



FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

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We Have Everything We Need

[Last week I wrote about](#) why the last week of the year is a good time to reduce your existential overhead: "...most people are in quasi-vacation mode, enjoying the post-Christmas buzz in their pajamas while the weather is often socked in with a thick, cold fog for days at a time." Ha-ha! Like many millions of other Americans this year, we recently lost power (first intermittently, then continuously for 32 hours) in wind chills well below zero. A neighbor who's lived here for 16 years said they'd never seen such cold here.

We had a whole-house generator the first time we lived here, but in seven years, we had to use it just once. It was expensive (including maintenance) and the weekly self-tests were noisy, so we decided not to get one for our current house. Since we moved back here over two years ago, there have now been three occasions (a hurricane and two winter storms) when we could have used one.

We covered our spigots, dripped our faucets and ran two propane-powered fireplaces around the clock, but it wasn't enough to prevent a spigot pipe from bursting and partially flooding three rooms in our basement. The thermostat in our house read 35 degrees for a long time, but I think that's just because it couldn't go any lower. We could easily see our breath inside our house. I checked the shower in the garage apartment, and there was a solid column of ice from the shower head to the shower valve.

As an Army officer, I spent weeks living in the field in Germany during the winter, so I'm familiar with cold; but this was pretty brutal. When I'd go outside, I could feel my beard kind of crack, and my fingers would quickly go numb even though they were inside gloves. The cold was piercing and stinging. It was hard to get warm unless you were sitting in front of the fire.

Employees of the local EMC worked around the clock to restore power. Some of the equipment failed in the extreme cold. Demand for power was extremely high, especially with families cooking, entertaining company and getting ready for Christmas. I wondered how a grid powered by just solar and wind would have handled that. I also heard a lot of complaints about heat pumps (which the World Improvers are pushing, with a tax credit in 2023) not being able to produce enough heat (which is a known limitation of them in very cold temperatures).

Most of our neighbors either had generators or power, and graciously invited us to come to their house to get warm, recharge our devices, get a hot shower or spend the night. On Christmas Eve, our community opened a building where neighbors brought hot food and enjoyed an impromptu but fun Christmas party together.

After power was restored at 2:00 a.m. on Christmas Day, we started reaching out to neighbors, offering our house as a refuge or help if they needed anything. We spent that day just trying to climb out of survival mode. We finally got around to opening Christmas gifts around noon on the 26th. I happened to go downstairs and discovered that three rooms were partially flooded and water was pouring out of a wall outside. A neighbor had previously showed me where the main cutoff valve was, so I quickly closed it.

We alerted our neighbors and they immediately descended on our house with wet vacs, dehumidifiers and fans. They busted ass for two hours, moving furniture, ripping up carpet and padding and vacuuming up 60 gallons of water. We were grateful for and humbled by their response and offers of help. One neighbor brought us a dinner of soup and dessert, while another spent a lot of time and effort cutting out a bookcase panel so we could see the sheetrock behind it. Some friends invited us over to their house for hot showers. It started snowing that evening, enough to make driving (up and down hills) almost impossible. Some drivers became stranded and had to be rescued.

Ironically, we were able to come to the rescue of the friends above two days later when their vehicle broke down one evening in the middle of the road. Crises bring out the best (and [the worst](#)) of people.

Plumbers, remediation companies and insurance companies are currently inundated with what may be millions of cases of broken water pipes across the U.S. Some houses in my community were total losses. I heard that even a hospital in Atlanta had three floors flooded. This will take many months to recover from.

Any time a “dry run” event like this occurs, it's an opportunity to learn lessons and improve your preparations for the real thing in the future, which could be much, much worse. Here are my observations and lessons learned so you can learn from my mistake:

- When you know an event such as a deep freeze is imminent, you need to spend some time thinking about what could happen and whether you're prepared for that. I'm ashamed to admit that the broken pipe was my fault. I should have thought to turn off water to the spigots and drain those pipes, but I wasn't even aware that that was possible with my house. No one (including the previous owners) had ever showed me how, and the shutoff valves were not labeled or intuitive in the maze of pipes. As a risk manager, there are so many perils to think about. As Henry David Thoreau wrote: "In the midst of this chopping sea of civilized life, such are the clouds and storms and quicksands and thousand-and-one items to be allowed for, that a man has to live, if he would not founder and go to the bottom and not make his port at all, by dead reckoning, and he must be a great calculator indeed who succeeds. Simplify, simplify."
- A crisis (especially one that affects modern technology) can create a cascade of subsequent failures. For example, loss of power could lead to loss of heat (and then frozen/burst pipes and water/mold damage, as well as disease due to loss of sanitation), loss of access to spending power (so no groceries), loss of transportation (no gas or electric charges), loss of communication (no cell service or ways to recharge cell phones), etc. The veneer of modernity can suddenly be stripped away, throwing us all back into a 19th Century existence at best. But back then, at least people had the knowledge, systems, equipment and supplies to survive in that environment; we don't.
- A checklist is a great way to ensure that you don't forget to do anything to prepare for a possible event (imminent or not). You could make one for winter storms, hurricanes, wildfires, earthquakes, tsunamis or floods, volcanic eruptions, electric brownouts or blackouts, a pandemic, civic unrest, etc.
- Modern conveniences such as electricity, running water, HVAC, Internet and cell service are an unbelievable luxury that we take for granted, but they are fragile. Life is much harder when these are not available. Being cold, wet, dirty, exhausted and hungry really sucks. Few Americans really know what that is like.
- One of your most important preps is your network of neighbors and friends (know how to contact them via phone/text or email). You need to develop and nourish these relationships well before you actually need them. You need to have empathy for other people and reach out and offer to help when you know someone might be in need. It is difficult if not impossible to make it through a crisis without the help of other people.
- Redundancy is a key principle of prepping. For example, you MUST have at least two different sources of heat (survival is the fine art of keeping your body temperature close to 98.6 degrees). We have three solar-powered lanterns (that can also be used to recharge electronic devices), and even though I had charged them, it seemed like one of them didn't work. No worries, I still had two.
- Having a mindset of gratitude is critical. At one point during this ordeal, my wife

said, “We may not have power [or water], but we have everything we need,” especially a network of amazing neighbors and friends.

- You must have *ample* potable water (mine is in 5-gallon blue jugs with a small amount of plain bleach in each). Water is life, so it's your #1 prepping need. You need it for drinking (including for pets), cooking, hygiene and sanitation. It's amazing how quickly you can go through it just using it to flush toilets.
- You must have a way to recharge your electronic devices. In addition to the solar lanterns, we have one of [these chargers](#) in each of our cars and [this solar recharging kit](#).
- A fire, hot food and a hot shower are huge morale boosters. You also need to have plenty of food on hand that doesn't require preparation.
- Identify good contractors and vendors in your area ahead of time and have their contact info: propane and bottled water delivery, HVAC, plumber, electrician, remediation company, handyman, general contractor. Know how to look up the outage map for your power company and Internet provider. Know how to contact your homeowner's insurance company.
- The real Christmas spirit isn't about gifts, it's about helping others in need. And the greatest gift is electric power and running water.

What You Should Be Doing Now

Time to do your annual review. Take a day and go to a quiet location, offsite if necessary, and really spend some time thinking about what you'd like to do in the coming year. I plan to write about annual reviews in a future issue.

BTW, if all goes as planned, starting with the next issue (#100), I'll start publishing on Substack. Stay tuned for more details.

[Newsletter Archive](#)

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I would love to hear from you! I thrive on feedback from readers. If you have any comments, suggestions, insight/wisdom, or you'd like to share a link to a great article, please [email me](#).

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