**Financial Considerations after a Natural Disaster**

Written by: Joan Koonce, Financial Planning Specialist

Michael Rupured, Financial Management Specialist

A natural disaster is something that none of us want to encounter, but there are times when we can’t avoid it. Managing your finances effectively after a disaster is very important to getting back on track financially. Your financial situation after a disaster is likely to be different than before the disaster. One of the first things you should do is examine your current financial situation. As such it is important to calculate your current monthly income and expenses and determine if you are able to meet your monthly obligations such as your mortgage, car payments, etc.

The following checklist from [www.mint.com](http://www.mint.com) provides a list of immediate financial steps that should be taken after a disaster.

* Notify insurance companies: homeowners, flood, renters, automobile, and personal disability.
* Don’t sign anything from an insurance company indicating a final interaction or payment. Not all damages are evident within the first few months. You may notice damages later.
* Contact your employer and let them know how to contact you and if you need to take time off work.
* If your employer was also a victim of the disaster, call your state's unemployment insurance office to determine your eligibility for unemployment benefits.
* Cancel regular services (like cable TV, home internet, etc.) for a period of time if you won't be using them while displaced.
* If you are temporarily relocated, provide the post office with your change of address for that period of time, so you won't miss important mail.
* Notify your mortgage company of the disaster and any new contact information during your displaced period of time.
* If you can’t manage your finances during your period of displacement, call creditors and explain that you were involved in a natural disaster. Ask if you can modify payments until your financial situation is more stable.
* Save all receipts for disaster-related expenses. This is important for insurance, income tax, and assistance programs.

In addition to the above checklist, you should choose a local contact person for information about disaster recovery and assistance and attend local disaster recovery meetings to find out what programs, resources, and assistance are available. As soon as available and possible, you should apply for disaster assistance. You may be able to get help applying for programs and resources through non-profit agencies such as the American Red Cross. If you have a financial planner, you should contact him or her for assistance in managing your financial resources. You should accept all qualified and reputable help and assistance, but keep in mind that there are people who prey on people in vulnerable situations, so please be careful with whom you trust with your financial information and resources.

**Source:** [www.mint.com](http://www.mint.com)