

# Disability Insurance TEDx

## Speech

**Current Speech Length: Approx. 15 minutes**

On the count of three I want everyone in the audience to yell out where they think the most premier travel destination on earth is - ready? 1, 2, 3. (Audience responds) Did I hear everyone say the former Soviet bloc city of Bratislava, Slovakia? (PAUSE)

I think I did. (PAUSE) If you haven't been you MUST go, you won't find better sheep's cheese dumplings anywhere else in the world.

Traveling to Slovakia was exceptional to me because it allowed me to achieve my bucket list dream of visiting 50 countries before 50. It was also something I didn't know if I would ever be able to do. As I hobbled off the train in Bratislava, I glanced up to see the sun peering through the clouds. A large grin crept across my face and I began to laugh... and then cry. The locals just looked at me, stone-faced, like, who's the crazy tourist lady?

You see, my life had always been meticulously planned, until the one thing I hadn't planned on changed everything: a freak accident that turned my world upside down, both physically and financially. I never knew if I'd be able to travel, work, or do any of the things I loved ever again.

To this day, I still get a very sharp pain in my right shoulder that makes me literally jump up and shriek in pain. So if I do that during this speech, remember, it's okay, I didn't just get stung by a murder hornet. (PAUSE)

Let's go back to 1988, when I first left my homeland of Jamaica. I had grown up surrounded by extreme poverty which instilled in me a feverish drive to become financially secure. After graduating from high school at 16, I received an opportunity to move to the United States - the land of milk and honey. Or so I thought.

Instead of milk and honey, I encountered many of the same issues of inequality and oppression that I had experienced back home. But I had a priceless drive and ambition to make it.

I began by studying successful people that I admired, learnt everything I could about them, and set out to emulate them. My vision? To stop the cycle of poverty in my family. I created goals and would check them off one by one. Everything was going according to plan, until...

On Saturday August 28th, 2021 my entire life was blindsided, literally and figuratively.

I was preparing to interview for my dream job when my daughter asked me to take her on a quick errand. Not 5 minutes into our drive, SMASH, we were violently rear ended by 2 large impacts.

Two days later, I could not physically get out of bed. My entire right side was sore, weak, numb, and tingling. I could not turn my neck to the right and could barely raise my arm, I had gone from the Queen Of Killing It; to needing a hand to scratch my ear.

The doctors told me there had been serious damage done to my body and I would need extensive therapy. 2.5 years later, I am still recovering.

Not only did I have to give up on my dream job, but I eventually had to leave the business I had poured my heart and soul into starting. I had always kept almost 12 months worth of emergency funds, twice the amount usually recommended, but it was dwindling fast due to a number of large unexpected expenses (PAUSE)

As someone who had planned pretty much every detail of my life, I found the one thing you can't expect is the unexpected. The financial toll this disability has taken on me... is the heaviest weight to bear.

As the great philosopher Mike Tyson once said, "Everyone has a plan until they get punched in the face." (PAUSE)

Everybody here today, whether young or old, faces the possibility of unexpectedly becoming disabled. But everyone thinks it *won't happen to me*.

Here are the hard facts:

- According to the [Social security administration](#), more than 25% of 20-year-olds today will become disabled before they retire.
- And a survey in 2019 by the [National Library of Medicine](#) showed that 78% of Americans filed for bankruptcy due to income loss with 44% specifically tying it to

medical problems.

- Despite this startling data, according to [CNBC](#), 44% of Americans can't pay an unexpected \$1,000 expense from savings. So ask yourself, are you one of those 44%?

Armed with this information and my personal experience, I decided to interview hundreds of professionals in my community, many of whom made 6 figure incomes, to discover whether they had adequately planned for the possibility of becoming disabled. I found most of them were either relying on their employer's long term disability, which I'll show you later is insufficient to cover costs, or they had none. I was shocked.

One high-powered working single mother with two children that I spoke to had no emergency fund, no disability insurance, meager savings, and almost nothing in her retirement account. She thought she would be better off being dead than getting ill. Can you imagine?

Isn't it crazy to think that so many of us insure our cars, our pets, our homes, but not against physical or emotional trauma that could cost you your livelihood?

For example, how many people here have gotten into a car accident in their lives? (raise hand) [In 2021, 62 million, or about 1 in 5 people in the U.S. sought medical attention for an injury](#), and it's just one of millions of types of accidents that could befall you.

Like many of you in this room, my family didn't educate me about the financial perils of disability, my friends didn't, my College didn't, and my employers certainly didn't.

So today I am sounding the alarm. Here are 3 simple things you can do right now to protect yourself and avoid getting blindsided like I did.

**The first is to know how much you are bringing in and how much you are spending.**

(Pick out someone in the crowd) Sir? How much do you make and how much money do you spend a month? (slight pause) Just kidding, I'm not going to put you on the spot. (PAUSE) He's sweating, like phew! (PAUSE)

What you're going to want to do is look at your bank statement and credit card bills for a 2-3 month period. If you're spending more than you're bringing in, you'll want to rethink some of

your habits. What are you spending on unnecessarily? What can you cut back on and start putting into your savings? Wait, how much do you spend on coffee a week??

