

# Groh Foundation Promotes Disability Awareness In The Trades

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HVAC contractors divided in offering short- and long-term disability benefits

Like it or not, there are some things in life you just can't plan for. Accidents happen on and off the job site, and oftentimes, the results can be catastrophic.

Companies and employees often find some form of protection in short- and long-term insurance plans, and perhaps none are more worthy than disability programs, which are designed to replace some of the wages lost by people who cannot work because of a disabling injury or illness.

According to The 2016 National Compensation Survey, only 38 percent of natural resources, construction, and maintenance workers had access to short-term disability insurance plans and 28 percent had access to long-term disability plans compared to 46 percent for workers in management, professional, and related occupations for short-term and 53 percent for long-term insurance plans.

## DISABILITY INSURANCE

Disability insurance can be a colossal benefit for employees who suffer life-altering injuries.

Just ask Joseph Groh.

On Father's Day of 2008, Groh, a 35-year industry veteran, decided to go for an aerobic bike ride along the trails of Lake Grapevine after spending a day with his family. At one point, the trail turned sharply left and the front tire of Groh's mountain bike slid on some sand and off the trail. Groh was thrown headfirst over the handlebars, breaking his neck and damaging his spinal cord at the C-4 vertebra.

Motivated to make the most of his injury, he founded the Joseph Groh Foundation to help others living with life-altering disabilities. The foundation provides information and financial assistance to people living with disabilities. It was also launched to encourage companies to offer employees short- and long-term disability insurance. Up until now, the foundation has accomplished two of its main objectives in providing information and grants to individuals. Now, the foundation has shifted its focus toward a third objective.

"A major disability is something that always happens to someone else, until it doesn't," Groh said. "The sad fact is most Americans are better prepared to die than they are to deal with disabilities. Just over one in four of today's 20-year-olds will become disabled before they retire. In fact, more than 37 million Americans, or about 12 percent of the total population, are classified as disabled, and 8.8 million wage earners are receiving Social Security disability insurance — 2.5 million of these are in their 20s, 30s, and 40s.

"Of the individuals who have petitioned us for grants, none of them were prepared financially for the tremendous adverse effects of any kind of a disability," Groh continued. "And, of course, the people who approach us are individuals who are going to be living the rest of their lives with significant disabilities. Some of them are very young, and some are 50 years old or older. In any case, they are terribly ill-prepared to handle the tremendous financial impact of a lifelong disability."

Groh said he knows from personal experience the financial relief disability insurance can provide.

"I was equipped with short and long-term disability at the time of my accident, and it made a huge difference in my family's ability to handle the adverse effect of a severe life-altering disability," he said.

Groh said the foundation is focusing on encouraging companies to offer disability insurance now because it felt it had the other two objectives well in-hand.

"We haven't really tackled it yet and felt it was time," he said. "Let's say a 40-year-old individual endures a horrific injury that will last the rest of his lifetime, and he's able to take short- and long-term disability due to the foundation's efforts. Just by him having that benefit, we are able to make more of a financial impact through that one person than maybe all of the things we've done as a foundation. Imagine you are in a car accident tomorrow and are paralyzed and can't work for the rest of your life, but you have short- and long-term disability that allows you to make 60 percent of your salary or whatever the percentage is. Imagine the impact that will have on your life versus if you didn't have it. That's the kind of impact we're talking about."

Groh said the foundation has been hard at work researching disability insurance in general.

“Through the Department of Labor Bureau of Labor Statistics, we found that, generally, the core target market of individuals who don’t have short- and long-term disability is related to companies with less than 100 employees,” he explained. “And, of course, we recognize that many, many contractors in our industry fit that description.”

Additionally, the foundation is working to gain understanding within the industry. Vicki and John LaPlant, owner and CFO, respectively, of VLE Enterprises in Pottsboro, Texas, have conducted an informal survey of contractors on the types of insurance they provide and are compiling the results. According to John LaPlant, smaller companies offer disability insurance, but it is not endorsed very often, while only a third of larger companies employees use the benefit. “It amounts to about one-to twotenths of a percent in sales in terms of cost. We’re waiting for more data to come in.”

The National Federation of Independent Business (NFIB) reports the cost of both shortand long-term disability as being between 0.25 and 0.5 percent of total compensation regardless of the company’s size.

Lastly, the foundation is working with an organization that provides outsourced human resources offerings to contracting businesses to provide more information and solutions when it comes to offering disability insurance.

