



Jumpstart

**The Resilience Report: Disaster Displacement
2019**



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Natural disasters displace residents from their homes, and this trend is increasing. Yet, the single-biggest factor affecting a community's resilience is the number of residents who stay in their homes. The more who stay to rebuild and plow-back their time and resources, the faster the recovery. A critical element of disaster preparation then, for individuals, government leaders, and the business community alike, is to do what it will take for residents to stay – in their homes, and within their communities.

Building resilience is undoubtedly multi-faceted: it requires safe buildings and redundant infrastructure; effective governance; strong social capital; and, importantly, sufficient flow of money. Finances are a piece of the resilience puzzle that's often an afterthought, but finances drive decisions. When individuals and families face the choice between toughing it out or packing up and starting over, money matters – a lot – and such choices directly affect the resilience of the greater community. That's why we commissioned this report: to look more closely at the relationship among housing, finances, and disaster resilience.

Post-disaster displacement from homes has reached epidemic proportions. According to the UN, about 14 million people become homeless each year as a result of earthquakes, flood and storms. 2018 saw a barrage of extreme weather – from Hurricanes Harvey and Florence, to the California wildfires, to the magnitude 7.5 quake that ravaged Indonesia, to the magnitude 7 quake that recently hit Anchorage.

These events underscore both the need for disaster preparedness, as well as concerns about follow-on housing displacement, especially as climate change accelerates unusual weather in areas not typically prone to such patterns.

Housing displacement comes even further to the forefront in California, where the housing crisis is already a daily reality, and meanwhile the inevitable "Big One" looms. The 25th anniversary of the magnitude 6.7 earthquake that hit Northridge on January 17, 1994, is an opportune reminder that a disaster can strike at any given moment without much warning – if any.

It's a common perception that post-disaster housing issues result from complications of state/federal funding. While there may be some truth to that, this report instead explores elements often missing from the conversation: in particular, the role of personal finance, and the role of the community as a whole. And we uncovered some unexpected findings: a general lack of understanding about how banding together facilitates resilience; and a general lack of education about the effect of savings or other financial cushions on recovery.

Natural disasters can cause multiple ripple effects, of which a housing crisis arguably causes the most severe and lasting damage to a local community. There are many compelling takeaways in this report, but if we were to highlight only one, it would be this: post-disaster financing can mitigate the potential for a housing crisis, and thereby build community resilience.

The Correlation Between Natural Disasters and Housing Displacement

The relationship is recognized, as are valid concerns about how the issue would be addressed and the repercussions of it.



More than one in three (38%) say there's already a significant homelessness issue in their area and acknowledge a natural disaster would make the problem worse



More than one in three (37%) agree that although homelessness may not be a huge problem in their area currently, a natural disaster would cause the issue to emerge



There's overall distrust on how the government would handle the situation: **more than two in five (46%)** disagree the government would address the issue appropriately



Awareness needs to come from the federal/state level. **Over one in four (26%)** say natural disaster preparedness and response should be at the forefront of political campaigns

We're not Staying in our Homes

We're seeing a lot of flight, not fight, after a natural disaster occurs.

This is due to a lack of overall awareness around how vital staying put is for the rebuild process.



More than two in five (46%)

don't think their area is structurally or financially prepared to handle a natural disaster and therefore won't be able to keep communities together/people in their homes

If a natural disaster were to occur in their region, respondents cited the following potential housing issues amongst their top three concerns:



The potential displacement of homeowners/renters with nowhere to go, leaving their communities to seek shelter (**nearly half, 48%**)



Increased crime/violence/stealing from undamaged properties (**nearly half, 49%**)



A rise in temporary residences like shelters/camps/tents (**nearly one in three, 32%**)



Families/individuals leaving their communities due to poor conditions/lack of resources (**over one in three, 33%**)



Not having neighbors/friends/family nearby to seek shelter with (**nearly one in three, 32%**), potentially causing people to leave and therefore not be a part of the rebuild process



Conditions like unsafe overcrowding of residences that weren't affected by the disaster (**nearly one in four, 24%**)

Resilience Also Boils Down to Simplifying Personal Finances

Given that 42% of adults have \$1,000 or less in savings to use to bounce back from a natural disaster, there's a dire need for education on how to financially plan effectively for natural disaster recovery – especially when areas not typically prone to disasters are increasingly experiencing them, due to climate change.



More than half (57%) think there needs to be more formal education about personal finance topics/preparedness in schools



More than two in five (44%) think we need to simplify the process for engaging with personal finance services (e.g., less jargon to read)



Nearly two in five (38%) say we need to “unbundle” personal finance by offering more flexible/customizable options rather than a one-size-fits-all approach



Over one in three (36%) of those who make less than \$40K/year think we need this more



Nearly one in three (29%) say niche insurance options (like flood, earthquake, etc.) should become more widely available

