

Small claims court is not a perfect dispute setting mechanism. However, students who are aware of its intricacies may be more likely to feel it is a viable resource when they have difficulty resolving consumer problems.

### REFERENCES

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### RESOURCES FOR TEACHERS

- Model Consumer Justice Act*. Chamber of Commerce of the United States, 1976.
- Ruhnka, John C. *Housing Justice in Small Claims Courts*. American Bar Association, 1979.
- Warner, Ralph. *Everybody's Guide to Small Claims Court*. Addison-Wesley Publishing Company, 1980.

### RESOURCES FOR STUDENTS

- Consumers Tell It to the Judge: Small Claims Courts and Consumer Complaints*. U.S. Department of Justice, Office of the Attorney General, 1980. (A free 24-page brochure)
- "Could You Win in A Small Claims Court?" *Changing Times*, November 1982, pp. 18, 22.

### FOOTNOTES

1. The exception is the Chicago *Pro Se* Court where claims may not exceed \$500. The court also differs from others in Illinois in that corporations are not allowed to file claims and only defendants may be represented by attorneys.

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## WHAT WE ARE TEACHING ABOUT DISABILITY INCOME PROTECTION

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For persons younger than 65, a disabling illness or injury lasting three months or more is much more likely than death. A 22 year old is seven times more likely to be disabled than to die, while the ratio is 3:1 for 35 year olds [2]. One in four workers will be disabled for at least a year prior to retirement. [7]. Although the possibility of severe disabili-

ty is considerably higher for the working population than the likelihood of sudden death, Americans are far more likely to be concerned about life insurance than disability income protection.

Social Security disability benefits were first paid in 1957; the program now pays \$18 million a year to 3.9 million disabled persons [8]. However, Social Security's definition of disability is very restrictive and the requirements for insured status are more rigorous than for other Society Security benefits. "To be considered disabled under the Social Security law you must have a physical or mental condition which: prevents you from doing any substantial gainful work, and is expected to last (or have lasted) for at least 12 months, or is expected to result in death" [7]. Strict interpretation of this definition places the burden of proof on the disabled person. As a result of recent actions to cut down on costs and abuses, 266,000 recipients were eliminated from the disability rolls in 1981 and 1982 and fewer new claims are being approved[8].

The purpose of disability income insurance is to replace a portion of lost wages when the insured is sick or injured and unable to work. Short-term policies provide benefits for two years or less, while long-term coverage generally extends for at least five years or until retirement or death [4]. Total benefits of disability insurance are usually limited to 60-70% of pre-disability income in order to encourage the return to paid employment.

Most workers depend on employer-sponsored disability income insurance to fill the gaps left by Social Security. However, more employees (65 million) are covered by short term policies (typically 26 weeks) than by long-term coverage (21 million) [4]. A 1982 survey conducted by the Health Insurance Association of America examined new group health insurance policies and found that the majority of companies continue to provide only short-term coverage [3].

Consumers face a wide variety of challenges when attempting to obtain adequate disability income protection. Although aware of Social Security and employer programs, most workers do not realize how inadequate that coverage may be. Once the need for additional protection is recognized, a more complicated challenge is determining the most appropriate risk management strategies. How well are we preparing students to accomplish these tasks?

### OBJECTIVES

The purpose of this research was to evaluate the disability income protection content of college level personal finance textbooks published 1978-mid 1983. The specific objectives were:

1. to compare the number of pages allocated to disability insurance and life insurance;

2. to identify texts which included step-by-step procedures for evaluating disability income needs;
3. to evaluate the adequacy of the coverage in each text; and
4. to make recommendations to consumer educators on improving disability income protection instruction.

### FINDINGS

The content analysis revealed that few personal finance texts provide sufficient information for students to evaluate their disability income needs. Most texts devote only one or two pages to disability income protection while 5-49 pages were allocated to life insurance. The mean number of pages devoted to disability insurance was 3.0 while life insurance chapters averaged 29.4 pages. With one exception the texts included two pages or less on Social Security disability. Only seven texts provide a step-by-step procedure for estimating needs.

Eighteen of the textbooks included disability in the health insurance chapter; six texts treated it as part of a general insurance chapter and one included it with life insurance. Only three texts included the word "disability" in the chapter title. Some texts integrated the topics of disability insurance and Social Security while others treated them separately.

Based on the amount and quality of content, six texts were rated "very good" for disability income protection coverage, three received a rating of "good", and the remaining 16 were judged inadequate. Although there is a wide range in the extent and quality of the coverage, the topic is assigned a low priority in most texts.

### DISCUSSION

Instructors make many difficult decisions in determining which topics to include within course time constraints. If textbook content is an indication of the relative priority assigned to disability and life insurance in our course, educators may want to reconsider the allocation of class time to these two topics. While death of a wage earner is a serious financial blow to a family, a disabling illness or injury can not only wipe out the income but entail additional expenses not covered by health insurance. For single persons with no dependants, the need for adequate disability income protection far outweighs the need for life insurance. With statements indicating that "disability insurance planning is not difficult," [1 p. 285] and "it is easier to calculate how much disability income insurance you should have than to calculate how much life insurance you need" [6 p. 562], many texts offer a simplistic view of disability income planning. It may be "easy" to plan income needs in the event of a total disability assuming one can collect Social Security benefits. However, recent trends indicate

it is much more likely that a disabled person will not receive Social Security benefits, thus complicating the planning process. A review of current Social Security policies regarding payment of disability benefits would provide a worthwhile supplement to the text.

Unlike the texts, the Health Insurance Association of America offers the following assessment of disability income planning. "Today, there exists a bewildering number of disability income protection programs at practically every level of business and government. By its sheer complexity, this makes it difficult for individuals to know all the systems under which they may or may not be covered" [5]. Although 84 million families have some private or employer disability insurance, only one-fourth of those have long term coverage [4], exposing them and their families to severe financial hardships.

Although educators are not expected to select a text based on its coverage of a single topic, this content analysis reveals that most college level personal finance texts do not adequately cover disability income protection. Thus it is the instructor's responsibility to supplement the text to assist students in planning disability income protection.

### RECOMMENDATIONS TO CONSUMER EDUCATORS

Consumer educators should reevaluate the importance of disability income protection to their students' needs and develop appropriate teaching strategies. The following recommendations are suggested:

1. carefully evaluate the disability income protection content of your current text and encourage more thorough coverage of disability income protection in future editions.
2. integrate the topics of life and disability insurance to illustrate their respective roles in risk management.
3. assign students to evaluate the disability income needs of a real family and to devise risk management strategies.
4. encourage students to evaluate employee benefits along with salary when job hunting by analyzing the employee benefits of a major local employer.
5. integrate instruction on disability income protection with information on changing population and employment trends and Social Security administrative policies.
6. develop and share educational programs on disability income protection.

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### THE DETERMINANTS OF FINANCIAL MANAGEMENT BEHAVIORS AMONG COLLEGE STUDENTS: IMPLICATIONS FOR CONSUMER EDUCATION

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Financial choices of most consumers are more difficult today because of fewer resources, higher costs and greater uncertainty of our economic future [12, p. 81]. Financial management behavior can have broad and long-term consequences. Planning and implementing activities of consumers are direct approaches to managing our complex financial environment within which financial choices must be made. Thus, the development of a set of routine financial management practices or behaviors should lead to a greater probability of financial success as well as security. Examples of such behaviors include regular financial goal-setting and estimating expenses and in-