“We’re getting an understanding of the issue, trying to correlate understanding within the industry, and bringing awareness of the issue to the industry through speakers at national conventions and industry publications, like The NEWS,” Groh said. “The last thing is to be able to offer solutions to contractors who don’t know where else to turn if they’re interested in offering these kinds of benefits. We know that short- and long-term disability benefits, if purchased within a group plan, are generally among the most affordable benefits employers may offer employees. So, it’s not like we’re advocating employers take on a tremendous, expensive benefit. All of that kind of combines to say, we really want to have an impact on our industry toward the adoption of this benefit because the payoffs, if they’re ever needed, are huge.”

#### TAKING CARE OF EMPLOYEES

Groh said the payoff benefits employers, too.

"Contractors typically look at themselves as good neighbors in the local communities they operate in," he said. "A lot of them are very involved within their communities in a wide variety of ways. This is just one other way they can show their communities and customers that this a serious organization that is not only committed to providing the best of outcomes for its customers, but also one that backs that up by providing the best outcome for its own employees. Disability insurance really appeals to the nature of contractors."

However, the size of the company does play a role in whether the benefit is offered. Butch Welsch, owner, Welsch Heating & Cooling, St. Louis, said offering such insurance policies can be a bit complicated. Its union employees receive disability insurance through the welfare program, however non-union and office employees do not receive the benefit.

"We are a relatively small company with approximately 15 employees not covered through a union plan," Welsch said. "Due to the long tenure of our employees, we consider them as part of the Welsch family. Therefore, we have treated each situation we have encountered differently. In other words, we have typically paid an individual when they were off due to an extended illness or injury. We have been fortunate that it has not happened frequently.

"We currently have a situation where an employee is undergoing chemotherapy treatments for cancer," Welsch continued. "The treatments take place every three weeks and the employee has been missing about four or five days of work for the treatments. However, the employee attempts to do some work from home and does come back to work as soon as possible. This is a six-treatment process, which is currently 50 percent completed.

"I believe the best way to describe it is that we are selfinsuring any disability and feel that the employee appreciates that and returns to work as quickly as possible," he continued. "A concern that we have is that if we had a regular disability policy through an insurance company, where the person was paid for as much time off as they felt necessary, they would not be as anxious to return, which could be detrimental for a company of our size."

Welsch said he doesn't believe many employees consider disability insurance to be that important of a benefit. "Honestly, if I had an applicant who was very concerned about disability insurance, I may be reluctant to hire him or her because I would be concerned about his or her intentions. I wouldn't want to be taken advantage of when it comes to taking time off.

"I believe larger companies with perhaps hundreds of employees, where there is not the same family attitude we have, should probably have the insurance to protect themselves," he added. "Our employees know they're going to be missed if they're out, so they minimize that time away. In a large company, I'm not sure that feeling would exist."

Todd Kletz, owner, Classic Air's One Hour Heating & Air Conditioning in Virginia Beach, Virginia — one of The NEWS's 2016 Best Contractors to Work For — offers his 70-plus employees both short- and long-term disability insurance.

"We used to not offer it," Kletz said. "Then, there was an unfortunate turn of events where a valued employee was out for an indefinite period of time. I was torn emotionally as to what to do. Should I continue to pay them or not? And, obviously, at that point in time, it became a financial burden to the company. It was at that moment that I decided to go ahead and offer the disability insurance at our cost. So, maybe in the long-term, the cost to us is far greater because we're providing that insurance to everybody every month even though the need may never arise, but I felt it kind of took the personal decision out of the matter so that they have it if they need it."

Kletz said he remains unsure of its importance but feels it's a nice protection to offer employees.

"I would hope that it gives me a competitive advantage over my competition," he said. "As with all benefits, I just don't know if every employee, in particular the younger guys, recognize the value of this benefit or any benefit. I know, for a fact, our management team certainly appreciates it and recognizes it. I think the more mature employees recognize it to be a tremendous value, understanding there is a likelihood they'll be injured in general and be required to miss some time. As a result, they see the benefit for what it is. We point out all the benefits while recruiting and hiring, so I would like to think it's factored into their decision. I do believe it differentiates us from not only people within our industry but other trades and other job opportunities that might be presented to them.

"I think in the end, I'd rather be the guy who offers it because I think it's the right thing to do and it certainly helps me sleep a little bit better," Kletz added. "And I think at that moment of truth, when we're hiring somebody, I'd rather be the guy who has that benefit than the guy who doesn't. I think it demonstrates, to some degree, the type of company we aim to be.