

Preparing your Finances for a Disaster



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Kansas Farm Management
Association - SW**



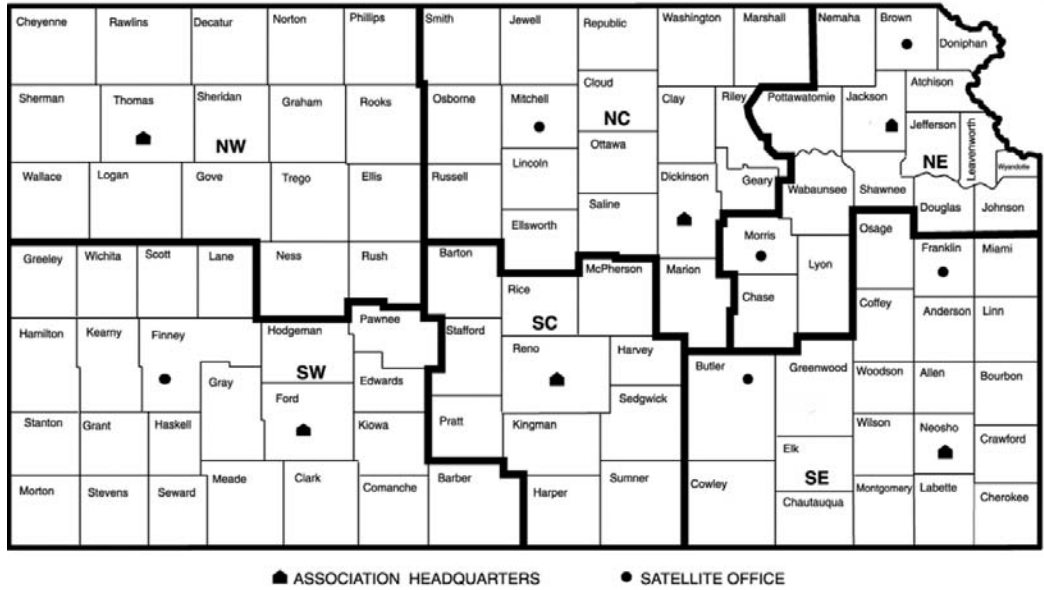
KANSAS FARM MANAGEMENT ASSOCIATION



- * Sound farm accounting systems
- On-farm visits
- Accrual basis whole-farm and enterprise analysis
- Financial benchmarks for comparing performance with similar farms
- Year-end tax planning and management
- Integrated tax planning, marketing and asset investment strategies
- Assistance with estate planning and farm succession planning
- Guidance for business entity and structure planning
- KFMA Newsletter
- Improved decision making



KFMA Southwest
1409 E Trail
Dodge City, KS 67801
(620) 225-5600



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KANSAS STATE UNIVERSITY Agricultural Economics



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Welcome to AgManager.info, one of the premier extension sites for information on the agricultural economy, from Kansas State University.

Questions: contact Rich Llewellyn at rll@ksu.edu. Thank you!

Videos and presentations for the Top 10 Considerations for Navigating a Struggling Farm Economy

Recent Updates

Weekly Grain Market Outlook - Dan O'Brien

Upcoming Events

Webinar: Update of 2016 Kansas Farm and Ranch Land Values
 April 26, 2017

Women in Agriculture Events
 June 2 - 3, 2017
 Garden City

Farm and Ranch Income Tax/Estate and Business Planning
 Seminar/Webinar
 July 13 - 14, 2017
 Sheridan

Harnessing the Power of Excel A

DISASTER

DEFINITIONS OF DISASTER

‘A disaster can be defined as any occurrence that cause damage, ecological disruption, loss of human life, deterioration of health and health services on a scale, sufficient to warrant an extraordinary response from outside the affected community or area”.

(W.H.O.)

- “A disaster can be defined as an occurrence either nature or manmade that causes human suffering and creates human needs that victims cannot alleviate without assistance”.

