

WEEKLY FOCUS

Can You Afford to Miss Months of Work?

It won't happen to me. It's easy to think that way when considering the possibility of being out of work due to a debilitating illness or injury. But the numbers paint a different picture. More than one in four of today's 20-year-olds can expect to miss work due to a disability for 90 days or more before they reach 67, and 45 percent of consumers who filed for bankruptcy between 2013 and 2016 cited medically related work loss as a contributor.¹

Back injuries, cancer, strokes, heart attacks, diabetes, and mental health issues are among the most common conditions that force people to take extended time away from work, but there are many more that unexpectedly afflict people every day. Worker's compensation and Social Security do not cover many of these conditions. So, unless you plan to retire soon, or you can afford to go months without a paycheck, you should protect your income with disability insurance.

When selecting disability coverage, it's important to understand the differences in policies. In general, there are two types of disability insurance: short-term and long-term. Both will replace a portion of your salary up to a cap. How much you pay for your coverage will vary depending on your age, health, occupation, how long it will pay benefits, gender (unlike life insurance, women typically pay higher rates for disability coverage), and the elimination period (the amount of time you must wait before collecting benefits).

When comparing coverage, be sure to know how the carriers define "disabled." Some will only pay if you are unable to work at any job you're qualified for. Others will pay if you can't work in your occupation. Some will pay partial benefits if you can work part time, and others will only pay when you are unable to work at all.

Disability coverage often excludes certain health issues, such as existing back problems or mild depression, meaning you cannot file a claim if you're disabled for an excluded condition. But because many injuries and illnesses can lead to a disability, you should still consider purchasing coverage even if you have an exclusion.

To learn more about how disability insurance can help protect your income and what coverage is right for you, call our office today to schedule an appointment.

¹ https://disabilitycanhappen.org/wp-content/uploads/2019/05/DIAM2019_Facts.pdf

FINANCIAL FACTS

Half — 49 percent of the United States' 330 million population maintain their health insurance through an employer's health insurance plan either as an employee or a dependent of an employee (source: Kaiser Family Foundation, BTN Research).

A Year Later — As of April 30, 2020, our nation's jobless rate was 14.8 percent with 23.1 million Americans out of work. As of April 30, 2021, our jobless rate was 6.1 percent with 9.8 million Americans out of work (source: Department of Labor, BTN Research).

New Homes — Construction began on 103,700 new single-family homes in the United States in March 2021, the highest monthly total reported nationwide since June 2007 (source: Census Bureau, BTN Research).

WEEKLY COMMENTARY

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THE MARKETS

Stocks rebounded Friday following a steep selloff earlier in the week when investors reacted to data showing consumer prices leapt to a 13-year high in April. Despite the rebound, stocks still recorded losses for the week. For the week, the Dow fell 1.08 percent to close at 34,382.13. The S&P lost 1.35 percent to finish at 4,173.85, and the NASDAQ dropped 2.32 percent to end the week at 13,429.98.

Returns Through 5/14/21	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-1.08	13.09	48.58	13.92	17.12
NASDAQ Composite (PR)	-2.32	4.46	51.32	23.11	24.55
S&P 500 (TR)	-1.35	11.73	48.72	17.39	17.58
Barclays US Agg Bond (TR)	-0.37	-2.70	-0.24	5.21	3.08
MSCI EAFE (TR)	-1.29	7.94	47.60	6.21	9.88

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

If you would like to talk with John about the topics discussed in this article, or you would like to set up a phone or in person appointment to review your accounts or discuss any concerns about the markets, etc., with John, then please contact our office at 408-440-1020, or John.plaza@securitiesamerica.com to arrange a time that is convenient for you.

* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright May 2021. All rights reserved. Securities offered through Securities America, Inc., broker-dealer and member of FINRA and SIPC. Investment advisory services offered through Securities America Advisors, Inc. and/or Arbor Point Advisors LLC, registered investment advisers. Securities America, Inc., Securities America Advisors, Inc., and Arbor Point Advisors LLC are separately owned and other entities and/or marketing names, products or services referenced here are independent. Securities America • 12325 Port Grace Blvd. • La Vista, NE 68128 • 800-747-6111 • securitiesamerica.com # 23235348