



Southern California Preparedness Foundation Financial Preparedness Checklist

Physical disasters can also create financial disasters, and financial disasters can exist without physical disasters. Here are some things to consider in preparing for a financial crisis or disaster. Remember, we can't predict, but we can prepare. This certainly applies to personal finances. By taking the steps listed below, you and your family will be in a better position to weather a physical or financial disaster. No matter your age, income, or financial history, start preparing today.

Know and track (paper or computer) how much you make and how much you spend each month

Use bank statements, paycheck stubs, household bills (natural gas, water, electricity, etc.)

Create a budget for each spending category (housing, food, transportation, utilities, phone, insurance, etc.)

This is especially important for discretionary spending (clothing, entertainment, dining, vacation, etc.)

Stick to the budget (see over)

Get **Term Life Insurance** (20-35 year) if someone depends on your income or you have debt

A general rule is 5-10 times individual annual income

Properly insure home, car(s), motorcycle(s), and recreational vehicle(s). Understand coverage and review periodically

Minimum coverage is rarely appropriate for most people over 21

Take pictures or videos of possessions, save in multiple locations, and update periodically

Emergency savings of 3 to 6 months of living expenses (bank and credit union accounts, money market, U.S. bonds)

This money should be easily and quickly accessible. Have bank and account information handy.

Plan to pay off current credit card debt, starting with the lowest balance first (creates positive momentum)

Especially effective when any extra money is used to pay more than the minimum amount due

Long term wealth building investment accounts (IRAs, 401K, 403b). Plan to save 5%-15% of monthly income

A monthly auto-deduction from a bank account or paycheck is a very effective way to save

Create multiple streams of income. The loss of a full time job can be devastating

Everyone able could have a part time job; be an independent contractor or consultant; have investment income

Keep \$200-500+ in cash (dispersed between home, car, wallet, EP kits)

Keep in small-denominated bills (\$1, \$5, \$10)

Have account numbers, policy numbers, credit card numbers and creditor contact information readily available

Keep a copy offsite, save one "in the cloud" and give one to a friend or relative for safekeeping out of the area.

Create a **Simple Will** for custodial issues regarding minor children and update as needed

Create **Power of Attorney and Medical Directives** to handle your affairs if you become incapacitated

Create a **Living Trust** for legacy matters and properly fund and update as needed

Using a quality estate planning attorney is generally worth the extra cost



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Slash Your Grocery Budget and Eat Better When Times Are Tough (or even when they aren't)

1. Be flexible and willing to change. Don't be afraid to try something different. Experiment!
2. Look at your past grocery expenses, determine your baseline budget, and reduce that by 20-50+% depending on how much money you want to free up.
3. Visit all the grocery stores in your area (home, work and along the way). Not every store will have the best price on everything but you don't want to drive all over town to save a couple dollars either.
 - a. Check out local farmers' markets. Often less expensive for greater quantities.
 - b. Ethnic, discount and independent markets are often good choices for price and variety
4. Take an inventory of what food/pantry items you currently have. Write it down.
5. Write out a meal plan using those items.
6. Do not let any food go to waste. Freeze anything you won't use in the next several days.
7. Check out the weekly sales at the markets near you and make a plan on what to buy and where.
8. Set price limits for your purchases (produce under \$1/lb., organic produce under \$1.75/lb, meat under \$5/lb.).
9. Use a list but be flexible enough to take advantage of in-store specials.
10. Buy real food! It is cheaper and healthier to eat well than it is to eat processed or "junk" food.
11. Shop along the perimeter of the market. Most, if not all, of your items will be found there.
12. Shop as many or as few days as you need, just know the more you shop, the more you'll likely to spend.
13. Once you get your food home, prepare it for storage (wrap veggies in plain, preferably unbleached paper towels and then in plastic, separate meat into meal size portions, date package, and freeze).
14. Repeat step 6.
15. Take a new inventory.
16. Update your meal plan for that week using *ONLY* what you have on hand.
17. Batch cook (prepare several dishes that can be eaten throughout the week, at one time).
18. Use Excel, a checkbook register, a piece of paper, or an app to track your spending.
19. Starting with your budget goal (the total monthly amount), subtract what you spend each time you go to the market. Do not save receipts and do it at the end of the month. For example, starting with \$200:
 - a. January 1 \$200 - \$25 = \$175 left for the month
 - b. January 8 \$175 - \$55 = \$120 left
 - c. January 16 \$120 - \$20 = \$100 left
 - d. January 18 \$100 - \$50 = \$50 left
 - e. January 23 \$50 - \$35 = \$15 left
 - f. January 29 \$15 - \$14 = \$1 left
20. Once you hit \$0 don't spend any more for that month in those categories, PERIOD.
21. Follow this plan for all your expenses and you will be amazed at how much you can save.