

# Intergovernmental Affairs Advisory

## FEMA and Federal Partners Encourage Families to Save for a Rainy Day

April 5, 2018

### Over 40 percent of adults cannot cover an emergency expense of \$400

WASHINGTON – FEMA, in partnership with the U.S. Department of Treasury and the [Financial Literacy and Education Commission](#) (FLEC), celebrates Financial Capability Month by reminding individuals and families that the time to prepare for the financial cost of unexpected emergencies is long before an emergency happens.

“Personal financial planning helps families prepare for emergencies both big and small,” said Dr. Daniel Kaniewski, Acting Deputy Administrator of FEMA. “FEMA is committed to helping individuals and families prepare for that next unexpected emergency so that they are in a better position to make a quick recovery.”

According to a [2016 report by the Federal Reserve](#), more than 40 percent of Americans are not be able to cover an emergency expense costing \$400. Additionally, they would only be able to cover an emergency expense by selling an item or borrowing money.

FEMA is highlighting the importance of [creating a savings plan](#) for a rainy day and encouraging Americans to have adequate homeowners and renters insurance. It is important that coverage is specific to the risks associated with their region such as floods, high winds from tornados and hurricanes, or earthquakes. Teaching children the importance of managing their money wisely is key to ensuring that future generations are prepared to handle an emergency.

FEMA’s [Emergency Financial First Aid Kit](#) (EFFAK) offers guidance on how to organize and secure important documents, such as personal financial, insurance, medical, and other records. Taking the time to collect and secure these critical records now – before an

emergency – will give families peace of mind that they have the documentation needed to start the recovery process without delay.

Having adequate insurance, especially flood insurance, is essential to recovering quickly from a disaster. FEMA urges Americans to talk to their insurer or agent about their car, home, or rental insurance coverage. Everyone should know what coverage they have and if there are any shortfalls. For instance, most homeowners’ insurance policies do not cover flood losses. Homeowners or renters can purchase flood insurance through an insurance agent or an insurer participating in the [National Flood Insurance Program](#).

For more information on how to prepare for an unexpected emergency or disaster, visit [www.ready.gov/financial-preparedness](#) and watch the PrepTalk titled [Financial Literacy and Overcoming Liquid Asset Poverty](#) by Operation HOPE founder John Hope Bryant.

#### Important Web Resources:

- [www.Ready.gov/financial-toolkit](#)
- [www.FloodSmart.gov](#)
- [www.mymoney.gov](#)

If you have any questions, don’t hesitate to contact us. Please reach out to FEMA’s Intergovernmental Affairs Division at 202-646-3444 or [fema-iga@fema.dhs.gov](mailto:fema-iga@fema.dhs.gov).

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FEMA’s mission is helping people before, during, and after disasters.

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