



## **Financial Strain on Workforce Leads to Increased Need for Disability Benefits, Related Services**

**PORTLAND, Ore. – Feb. 6, 2013** — The average net worth for an American employee has fallen significantly in the last 10 years. This decrease is contributing to changing workplace demographics and an increased need for group disability insurance and related services, such as absence management, according to recent industry analysis by [Standard Insurance Company](#) (“The Standard”).

“The recession, along with higher health care costs and a multigenerational workforce, is creating a unique situation for employers,” said Alex Dumont, assistant vice president, product marketing at The Standard. “Lower employee net worth has made it necessary for baby boomers to have a longer employment tenure to recoup money lost during the Great Recession. This is affecting the upward trajectory of Generation X and millennials and will shift the current cost structure under which employers are operating.”

As many baby boomers are forced to delay retirement, they are inadvertently creating a workplace with higher likelihood of serious illness or injury. This can strain employer health care costs. Research shows that the cost of health care claims increases every 10 years for men beginning at age 45 and for women beginning at age 35.<sup>1</sup>

To keep baby boomers productive and reduce the likelihood of a disability leave, it is increasingly important to have return-to-work, stay-at-work and wellness programs available.

Younger age groups are facing their own financial challenges, often doing more with less. Their personal wealth is suffering for many reasons, including slowed upward movement and increased family responsibilities — such as caring for children and aging parents.

“We’ve seen the cost of caring for children and aging parents rise over the last 10 years, placing a significant financial burden on Generation X and millennials,” Dumont said. “These generations — sometimes referred to as the ‘sandwich generation’ — are more likely to use family and medical leave benefits to care for family members. They are not afraid to use these benefits, especially since they can’t always afford to pay for family care services.”

To help employers manage costs associated with family medical leave, The Standard suggests providing workers with more flexibility, including options for where and when they complete their work. In addition, a comprehensive absence management program available through an

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<sup>1</sup>The Center on Aging & Work at Boston College. June 2007. Does Health Insurance Affect the Employment of Older Workers? Available at: [http://www.bc.edu/content/dam/files/research\\_sites/agingandwork/pdf/publications/IB08\\_HealthInsurance.pdf](http://www.bc.edu/content/dam/files/research_sites/agingandwork/pdf/publications/IB08_HealthInsurance.pdf). Accessed January 23, 2013.

employer's disability provider is helpful for tracking utilization of family medical leave to ensure the leaves are managed correctly, reducing the burden on HR staff.

To learn more about disability programs, including Workplace Possibilities<sup>SM</sup> from The Standard, and best practices for managing employee absence and disability, visit [www.workplacepossibilities.com](http://www.workplacepossibilities.com).

#### **About the Workplace Possibilities program**

The Workplace Possibilities<sup>SM</sup> program is a unique, proactive approach to helping employers prevent and manage employee absence and disability. A Workplace Possibilities consultant helps to connect employees with their health management programs and identifies opportunities to keep at-risk employees on the job or return to work faster. By doing so, the program delivers rapid and measurable reductions in absence- and disability-related costs. For tips and tools HR professionals can use to help re-imagine the way they manage absence and disability, visit [www.workplacepossibilities.com](http://www.workplacepossibilities.com).

The Workplace Possibilities Program is available through The Standard's Group Disability Insurance. An on-site consultant is available for groups with 1,000 or more employees. This policy has exclusions, limitations, reduction of benefits and terms under which the policy may be continued in force or terminated.

#### **About The Standard**

The Standard is a leading provider of financial products and services, including group and individual disability insurance, group life and accidental death and dismemberment insurance, group dental and vision insurance, absence management services, retirement plans products and services, individual annuities and investment advice. For more information about The Standard, visit [www.standard.com](http://www.standard.com).

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