

With Americans Falling Behind On Their Retirement Goals, Protecting Against Disability Should Not be Overlooked

MILWAUKEE, May 1, 2013 /PRNewswire/ -- May is Disability Insurance Awareness Month, so [Northwestern Mutual](#) is reminding Americans why it's important to take steps to ensure a steady income in the event of a short- or long-term disability. It's particularly important during today's challenging economy when a significant number of people feel they've fallen behind on their retirement goals and are scrambling to play catch-up.

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According to Northwestern Mutual's [2013 Planning & Progress Study](#) – new research that provides unique insights into people's current attitudes and behaviors towards money, goal-setting and priorities:

23% of Americans want to be more cautious with their money, but feel they have a lot of catching up to do.
Nearly one in five (22%) have dipped into their retirement savings over the past three years
22% have either stopped or reduced their savings contributions altogether.

"Protecting against a disability is often low on the list of priorities when it comes to getting back on track with financial security planning, but it should be a core component in a comprehensive financial plan," said Sandy Botcher, Northwestern Mutual Vice President – Disability Income Insurance.

Botcher added, "It's rare that a person or family can lose a steady income and continue to live the same lifestyle to which they are accustomed. Moreover, a short- or long-term disability may not only result in lost income, but also high medical costs and increased expenses. [Disability insurance](#) provides the protection needed during those challenging times."

Considering the options

An individual [disability income](#) insurance policy pays a monthly benefit when an illness or injury renders an individual unable to work. The monthly benefit amount from the policy replaces income lost as a result of a disability, helping to meet ongoing financial obligations and maintaining financial goals.

Botcher added that the impact of becoming sick, hurt or unable to work should be heavily factored into one's retirement plan.

Consider this example:

Man A and Man B are both age 50 and have the same annual income – A has disability income protection and B does not.

If Man B suffers a sickness or injury that leaves him unable to work for two years, he may not be able to make his regular contributions to his retirement plan. If Man A suffers a disability for two years, his retirement plan may not be impacted as significantly because he has disability income protection, which can allow him to continue contributing to his retirement plan.

Visit [Northwestern Mutual.com](#) for the case study [Will Your Retirement Program Work as Intended](#) that highlights the financial impact of a disability on one's nest egg.

"The takeaway is that most people can benefit from the protection provided by an individual disability income policy," said Botcher.

Additional tools and educational resources on planning around the possibility of a disability event can be found on the [disability insurance](#) section of Northwestern Mutual's website.

About Northwestern Mutual

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For further information: Jean Towell, 1-800-323-7033, mediarelations@northwesternmutual.com

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