American Red Cross (ARC)



Dodge City, KS May 2016



Clark County, KS Feb. 2017



Be Prepared

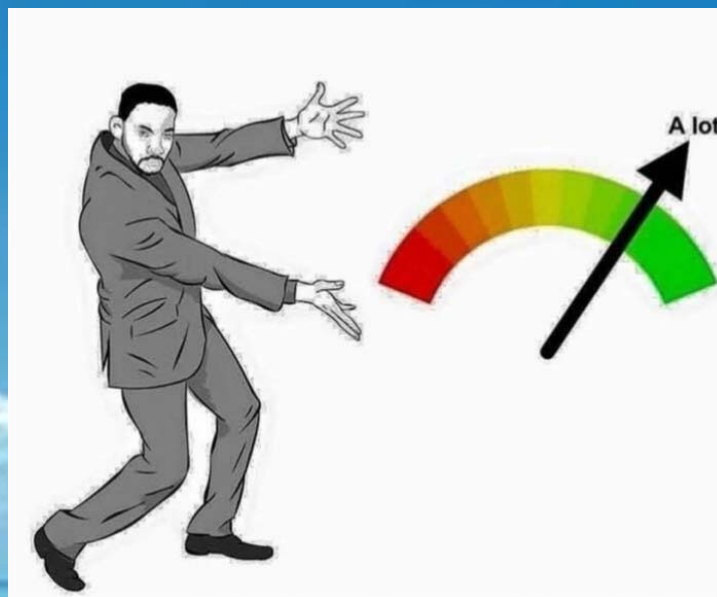


How do you prepare financially?

- 1) Know what you need
- 2) Surely Insure?
- 3) Write it down
- 4) Safekeeping
- 5) Ask for Help
- 6) Be Aware



How much do you need in case of disaster?



In 2015, KFMA data indicated average household spending in SW Kansas was around \$62,000-\$76,000 in a 2-person home.

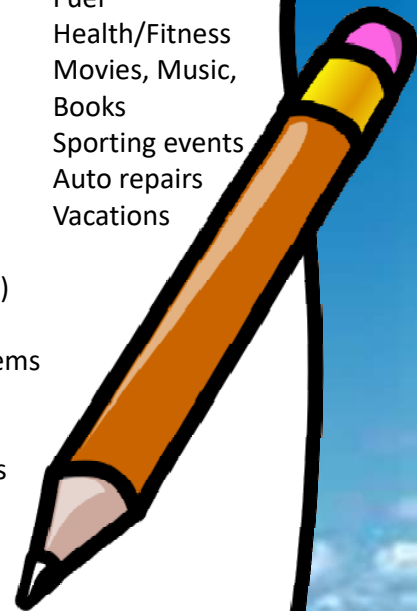
Food	\$7,303
Household "stuff"	\$7,059
Upkeep/Repairs	\$7,133
Furniture	\$2,529
Recreation/Personal	\$12,250
Education	\$344
Clothing	\$1,505
Doctor/Medical	\$3,740
Health Insurance	\$7,361
Life Insurance	\$3,557
NF Auto expense	\$1,046
NF Utilities	\$1,052

\$62,000/year

\$5,167/month

\$169.86/day

- Electricity
- Gas
- Water
- Trash
- Food
- Phone
- Internet
- TV
- Insurance (home/auto)
- Mortgage
- Loans (car,etc)
- Clothing
- Household items
- Childcare
- Education
- Kids' activities
- Medical
- Beauty
- Pets
- Hobbies
- Fuel
- Health/Fitness
- Movies, Music, Books
- Sporting events
- Auto repairs
- Vacations





What is NECESSARY?

What can be REDUCED or REMOVED?



You decide.....

- **Satellite TV**
- **Eating out 4 x's a week**
- **New clothing**
- **New furniture**
- **Vacation in Hawaii**
- **Professional portraits**
- **Interest charges**
- **Gym Membership**
- **New car**
- **Charity Donations**
- **Season football tickets**
- **Weekly Hairdo**
- **Dog groomers**
- **Late fees/penalties**

Alternatives:

- **Netflix/Hulu**
- **Eating out 1-2/month**
- **Bargain Shop**
- **Repurposed furniture**
- **Stay-cation**
- **Church/School photos**
- **Youtube/fitness video**
- **Repair/lease car**
- **Donate your time**
- **Sell unused sports tickets**
- **HairDO it Yourself?**

Exercise #1

Worst Case Scenario

How much *CASH* do you need access to?

