

Overview & Description

Disasters, whether natural or manmade, usually strike quickly and without warning. You and your family may have little or no time to decide what to do next. That's why it is so important to plan for the possibility of a disaster—and not wait until it happens.

Taking measures to avoid or prepare for a disaster in advance—called “mitigation” in technical terms—reduces the likelihood of injury, loss of life and property damage far more than anything you can do after a disaster strikes. Part of disaster planning should include financial planning, which is the purpose of *Disasters and Financial Planning: A Guide for Preparedness*.

In this guide, you will find suggestions on steps you can take now to:

- Protect your family's health, life and property with adequate insurance.
- Consider your vulnerability to disaster and how you will respond to it before making decisions about relocating and making major purchases.
- Seek out an advisor, such as a CPA or personal financial specialist, to help you put together a disaster preparation plan.
- Plan financially for the possibility of job loss or disability.
- Safeguard your important financial and legal records.
- Prepare your loved ones to weather a disaster even if you are not there to care for them.

Disasters and Financial Planning: A Guide for Preparedness was written and produced by the American Institute of Certified Public Accountants (AICPA) and the National Endowment for Financial Education (NEFE) and is being distributed free of charge by participating local chapters of the American Red Cross. The AICPA Foundation supported the development of the guide.

The new guide expands on an earlier successful publication called *Disaster Recovery: A Guide to Financial Issues*, which was issued in 2003 in collaboration with the AICPA, the AICPA Foundation, American Red Cross and NEFE.

In October 2004, *Disaster Recovery* received the American Society of Association Executives (ASAE) prestigious Summit Award. This guide provides much needed financial advice when individuals are at their most vulnerable, after a disaster. Both guides now provide a comprehensive tool that the public can use to financially prepare for and recover from a disaster.

PURPOSE

Disasters and Financial Planning: A Guide for Preparedness fills a crucial need. Individuals and families need a guide to help them prepare financially for the possibility of a disaster. Previously, no comprehensive, authoritative, easy-to-use resource for disaster preparedness existed.

Denver-based NEFE joined the project to continue its work with the American Red Cross to provide the public with personal finance information related to disaster prevention and recovery. The AICPA became involved to further its public interest mission. With thousands of its CPA members providing personal financial planning services as part of their accounting and tax expertise, CPAs are uniquely qualified to help people solve the financial issues associated with preparing for a disaster. The American Red Cross supported the project to help fulfill its mission of providing relief and assistance to people before a disaster strikes. Through its nationwide network of local chapters, the American Red Cross is able to get this valuable resource to many communities.

USERS

Individuals or families who want to prepare for the possibility of a disaster are the primary users of the guide. The guide also serves as a useful tool for CPAs to counsel individuals on taking steps to minimize the financial impact a disaster can cause. The guide will also be used by local American Red Cross chapters in their disaster preparedness community outreach efforts.

PRICE

Disasters and Financial Planning: A Guide for Preparedness is provided free of charge directly to people who want to learn about disaster preparedness. For a nominal fee, the guide also is available to members of the AICPA for use with their clients.

To order copies of the guide, visit www.cpa2biz.com/store, call 1-888-777-7077 or fax 1-800-362-5066 and refer to product no. 017232. The guide is also available online on the American Red Cross Web site at www.redcross.org/financialplanning. Additional resources on this topic are available in the Life Crisis section of the AICPA's financial literacy Web site, www.360financialliteracy.org.

CONTRIBUTORS

Disasters and Financial Planning: A Guide for Preparedness was written and produced by the National Endowment for Financial Education (NEFE) and the American Institute of Certified Public Accountants (AICPA). It is being distributed by local chapters of the American Red Cross nationwide. Information about each of these organizations is below:

The National Endowment for Financial Education (NEFE) is a nonprofit foundation dedicated to helping all Americans acquire the information and gain the skills necessary to take control of their personal finances. NEFE accomplishes its mission primarily by partnering with other concerned organizations to provide financial education to members of the

public, particularly those whose financial education needs are not being addressed by others. Please visit www.nefe.org for more information.

The American Institute of Certified Public Accountants is the ISO 9001-certified national, professional organization of CPAs, with more than 350,000 members in business and industry, public practice, government and education. Please visit www.aicpa.org for more information.

The AICPA Foundation ("Foundation") was established in 1922 as a nonprofit foundation to advance the science of accountancy and accounting education as well as to encourage diversity within the CPA profession. Toward those ends, the Foundation provides opportunities for members and other interested parties to support activities which encourage advancement of the CPA profession through innovative activities. Within the Foundation's efforts to advance accounting education, it provides support to organizations and projects that promote financial literacy.

The American Red Cross, governed by volunteers and supported by community donations, is a nationwide network of local community supporters—volunteers, blood donors and financial donors—organized into nearly 1,000 chapters, Blood Services regions and field units dedicated to saving lives and helping people prevent, prepare for and respond to emergencies. Led by 1.2 million volunteers and 36,000 employees, the Red Cross annually mobilizes relief to families affected by more than 67,000 disasters, trains nearly 12 million people in lifesaving skills and exchanges more than a million emergency messages for U.S. military service personnel and their families. The Red Cross is the largest supplier of blood and blood products to more than 3,000 hospitals across the nation and also assists victims of international disasters and conflicts throughout the world. Please visit www.redcross.org for more information.

