

52 Ways To Hazard-Proof Your Finances

Increasing Financial Resilience In the Face of Environmental Change



Climate change poses a threat to the health and well-being of people in the United States (USGCRP, 2016).

The consequences of climate change are substantial and escalating due to the increased frequency and severity of weather events, rising sea levels, and higher temperatures (U.S. Department of the Treasury, 2023). The Fifth National Climate Assessment (USGCRP, 2023) reports an increase in the severity, extent, and frequency of multiple types of extreme events including heat waves, droughts, large rainfalls causing flood risks, hurricanes, and wildfires.

American families are increasingly vulnerable to climate-related risks, which have cascading effects on household finances. Without significant intervention, these hazards are likely to impose compounded financial hardships for families, especially for disadvantaged households with limited resources and the ability to cope with and rebound from such shocks (U.S. Department of the Treasury, 2023).

We encourage families to take steps to enhance their financial well-being and increase their financial resilience. The U.S. Department of the Treasury (2023) suggests the first step is to build awareness. Increasing knowledge of potential climate hazards in your area and preparing for climate change can assist households in lessening the adverse financial effects of climate-related risks when they arise.

This document offers 52 financial management strategies to implement or habits to develop that individuals and families can take to increase financial resilience and reduce potential financial burdens caused by climate change and extreme weather events. The suggestions are organized into the following categories:



Personal Finance - Overall, looking at our finances can prepare us for the unexpected. When a major climate event occurs, access to necessary resources can be interrupted. If you need to leave your home quickly or your home is destroyed, recovery requires access to important papers. There could be an interruption in income, and having emergency savings can ease the situation. Reducing the number of bills that need to be paid by reducing debt payments, reviewing subscription services, and utilizing autopay can help decrease required tasks when figuring out how to deal with an emergency event.



Insurance - Insurance companies are dealing with the increased cost of claims from major climate events resulting from damage to property (housing and vehicles). The rising costs for insurance companies get passed on to consumers through higher premiums.



Clothing, Shoes, and Laundry - Acquiring and caring for clothing takes energy and resources. Assessing the amount of clothing we need and the time it takes to care for it can help reduce financial and energy costs.



Food - Many individuals and families are already dealing with food insecurity. When a community experiences a major weather event, food can become a scarce resource for all. Develop habits to efficiently use food, cut food costs, and be prepared for limited access.



Housing - A safe, stable, affordable home serves as a foundation for better outcomes in employment, health, and education. Selecting energy efficient building materials and appliances along with routine home maintenance can reduce the impact of climate change on your home and your financial situation. In addition, utilizing tax credits, rebates and other programs can reduce the financial burden of improving your home's efficiency.



Tax Credits - Recent legislation provides tax credits and rebates to combat climate change. Taking advantage of these credits and rebates can provide countless long-term benefits for households such as lower energy bills and redacted health-care costs.



Transportation - Taking measures to lessen the environmental impact of fuel emissions can reduce climate change's effects on a household. Individuals are encouraged to consider when, what, and how we drive vehicles.



Preparedness - Being prepared can lessen the fear, anxiety, and losses associated with extreme weather events. Individuals and families can get ready by creating plans, assembling supplies, and subscribing to emergency alerts. In addition, becoming acquainted with recovery resources and learning how to choose reputable contractors to avoid scams can increase a family's resilience.



Becoming a Professional - Increase and share your knowledge and skills around sustainability and renewable energy by seeking volunteer and career opportunities.

We encourage you to start by quickly reviewing the list. Share and discuss the strategies with others in your home. Together, identify which tasks make the most sense for your family. Prioritize which are most important and when you might want to complete them. It is not expected that you will complete all of the tasks or that you do them all at the same time.

Some actions are one-time tasks, such as updating energy-efficient appliances, while some actions are recurring, such as preparing a grocery shopping list. Some tasks lend themselves to being done seasonally. Use the middle column to identify which actions you plan to work on, what time of the year, and to track progress. Once you have started a habit or completed a task place a checkmark and date in the final column.

Resources:

Abel, J., Tobe, E., Gruder, S., Ruemenapp, M. (2023). How the Inflation Reduction Act Can Save You Money on Home Energy Costs. <https://finances.extension.wisc.edu/files/2023/10/Inflation-Reduction-Act-Fact-sheet-1.pdf>

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U.S. Department of Treasury. (2023). The Impact of Climate Change on American Household Finances. https://home.treasury.gov/system/files/136/Climate_Change_Household_Finances.pdf