This will allow you to estimate the numbers you'll be working with were you to become disabled and how much your disability income will cover.

Why?

Because most companies only offer disability insurance up to 65% of your base salary.

Say what?!

This amount does NOT include bonuses. Plus, you'll likely have to pay taxes and medical insurance out of this income.

Wait? Double what?!

It's true.

Ask yourself, can you live off 65% or less of your current salary? Especially after deducting taxes and medical expenses?

The answer is probably no. I know I definitely could not. Being disabled is astronomically expensive, so you will want to decide, right now, what expenses you need to cut or eliminate altogether.

Back to coffee, I'm not asking you to completely cut out your favorite blend, or anything else that you enjoy. All I'm asking is can you make an adjustment?

What if you stopped buying that \$7 latte every day of the week, and went down to 5 days a week?

That would add over \$700 a year to your emergency fund.

I had a client who spent almost \$9k on Uber Eats a year. She was flabbergasted when she discovered it had been eating up 10% of her income.

So, she made a change. She started preparing meals at home. This saved her thousands of dollars a year, which she put towards her emergency fund.

If you do these simple things, within a year, you can accumulate a nice emergency fund, and will no longer be in the statistics of Americans who can't afford \$1,000 in unexpected spending.

Whether coffee, Uber Eats, or something else. There will ALWAYS be something you are able to cut back on so you can give yourself peace of mind, safety, and stability.

**This brings us to the second thing you can do right now: buy your own long term disability insurance policy.**

If you have disability insurance with your employer, remember, they most likely only cover up to 65% of your base income. Meaning, you will need to find a disability insurance plan outside of work that will cover the remaining 35%.

If you're self-employed, you might think, gulp, what about me? You too can purchase your own private policy, unless you have other streams of income that can make up the difference. Call up 3 insurance companies and get a quote, but do your research to see what's best for you.

If you're a College student, things are slightly different. Only a select few of you are able to purchase long term disability. But what you can do is put a reminder in your calendar to make it a priority as soon as you start working.

Going back to my journey. I DID have a supplemental disability policy, but there was a problem: most policies only provide you with income after a certain time has passed. For me it was 3 months for my private policy and 6 months for the policy through my job.

Many companies do offer short term disability which lasts 6 months, but in my situation, I only had 2 weeks left, because I had already used up the rest. Talk about the perfect storm.

As someone who had been teaching personal finance for over 2 decades, especially about insurance and risk protection, it was an eye opener for me to see how quickly I could go from relatively financially secure to a sense of total panic.

Now you may be thinking, I don't even have an emergency fund, where will I get the money to purchase disability insurance?

Well, If you truly go through the exercise of identifying how much you are bringing in and how much you are spending, you WILL find the cash. You just need to do it.

**The third and final thing you can do right now, is generate additional income.**

How? Start a business.

What are you passionate about? What skills and talents are you sitting on? Writing, photography, art?

For me, it was personal finance. So I started a business teaching individuals, students, and community organizations. I built it from the ground up, scaled it, and ran it happily and successfully for two decades.

And you can do the same.

You can also invest your money, or buy real estate. Does that make you feel squirmish? I get it.

If you don't want to go it alone, you can partner with family or like-minded friends. Back in College, my friends and I started an investment club. Combined, we had zero investing knowledge, but over time, we learned, grew, and stuck together and became a formidable force.

We cannot plan for everything, and that was a big lesson for me, but when we understand how to protect ourselves and our families if we become disabled we will set ourselves up to be financially secure.

It takes discipline and the desire to get it done. It will come down to a personal commitment to yourself to seek out the information and implement it.

But, as Suze Orman says, "A big part of financial freedom is having your heart and mind free from worry about the what-ifs of life."

With these 3 things, starting today, you can begin to secure your future.

1. Know how much you are bringing in, how much you are spending, and make adjustments. Do you want to maintain your lifestyle? Or go bankrupt? Do you want to enjoy \$9K a year in Uber Eats, or protect yourself and pass generational wealth onto

your children?

2. Buy your own long term disability insurance. If you're employed, call your Human Resources office to find out how much long term disability benefits you have and when they start paying. If they're insufficient, find an outside plan. If you're self-employed, start shopping. And if you're a College student, make it a priority as soon as you start working.
3. Generate Additional Income. Start a business, start investing, buy real estate. Don't procrastinate, be proactive, this is your livelihood we're talking about, for financial freedom is freedom.

As Confucius said, A man who does not plan long ahead will find trouble right at his door. I certainly did when the one thing I didn't plan for, blindsided me. I'm still recovering both physically and financially and I don't want anyone in this room to go through what I had to go through.

I cried when I stepped foot in Slovakia because I never thought my feet would touch its soil. I never thought I'd be able to achieve my dream of visiting 50 countries. And I almost didn't.

We're on this journey together. There are many paths to wealth and it starts with protecting what you are currently earning. There is no better time to start than right now. You are not just protecting your income, you're saving your life and those who depend upon you.

Thank you