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EMERGENCY FUNDS FOR NATURAL DISASTERS: WHAT'S IN YOUR FINANCIAL FIRST AID KIT?



You've likely read recent headlines estimating that [Hurricane Harvey will turn out to be the costliest disaster](https://www.vox.com/explainers/2017/9/18/16314440/disasters-are-getting-more-expensive-harvey-irma-insurance-climate) in U.S. history to date. In fact, it seems every week we are reading new headlines about the devastating costs due to hurricanes, earthquakes, floods and more. And if history is any indication, they will keep coming—after all, since 1980, Americans have experienced [more than 200 weather and climate disasters](http://news.nationalgeographic.com/2017/09/hurricane-irma-harvey-damage-graphic/) that cost more than 1 trillion dollars.

Why such devastating financial costs? In part, our population growth requires that people live in more places where they are especially vulnerable to natural disasters. What's more, our healthy economy and rising property values mean that the bills from property damage are that much higher, too.

It's not all coastal

While those living near the ocean may be making recent headlines, floods, fires, tornadoes and earthquakes make all of us susceptible to natural disasters and their corresponding unexpected financial hardship. Add to that the fact that [most homeowner's insurance does not cover these "acts of God,"](https://www.fema.gov/national-flood-insurance-program) being prepared financially is important no matter what your income. Finally, the fact that [some 25](https://www.iii.org/article/infographic-business-interruption-insurance) to [40 percent of companies never reopen](https://www.fema.gov/protecting-your-businesses) after catastrophes like these means, depending upon your [employer's business preparedness](https://www.ready.gov/business), you may not have a job to return to. In just the first week of September, the Texas Workforce Commission had received more than [70,000 disaster-related unemployment insurance claims](http://www.huffingtonpost.com/entry/this-is-what-its-like-to-lose-your-job-because-of-a-hurricane_us_59b1525ce4b0b5e531042e62) due to Hurricane Harvey. And, as we've seen with [!\[\]\(17413706fd4997a1a4bdf85c6864eee1_img.jpg\)](https://www.washingtonpost.com/news/post-</p></div><div data-bbox=)

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and even jobs truly gives “rainy day fund” an entirely new meaning.

There is only so much government and other agencies can do to help you in the immediate aftermath of an unexpected tragedy on such a large scale. However, there *are* plenty of resources to help you prepare *before* an unexpected financial disaster shakes your foundations.

Prepare for Financial First Aid:

Not unlike the water bottles, bandages and generators you are encouraged to store for these weather “what ifs,” a financial first aid kit is also something you can prepare in advance. Below is a summary of tips from this government [financial disaster preparedness site \[https://www.ready.gov/financial-preparedness\]](https://www.ready.gov/financial-preparedness). Download FEMA’s [Emergency Financial First Aid Kit \[https://www.fema.gov/media-library/assets/documents/96123\]](https://www.fema.gov/media-library/assets/documents/96123) to do everything you can to prepare for natural and manmade disasters and other emergencies.

Gather and store your crucial documents

In the event of an emergency, you are going to need access to your critical personal financial, insurance, medical, and other records. Take the time to gather and store these crucial documents now to help you start the recovery process as soon as you are able.

Add to those records a list of any bills or fees you pay automatically, including mortgage or rent payments, utilities, loan/credit payments and membership dues. As unfair as it may seem, the fact that an automated system went down doesn’t mean you won’t rack up late fees. (This [BankRate article suggests you contact your creditors \[http://www.bankrate.com/finance/personal-finance/prepare-natural-disasters-1.aspx\]](http://www.bankrate.com/finance/personal-finance/prepare-natural-disasters-1.aspx), as soon as you are able to arrange for a relief plan for your payments.)

Finally, photograph your valuables (or take a video through the rooms in your home) and keep those images on a USB drive.

Keep all of these records in a water- and fire-safe box in your home. Alternatively, you can consider whether using a service that stores them in the “cloud” (where you can access them once you are connected to the internet) is right for you. [This government site \[https://www.us-cert.gov/hcas/tips/ST04-019\]](https://www.us-cert.gov/hcas/tips/ST04-019) can help you be sure your documents are secured in a password protected, encrypted file.

Know your policies

Remember: insurance coverage only helps you if you purchase it *before* you need it. Look over your homeowners or renters insurance and your health and life insurance policies now to learn the extent to which you are covered. Because few homeowners’ policies include it, some choose to work with their insurance agent to purchase [national flood insurance \[https://www.fema.gov/national-flood-insurance-program\]](https://www.fema.gov/national-flood-insurance-program).

Automate your cash flow

Because the mail may be delayed for days or weeks, consider setting up direct deposit with your employer if you haven’t already. If you receive paper checks for any of your federal benefits, consider enrolling for [automatic payments through Go Direct \[http://www.godirect.org\]](http://www.godirect.org). You will also eliminate the risk of mail theft.

Stash some cash

Keep some cash on hand in a safe place. Small bills will be essential when machines that process cards go down and you’re looking to purchase fuel, food and other supplies.

Take heart

Remember that, in time, likely there will be assistance available to you in the form of [unemployment \[http://www.nelp.org/publication/how-workers-access-dua-after-hurricane-irma/\]](http://www.nelp.org/publication/how-workers-access-dua-after-hurricane-irma/) [benefits \[https://www.benefits.gov/benefits/benefit-details/597\]](https://www.benefits.gov/benefits/benefit-details/597) and other [disaster assistance \[https://www.fema.gov/apply-assistance\]](https://www.fema.gov/apply-assistance). The more you prepare today, however, the better able you will be to take advantage of the help available to you should—or, more accurately, when—you need it.



Household identification

Photo ID to prove identity of household members

Birth certificate to maintain or re-establish contact with family members

Social Security card to apply for FEMA disaster assistance

Military service paperwork

Pet ID tags

Financial and legal documentation

Housing payments to identify financial records and obligations

Insurance policies to re-establish financial accounts

Sources of income to maintain payments and credit

Tax statements to provide contact information for financial and legal providers and apply for FEMA disaster assistance

Medical information

Physician information to provide doctors with health information if medical care is needed

Copies of health insurance information to ensure existing care continues uninterrupted

Immunization records

Household contact information

Banking institutions

Insurance agent

Health professionals

Service providers