Personal Finances

Action	Notes	Date
Secure all important household/family documents in a safe location and make electronic copies of all documents. Items to copy should include your passport, driver's license, social security card, insurance policies, bank and credit account numbers, wills, marriage/birth/death certificates, and home/car titles. Download and complete this Roadmap to Important Papers tool from the University of Minnesota Extension.		
Create a household inventory. Use your phone's camera to document your possessions systematically room by room. Be sure to open drawers, closets, and other storage areas as you record video/take photos. This will be an asset if there is loss or damage to your belongings.		
Create or add to an emergency fund . Recommendations suggest 3 to 6 months of living expenses. As disasters and weather events become increasingly common and frequent, put aside additional money to cover the costs of emergencies such as home repairs and insurance deductibles.		
Use a waterproof and fire-resistant safe. Pick one that is light enough to carry but large enough for essential papers and valuables.		
Diversify investment portfolios to invest in growing environmental, social, and governance markets. Note that investing does carry risks.		
Create and use a spending plan to help you stay on track (have sufficient money for an emergency fund, home repairs, and additional savings).		



Insurance

Action	Notes	Date
Review your insurance policies annually (auto, homeowners, health, life, and liability). Make certain you have the appropriate coverage for your situation. Consult with your insurance agent to understand your current coverage, assess needs, and identify needed changes. Take steps to understand how your insurance works, including how to file a claim.		
Know your insurance exemptions. Floods, earthquakes, landslides, mudslides, tsunamis, sewer back-ups, and sinkholes are not typically included in a standard home insurance policy.		
Insure your property and personal items if you do not currently have homeowner or renter's insurance. Homeowners with mortgages must carry homeowner's insurance, but often other homeowners and renters are uninsured.		
Check your insurance policy to see if coverages exist for spoiled food in an extreme emergency.		
Check with your insurance agent to see if items such as boarding for windows and doors, tarps for damaged roofs, and other items are reimbursable. Most insurance companies will reimburse you for the cost of reasonable repairs to limit further damages.		



Clothing, Shoes, and Laundry

Action	Notes	Date
Take care of clothing, including shoes. Mend and repair used clothes and shoes and try wearing garments more than once before washing them.		
Buy only what is needed and consider shopping at thrift stores, garage sales, and vintage stores.		
Wear more clothing layers when it is colder and fewer layers when it is warmer. Adjust the thermostat to cut down on energy costs.		
Choose laundry detergent options in reduced and recyclable packaging.		
Air dry laundry on a clothesline or drying rack rather than using a gas or electric dryer.		



Food

Action	Notes	Date
Prepare a grocery list. Buy only what you can use before it will spoil. Make sure you properly store food. Eat leftovers within a few days to reduce food waste.		
Consider substituting red meat with plant proteins like beans, tofu, tempeh, and nuts. Plant-based proteins typically cost less than other products and the CO ₂ emissions from their production are 10-50 times lower than animal products.		
Compost fruit and vegetable waste to promote soil moisture retention and nutrients.		



Housing

Action	Notes	Date
Conduct a home energy audit to find the steps and upgrades that will save you the most money. Get a tax credit to cover 30% of the cost, up to \$150. Learn more on this IRS website .		
Inspect trees on and around your property to protect your home and neighbors from falling branches or trees in the event of a weather-related event.		
Replace your furnace with a heat pump air conditioner/heater. Depending on where you live in the country, the heat pump may need to be paired with a fuel-efficient traditional furnace. You can get a tax credit for 30% of the cost, up to \$2,000/year, plus a rebate of up to \$8,000 depending on your income. The tax credits are available through 2025. Check out this IRS site to learn more.		
Add additional insulation to your attic, crawl space, and/or basement, as needed, to save energy and lower heating and cooling bills. Try the encapsulation process for your crawl space to provide moisture control and promote healthy air throughout your home. Encapsulation adds a heavy-duty moisture barrier and seals off your crawl space from the outside.		
Replace old windows and storm windows with ENERGY STAR certified products to lower household energy bills an average of 12%. Receive a tax credit up to \$600 through 2025. Check out this IRS site to learn more.		
Save energy for heating and cooling by reducing air leaks in your home. Use caulk or weatherstripping to seal air leaks. Install foam gaskets behind outlet and switch plates on walls. Identify leaks and assess ventilation needs before doing either.		



Housing

Action	Notes	Date
Install a heat pump water heater or geothermal heat pump that provides on demand hot water. Tax credits and rebates are available to cover expenses, but only through 2025. Learn more by visiting this IRS site.		
Replace your kitchen stove or range with an induction model and receive a rebate up to \$840. Find your state's program at this site . Act by Dec. 31, 2025.		
Replace your clothes dryer with an energy efficient electric model and receive a rebate up to \$840. Click your state on the map at this site to connect to the state's rebate program.		
Use a programmable thermostat and set the thermostat lower at night in the winter (if you live in a cold climate) or higher in the summer to conserve energy.		
Do your research. Some geographical areas are more prone to natural disasters than others. Learn about the risks that affect your community. Relocating to an area with less disaster risk can save on insurance, displacement, and repair costs.		
Determine the likelihood of your community experiencing a natural disaster, check the National Risk Index Federal Emergency Management Agency website .		
Check the flood maps on the FEMA Flood Map Service Center (MSC) site to learn if your property is in a potential danger zone.		



