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FOR KIDS

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FINANCIAL LITERACY FOR KIDS

HOW TO PREPARE FOR THE WORST

The cost of cleanup after a natural disaster can be sky-high. How can people protect their property?

THE COST OF NATURAL DISASTERS

The price tag for natural disasters can be incredibly high for both the people directly affected and the country. What can people do to prepare for an unexpected event?

If you think you've been reading more in the news about floods, hurricanes, fires, and other natural disasters, you're not imagining it. By mid-November 2016, the American Red Cross had responded to 15 major

natural disasters—five more than in all of 2015.

One of them was Hurricane Matthew, which did great damage in Florida, Georgia, Virginia, and the Carolinas. The Federal Emergency Management Agency manages the Disaster Relief Fund. After Matthew hit, the agency paid more than \$120 million to individuals and families as well as an additional several million to repair buildings, roads, and other structures.

Natural disasters can be hard

to avoid. But there are some things everyone can do to prepare and help others who are affected (see “What You Can Do,” on page 4).

Explore Insurance Options

Here's how insurance works: You buy a **policy** from an insurance company that promises to pay you a sum of money if something—your home, car, health, or life—is lost or damaged. You hope never to need it, but you pay for the insurance anyway because the cost of replacing

that home, car, or income (in the case of life insurance) would be difficult, if not impossible, without help.

“Flooding is the number one natural disaster,” explains Lynne McChristian, director of natural disaster response for the Insurance Information Institute. Families generally protect themselves against natural disasters with homeowner's insurance, she says. The typical homeowner's policy protects against fire, hurricane, hail, lightning, and some other disasters. But it

often doesn't protect against floods and earthquakes. If you live in an earthquake-prone area or near a coast with a higher flood risk, you may need special insurance.

Help Out at Home

Protect your belongings by creating a home inventory—a record of everything in your home, especially the expensive things—so you know what you have in case it gets damaged.

Go with your parents through every room in your home. Write down

every item and take pictures or videos. For expensive items and electronics, note the serial numbers, makes, and models. If your parents still have receipts from any items, include them (or scans of them) as well.

Go to knowyourstuff.org for a free tool from the Insurance Information Institute. It will walk you through how to take a room-by-room **inventory** and store the information in the cloud, so you'll be able to access it if your computer is damaged. Another way you can help? Make it your responsibility to test the smoke alarms in your house once or twice a year to protect against fire.

—By Hayden Field



Hurricane Matthew tore a path of destruction through Flagler Beach, Florida, in October 2016.

FAMILY CHALLENGE

Do your research.

The next time a disaster pops up in news headlines, talk to your family about ways to help. Pick an organization to support. Why does this organization appeal to you? Do you prefer to donate money or volunteer your time?

POWER WORDS

inventory *noun*: a complete list of items
policy *noun*: an agreement between an insurance company and a person whose life or property is insured

2016 Hurricane Matthew

Projected total cost for damage to insured property:

**\$4 billion–
\$6 billion**

For more facts and figures, see “By the Numbers,” on page 4.



JOE RAEDLE—GETTY IMAGES



What You Can Do

Charities ask for money after every natural disaster. Unfortunately, so do con artists looking to take advantage of your generosity. Make sure to give wisely:

- Research an organization at give.org or charitynavigator.org.
- Give money, not stuff. It's tempting to send clothes, toys, and other things you aren't using to people who need them. But it's hard to get the right supplies to the right people, so it's better to send money. Have a garage sale to sell your old things, then donate the proceeds.
- Know texting takes time. Some organizations ask for donations by text message. It's a convenient way to give, but it can take three months for the money to arrive.

By the Numbers

It can be tricky to calculate the total cost of natural disasters, since funds come from many different sources. This data, from CoreLogic, estimates how much was spent after eight relatively recent events.

2013 Oklahoma Tornadoes

Several strong tornadoes strike the Midwest.

\$4.3 billion

2012 Superstorm Sandy

Winds and floods slam the East Coast.

\$68.3 billion

2005 Hurricane Katrina

The storm devastates the Gulf Coast.

\$153.8 billion

1992 Hurricane Andrew

Florida alone suffers \$25 billion in damage.

\$46.4 billion

1989 Loma Prieta Earthquake

Intense tremors rattle San Francisco, California.

\$6 billion

1989 Hurricane Hugo

The storm ravages the Caribbean and parts of the Southeast.

\$17.5 billion

1972 Tropical Storm Agnes

Massive flooding makes its way up the East Coast.

\$3 billion

1969 Hurricane Camille

Camille pounds the Gulf Coast, killing around 250 people.

\$9.1 billion



ASK JEAN

Jean Chatzky is a money expert.

At what age can kids get a summer job?

—Ananda, 9, Atlanta, Georgia

That depends on your definition of *job*. You need to be at least 14 to get paid by an actual business, including a store or a restaurant. And until you're 16, you can work only up to three hours per school day and eight hours per weekend day. But there are many things you can do to earn money if you're younger than 14, including dog walking, car washing, babysitting, and yard work. Or you could tutor younger children on their schoolwork or older people on how to use technology. Think about what you're good at and whether there's a way to make money from that skill.

Do you have a question? Write to Jean at tfkasks4you@timeforkids.com.