*3 months?

*6 months?

*1 year?

Fill out the cost for **YOUR** home in the handout of **BASIC NECESSITIES** you might need in a disaster.

Different disasters might have different needs (shelter vs repairs) depending on the severity.

There's an Insurance for that...



Genworth 



Nationwide®



Allstate®

You're in good hands.



ARMtech
INSURANCE SERVICES

Ag Risk Management Technologies



FIRST
INSURANCE
SERVICES, INC.

Are you covered???

House:

- Dwelling
- Personal Property
- Liability
- Medical (for others)
- Loss of Use

Options:

- Replacement Coverage
- Personal Property Schedule
- Inflation Guard
- Theft Coverage
- Hazard coverage (flood, earthquake, etc)
- Wind/Hail coverage



Are you covered???

Farm:

Scheduled Farm Property (D)
Unscheduled Farm Property (E)
Farm Buildings (F)
Liability (L)
Medical Payments (M)

Options:

Umbrella (liability limits)
Deductible for Cab Glass
Animal Collision
Chemical Drift
Crop Dusting
Earthquake
Equipment Breakdown (dairy)
Fire on growing grain
Hired auto
Loss of Earnings
Livestock semen/embryos

Specified Perils:

*Fire/lightning
*Wind/Hail
*Theft
*Smoke
*Vandalism
*Collision
*Explosion
*Vehicles
*Aircraft
*Riot/civil commotion
*Building collapse

Livestock:

*Attack by wild animal/dog
*Accidental drowning
*Accidental shooting
*Electrocution

(Examples from State Farm)

Are you covered???

Livestock:

Comprehensive Coverage
Limited Coverage

Limited:

Accident
Drowning, shooting, loading/unloading, falling object, smoke, FIRE, electrocution, explosion
Weather
Flood, lightening, wind, hail
Natural Disaster
Earthquake, volcano, sinkholes
Crimes & Civil Unrest
Theft, vandalims
Animal Attacks
Collision (or other death) while Transporting

(Examples from Trusted Choice insurance)

Are you covered???

Crop:
Crop-Hail
Multi-Peril (MPCI)

Crop-Hail:

- *Can buy at any time
- *High-yield crops
- *Private Insurance
- *Perils included:
 - Hail

MPCI:

- *Buy prior to planting
- *All crops
- *Federally insured
- *Perils included:
 - Drought
 - Freeze
 - Disease
 - Excess Moisture

Record that!



Document all the followings

- *Finance Accounts
- *Financial obligations
(Mortgage, monthly, etc)
- *Insurance policies
- *Household inventory
- *Passwords
- *Emergency Contacts
- *Estate Planning

Record that!

EXERCISE 2:

Complete the checklist in your packet.

Using the examples given, record your own inventory:

- *Financials
- *Legal Documents
- *Emergency Contacts
- *Household/farm inventory

Record that!

Tips for inventory:

- 1) Take photos of each room in your house/shed
- 2) Take closeup photos of special items or small items
 - *Jewelry
 - *Curio cabinets
 - *VIN or other ID certificate/label
- 3) Save photos on a flashdrive/USB drive
- 4) Save your inventory list on a Word or Excel program
- 5) Update every 5 years or more