Housing

Action	Notes	Date
Inspect your property, systems, and appliances to stay on top of maintenance and also detect problems to save money in the long run. A Seasonal Comprehensive Home Maintenance Checklist can be used to spread tasks out year-round, making them more manageable.		
Contact your local utility provider to learn about additional rebates available. Some utilities also provide free energy saving kits that contain items like LED light bulbs, foam outlet gaskets, and low-flow faucet aerators.		
Improve energy and water efficiency in your home. Install water-saving toilets, low-flow showerheads, faucet aerators, and LED light bulbs. According to the US Department of Energy , switching to LED bulbs can reduce your electricity use by 15% and save about \$225 per year. You can also use outlet gaskets, which are foam inserts that you can place behind outlet and light switch covers.		
Reduce energy bills at home during winter months by keeping the window coverings on your south-facing windows open during the day to allow the sunlight to enter your home and closed at night to reduce the chill you may feel from cold windows. During the summer months, keep the window coverings closed during the day to block the sun's heat.		
Maintain heating and cooling units for efficient operation and change filters every three months .		



Housing

Action	Notes	Date
Allocate funds for home maintenance and repairs in your emergency fund. Experts advise setting aside an amount equal to 1% to 4% of the home's purchase price each year for this purpose. By saving a portion of the funds each year, homeowners can gradually make energy-efficient updates over time.		
Save money as a renter. The Inflation Reduction Act offers a \$300 rebate that can cover the cost of a portable stove and induction burner. Enter your zip code at this site to see what rebates are offered by your state.		
Replace your window AC units with window unit heat pumps that can both cool and heat your home. You may qualify for a rebate or upfront discount of up to \$4,000. Enter your zip code at this site to connect to your state's rebate program .		



Tax Credits

Action	Notes	Date
Create a plan that takes advantage of multiple energy-efficient tax credits and rebates. Tax credits and rebates through the Inflation Reduction Act are available through 2025. Learn more at this IRS site .		



Transportation

Action	Notes	Date
Research electric vehicle options, including charging station availability near you. Point of sale discounts of up to \$7,500 for new models and \$4,000 for used are available for U.S. made vehicles until Sept. 30, 2025. See this Fact Sheet from the University of Wisconsin-Madison and Michigan State University Extension.		
Use public transit when available, bike and walk, carpool with coworkers in your community, and plan trips to combine stops.		
Review driving tips for improving gas mileage at the Environmental Protection Agency website.		



Preparedness

Action	Notes	Date
Create an emergency preparedness plan for you and your family. Sample plans exist at Make A Plan Ready.gov		
Be prepared before a weather event. Take time to assemble supplies and equipment you might need if a weather event happens. Such supplies could include ice melt for sidewalks and driveways, shovels, sand bags, shop vac for water removal, submersible water pump, etc. Stock up on these items when you see advertised sales or when you find bargains at tag sales or resale shops.		



Preparedness

Action	Notes	Date
Prepare a “Go Bag,” “Stay Bin,” and “Grab and Go File” in case of sudden evacuation or needing to shelter in place. A “Go Bag” includes a change of clothing, chargers for phones and other devices, medications, spare glasses, pet food, and water. Items to put in your “Stay Bin” include a two-week supply of food and water, solar phone charger, hand crank radio, first aid supplies, and a water filter. Be sure to rotate the food in both “Go Bags” and “Stay Bins” to track expiration dates. Learn tips on what to include in a “Grab and Go File” at this University of Minnesota Extension site.		
Subscribe to any Emergency Alert Service offered by your local or state governments, employers, or schools. These alerts can be a source of valuable up-to-date information.		
Have cash on hand in case an emergency occurs. Save smaller bills in a safe place. Following a disaster, banks may be closed and/or power outages could result in no access for credit cards or debit cards. Having cash on hand allows continued purchasing power for needed essentials.		
Become aware of recovery resources before a disaster strikes. Visit Federal Emergency Management Agency (FEMA) Disaster Recovery Centers , a locally organized disaster relief and recovery organization, or state government agencies for more information.		
Research any contractors you may hire if a disaster occurs. Scams can be prevalent during this time. Learn about how to avoid scams and fraud that may occur.		



Becoming a Professional

Action	Notes	Date
Research career options in sustainability and renewable energy. Gaining skills and credentials in these areas can place workers in high-demand, high-income jobs in growing industries.		

Celebrate your success! Look at the actions and habits you checked off on this list and take a moment to celebrate all that you've done. Planning for and dealing with the risks posed by climate change will need commitments from all of us and the steps you're taking are making a difference for your family and community.

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