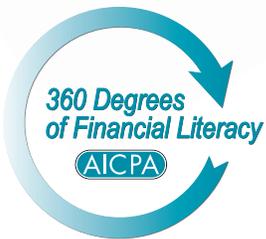


Byline Article

360 Degrees of Financial Literacy



When a natural or other disaster strikes, often the first concerns are dealing with the personal and emotional fallout, but the financial effects of a crisis can also affect a family or individual long-term. Disasters take a financial toll, but by following a few simple guidelines, you and your family can minimize that toll and regain a sense of financial balance. Listed below are several tips to guide you through the stages that follow a disaster.

STAGE 1: The First Days

After seeking emergency housing through the American Red Cross or another local agency, secure your property as soon as possible. Once authorities allow you to enter your home, make sure you remove important documents and, if time allows, make any repairs to minimize the possibility of more damage. Then arrange for a professional evaluation of the damage and notify your insurance company of your loss. If possible, contact your employer to notify them of your situation and begin the process of applying for any available company-sponsored disability benefits or worker compensation benefits. Another important initial step is to ensure immediate cash flow. Several resources are available to help with this, such as the American Red Cross or the Federal Emergency Management Administration (FEMA). You also can ask your employer for an advance on your next paycheck or as a last resort get a cash advance from your credit card. Lastly, contact a Certified Public Accountant (CPA) or other financial planner or advisor to assist you in developing a financial disaster recovery plan and implementing it.

STAGE 2: The Following Weeks and Months

The initial trauma of the disaster has passed and now it's important to try to settle into a more normal routine. You can do this by establishing a steady flow of income and handling expenses and debt. If you have been disabled by the disaster, ask for a "reasonable accommodation" from your employer as outlined in the Americans with Disabilities Act (ADA). This will allow you to keep your job and cash flow in place. If other sources of income are still needed, research special disaster relief funds from your local, state and federal governments, or consider such measures as using your life insurance, tapping into your retirement fund or simply talking to your employer about an early bonus or possible overtime work. Call the businesses to which you owe money in order to work out a payment plan for your debt and any new expenses, and then consider working with a non profit debt counseling service. Lastly, obtain professional financial advice by working with a CPA or personal financial planner. Organizations such as the American Institute of Certified Public Accountants at www.aicpa.org, the Financial Planning Association at www.fpanet.org or the National Association of Personal Financial Advisors at www.napfa.org can help you find a professional in your community.

STAGE 3: Moving On

While things may never be the same following a disaster, life goes on and plans for the future are still a priority. Assessing the financial needs of your children and family and updating or starting a financial plan is part of the process of moving forward after a disaster. Keep in mind the following:

- Look for ways to increase income and decrease expenses by downsizing your home or getting trained for a new career with a higher income.
- Create an emergency fund with three to six months of living expenses and make sure cash is available at a moment's notice.
- Take advantage of retirement plans such as a 401(k) or 403(b).
- Research investment opportunities and tax plans through your CPA or financial advisor.
- Set up an education fund for your children through your CPA or financial advisor.
- Arrange your estate planning with a will and a living will.
- Prepare for any future disasters by making sure you have adequate insurance and by preparing an evacuation box with all your important financial documents and establish an evacuation plan for yourself and your family to minimize confusion in a time of crisis.

To find more information on pre- and post-disaster financial planning, contact the [State Society/firm name] at XXX-XXX-XXXX or visit www.redcross.org.

To view the disaster recovery guide on the American Red Cross Web site please go to: www.redcross.org/services/disaster/beprepared/financeprep.html.

For general consumer financial planning tips and information, visit www.nefe.org.

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