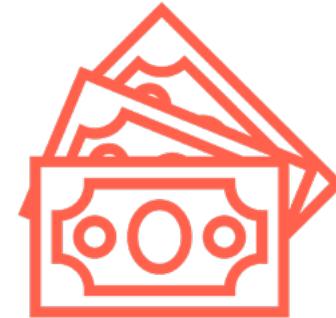
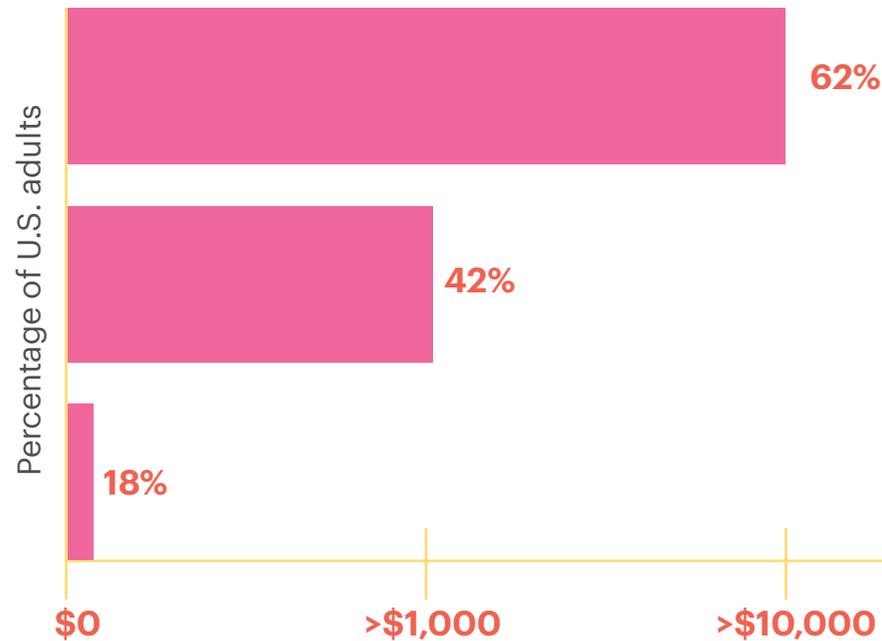


User experience is paramount. **Over one in five (22%)** think financial/insurance transactions should be quick and easy to do on a phone via apps/mobile sites

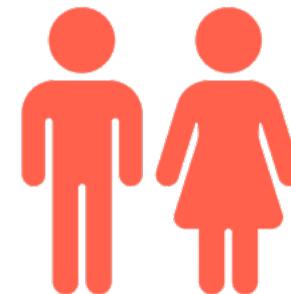
We Need Dedicated Funds

The ones who need natural disaster recovery money the most are the ones not saving at all.

Savings that could theoretically be used to financially bounce back from a natural disaster



Unsurprisingly, nearly one in three (30%) people who make less than \$40K/year have \$0 set aside, but it becomes a Catch-22 because these are the people who need a proper financial cushion the most



Over one in five (23%) women have \$0 saved for a natural disaster while just **over one in ten (12%)** men have \$0

Let's Reprioritize "Know thy Neighbor," Especially for Young People

Community resilience is paramount to recovery. It's when people work together to rebuild after a natural disaster.

Considering just two in five (40%) Americans say that staying in your home/community is valuable for the rebuild process, education is dire



However, this need for education is slowly but surely becoming recognized, as **nearly one in three (30%)** think we need to educate more on the economic effect of staying in your community after a natural disaster



Over one in three (35%) people understand the importance of financial planning for a natural disaster and know that remaining in your community is only possible with the proper financial cushion

Millennials (aged 18-34) are more likely to pick up and leave after a natural disaster but they're the lifeblood of the economy, so we need to educate young people more about why this mentality is problematic

Baby Boomers

VS

Millennials

Almost half (49%) of age 55+ think staying in your home is valuable for the rebuild process

Nearly two in five (39%) of age 55+ think remaining in your home is the most valuable way to rebuild

Just over one in four (28%) 18-34 year olds think staying in your home is valuable for the rebuild process

Only 16% of 18-34 year olds think remaining in your home is the most valuable way to rebuild

Californians are Feeling the Effects of People Leaving Their Homes, Post-Disaster

California is already suffering from homelessness – in fact, nearly one in three Californians (30%) report their town or county has been impacted by a post-natural disaster housing crisis. However, community ties are strong – nearly one in three (32%) Californians who have experienced a post-natural disaster housing crisis say the majority of their community have stayed nearby to facilitate the rebuild process.

Of those whose town/county have been impacted by a post-natural disaster housing crisis:

Nearly three in five (58%) say homeowners/renters in their community has been displaced and left to seek shelter elsewhere after a natural disaster occurred

More than one in four (27%) acknowledge that financial resources have become tighter because of people leaving (less economic activity due to flight from community)

Almost one in three (30%) say there's been a rise of unsafe temporary residences like shelters/camps/tents

Almost one in three (30%) say a natural disaster has added to the existing homeless population given all the displaced individuals/families

Almost one in five (19%) say there's been increased crime/violence/stealing from undamaged property

When asked their top three post-natural disaster financial concerns, Californians cite:



Three in five (60%) are concerned about having enough money to cover a temporary residence (e.g., staying in a hotel while their house is being fixed)



Over half (51%) are most concerned about financially covering house repairs (e.g., broken windows, flooding damage)



Over one in four (27%) are worried about traveling to their job (e.g., street closures, no public transportation, no car, etc.)



Over two in five (47%) are worried about replacing possessions (not clothing or groceries but everyday household items that add up)



Nearly one in five (19%) are worried about replacing clothing

Methodology for US

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1215 adults. Fieldwork was undertaken between 6th - 7th December 2018. The survey was carried out online. The figures have been weighted and are representative of all US adults (aged 18+).

Methodology for CA

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1006 adults. Fieldwork was undertaken between 6th - 11th December 2018. The survey was carried out online. The figures have been weighted and are representative of all California adults (aged 18+).

About Jumpstart

Jumpstart is the first to provide parametric earthquake insurance for renters and homeowners in the U.S., in partnership with leading financial institutions. Parametric is a form of insurance where payments are linked to measurable events, such as the shaking intensity of an earthquake.

Jumpstart Insurance Solutions, Inc. is a California Benefit Corporation and a licensed surplus lines insurance broker in California (#OK67793). Jumpstart complies with all state-mandated regulations for surplus line insurance brokers.

For more information, please visit www.jumpstartrecovery.com

