



NEWS RELEASE

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WOMEN PARTICULARLY AT-RISK WHEN IT COMES TO DISABILITY

-The impact of disability can leave women – especially single women – financially vulnerable-

BRYN MAWR, PA – June 4, 2012 – According to a new study released by The State Farm® Center for Women and Financial Services at The American College, women – whether they’re working or a stay-at-home mom, single or married – women are most at risk both physically and financially when it comes to disability.

Fifty percent of women say that if they were to become disabled, the impact on their household’s finances would be at least “somewhat devastating.” In fact, 18 percent of women (compared to only 12 percent of men) are “extremely concerned” about the impact a disability could have on their financial situation. Women are almost twice as likely as men to think their cash reserves would last less than one month in the event of a disability (22 percent versus 12 percent). Furthermore, women are not only more apt to experience financial hardship due to a disability – they are also significantly more likely than their male counterparts to develop a disability in the first place.

Data from Centers for Disease Control and Prevention (CDC) shows women are increasingly more likely to experience a disabling condition during their working and senior years. Arthritis, the leading cause of disability among adult Americans, is more than twice as likely to affect women as men. The incidence of disability for females has risen at a disproportionate rate relative to males, according to data from the Social Security Administration. Specifically, between 1999 and 2009, Social Security Disability Insurance (SSDI) applications for men grew by 42 percent vs. an increase of 72 percent for women.

Single women are especially financially vulnerable – more than one in four (28 percent) see the consequences of disability as “totally devastating.” Married women are also at risk; they are more likely (20 percent) than married men (11 percent) to say they are concerned that their spouse will become disabled and unable to work.

Employer-sponsored plans are the most common means of disability insurance, however less than half have this benefit with women less likely than men (45 percent vs. 51 percent) to be covered. Female entrepreneurs are at even greater risk.

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Another survey released by The American College in January 2012, focused on small business owners, found that roughly 22 percent of women small business owners own, and offer their employees, short and long-term disability coverage. This data reveals a gap in coverage for many women who own or work for a small business.

“The implications of this research are startling. Financial services professionals need to start educating their clients – especially their female clients – about the steps they can take to prepare for disability,” said Mary Quist-Newins, ChFC®, CLU®, CFP®, Director of The State Farm Center for Women and Financial Services at The American College, the academic entity that conducted the study. “These professionals have the unique opportunity to empower women to make sure they’re fully prepared and aware of their options.”

In other study results:

- While more than half of men have at least done some research into how much disability insurance they need, only about four in ten women have researched the issue.
- Fifty-two percent of men compared to 37 percent of women, have discussed the possibility and implications of a disability with a financial advisor.
- Women are less likely than men to feel confident about job security (28 percent vs. 39 percent), covering basic expenses (25 percent vs. 25 percent), and being able to afford medical care (17 percent vs. 25 percent), if they were to become disabled.

To learn more about The College’s disability research findings, read this 15-page report [WomensCenter.TheAmericanCollege.edu/DisabilityStudy], authored by Professor Mary Quist-Newins, on The American College’s State Farm Center for Women and Financial Services website. In addition, you can view videos discussing these findings and their implications on the college’s Wealth Channel [WomensCenter.TheAmericancollege.edu/NewDisabilityAwarenessStudy] or see a visual representation of the key statistics online [WomensCenter.TheAmericancollege.edu/DisabilityInfographic].

Methodology: This survey was conducted by independent market research firm Mathew Greenwald & Associates on behalf of The American College’s State Farm Center for Women and Financial Services. Information was gathered through 15-minute online interviews with a total of 1,600 employed women and 800 employed men ages 25 to 64 with total household income of at least \$35,000. Interviewing took place November 8 to 18, 2011. The data are weighted by age, gender, marital status, presence of children, and education to reflect the total employed population ages 25 to 64 with household income of at least \$35,000. If this study were a random survey of 2,400 employed individuals, it would have a margin of error (at the 95% confidence level) of plus or minus 2 percentage points.

The American College is the nation’s largest non-profit educational institution devoted to financial services. Holding the highest level of academic accreditation, The College has served as a valued business partner to banks, brokerage firms, insurance companies and others for over 85 years. The American College’s faculty represents some of the financial services industry’s foremost thought leaders, including The State Farm Center for Women and Financial Services – the first and only academic institution devoted exclusively to the study of women and financial services. For more information, visit TheAmericanCollege.edu

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