expenses for a rainy day, but she says some families feel more comfortable with as much as a year's worth. "If you get a raise, make sure you put a percentage into the rainy day fund," she suggests, adding that savings can be automated.

For families with a single breadwinner, hefty savings accounts are even more important. "It will be tight with the budget, but you have to make that mandatory," Thompson says.

## **2. Get disability insurance.**

If you have access to a group [disability insurance policy](#) through work, then it's usually a great deal to take advantage of it. Employers often pay a portion or even all of the premiums. If that's not an option, then you might have access to a group disability insurance policy through any associations or organizations you are part of, Harnett says. She gets her policy through a professional association, which costs \$100 a year for short-term disability and \$240 a year for long-term disability coverage, she adds.

## **3. Take care of yourself.**

"Keep yourself in the best shape you can. If you don't smoke, make sure your weight's in the normal range, exercise five days a week – then we know you'll have lower or decreased odds of disability related to illness and most likely will recover more quickly [if you do face a health condition or injury]," Harnett says. Smoking, drinking and reckless driving all contribute to your risk of [experiencing a disability](#).

## **4. Find a more accommodating profession.**

While a job involving physical labor might be off-limits after a serious injury, Thompson says finding work that is less physically demanding might be possible. "Once you're disabled, it doesn't mean you can never work again. It depends what the disability is, and in the majority of cases, someone can find work that's accommodating," Thompson says.

## **5. Research your employer's policies before taking a new job.**

Even if you don't anticipate experiencing a [debilitating illness or injury](#), given the chances of one occurring, it can pay to research a potential employer's policies before taking a job. "If you have a choice, find an employer that will be supportive," says Stephen Brobeck, executive director of the Consumer Federation of America. Being supportive includes holding your job open so you can return

to it, providing adequate health insurance and offering (and subsidizing) long-term disability insurance, he says.

Another way of scoping out an employer's policies, Brobeck says, is by doing a Web search of the company's name along with the words "complaints" or even "sucks," which can yield online discussion boards about how past or current employees have been treated. "Once you're employed and have a disability, it's really too late," he says – you can't do much to alter your company's policies.

In retrospect, Debra Muth says she wishes her family had taken out disability insurance for Dennis. "That would have made our situation a lot simpler," she says. Now, as Dennis faces yet another surgery, she says he's attempting to make the best of every day. "He's trying to find his own place in the world as an independent person again."



**Kimberly Palmer** is a senior editor for U.S. News Money. She is the author of the new book, "[The Economy of You](#)." You can follow her on Twitter [@alphaconsumer](#), circle her on [Google+](#) or email her at [kpalmer@usnews.com](mailto:kpalmer@usnews.com).