Safekeeping



**Store
records/inventory/legal
papers in a FIRE
PROOF safe or safe
deposit box at the bank**

Safekeeping



**Use caution
Be aware of current scams
Know who to contact**

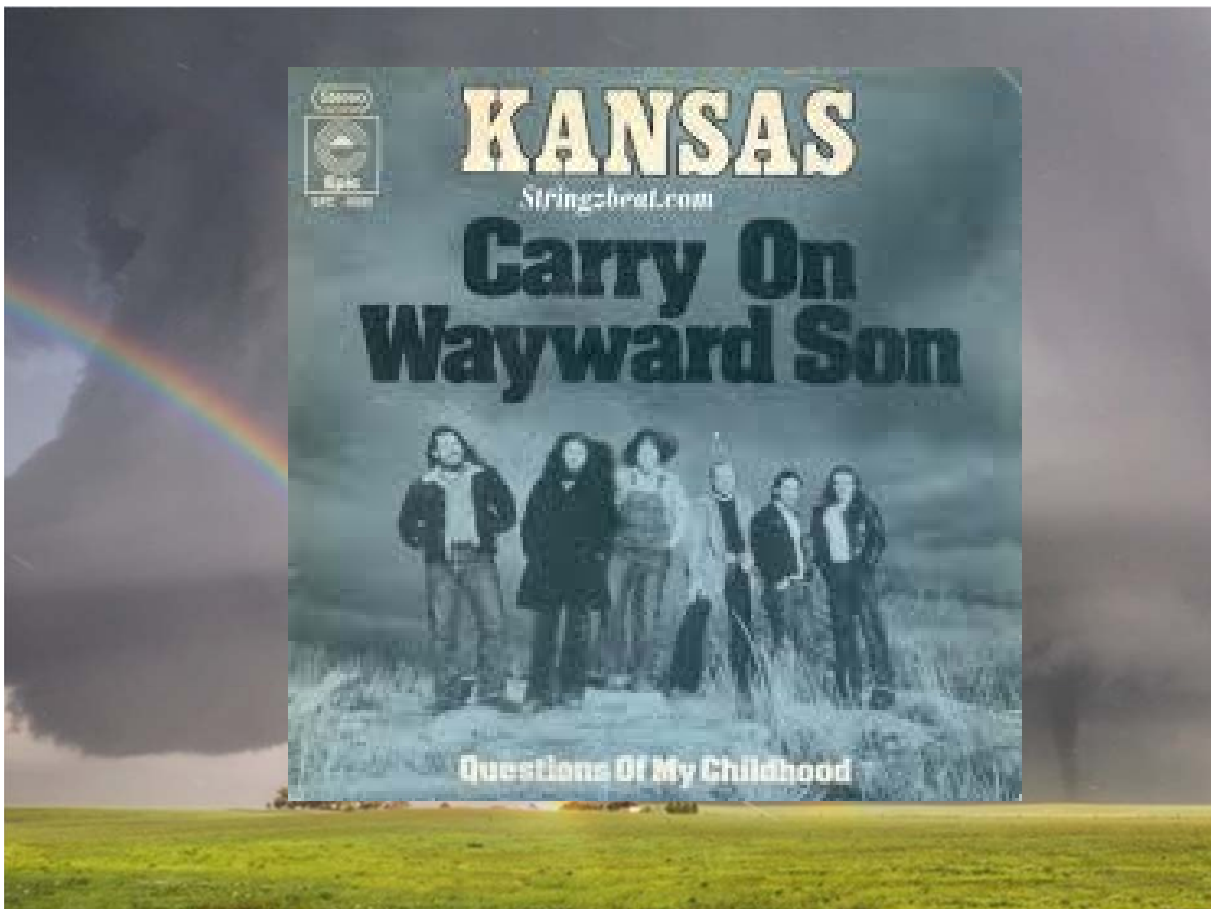
- *IRS will NEVER call you on the phone.**
- *Don't give your bank account info over the phone to a stranger**
- *Always ask for their number to call them back, BEFORE giving out info**
- *Social Media scams**
- *If it's too good to be true, then it isn't**
- *Confirm with family/local authorities**



What is your fear?

**Have you prepared
enough?**

After the Disaster...



HELP ME!

- Different disaster have different resources
- Contact banks, credit cards, mortgages
- Insurance claims (health, life, farm, house, car)
- FSA/NRCS
- Farm Management agency (like KFMA)
- Kansas Livestock Association
- Red Cross, church, family members

Beware!

- Thieves
 - Property
 - Financials
 - Identity
- \$cam\$

Communicate!

- Banks
- Credit Cards
- Other Creditors
 - Coop
 - Feed store
 - Landlords

EVEN AFTER
THE WORST
STORMS...

...THE SUN
WILL SHINE
AGAIN



QUESTIONS?



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