

THE TORNADO IN JOPLIN AND THE TRAGIC NUMBER OF UNINSURED

THE MONEY MARATHON: JULY 2011

Several weeks ago in early June, I had the opportunity to travel with a group of 29 people from my church to help with the cleanup in Joplin. We spent a couple of days helping, and it was a rewarding experience just being able to help in some small way. It really goes without saying that the devastation is beyond description.

I am scared stiff of tornados, as my family will attest, but in some strange way I am also fascinated by the power of these monsters. In third grade I had to do my first notebook on a subject of my choice and I chose Great White Sharks. I feel the same about sharks as I do tornados, again scared stiff, but fascinated by their power.

Here is some information about the Joplin tornado that you might find of interest. This was preliminarily rated an F-5 tornado (the final rating could change), the most powerful tornado rated with winds in excess of 200 miles per hour. Only 1 out of 1000 tornadoes are rated F-5 or one tenth of one percent. In fact there has been, on average, only one F-5 tornado per year for the last 60 years, although there have been four this year. The Joplin tornado was the only F-5 to hit in Missouri since measurement started in the 50s. The Joplin tornado has been responsible for the deaths of 156 people and was the 7th most deadly single tornado in history and the most deadly since 1950. Prior to the 50s, there were no early warnings and therefore several tornados in the early 1900s caused more deaths.

Recently, the Weather Channel rated the top 5 deadliest tornado outbreaks of all time, and they listed Joplin as #4. Number five was a tornado in 1999 in Oklahoma that had measured wind speeds of 300 miles per hour. Number three was the April 26th through April 28th 2011 outbreak in the south that killed approximately 350 people over three days across numerous states. (So far in 2011 there have been over 530 deaths from tornados nationwide which are many times the average fatalities in an entire year of 50 to 80 deaths per year. 2011 will most likely be the deadliest year for tornados since 1925.) Number two was the Super Outbreak in April of 1974 that spawned a record number of 148 tornados including 30 F-4 and 6 F-5 tornados in the same storm, killing over 300 people. Number one on their list was the Tri State Tornado in 1925 that traveled over 200 miles on the ground through southeast Missouri, Illinois and Indiana, killing 794 people.

The Joplin tornado went through six miles of the town from west to east extending at times to nearly one mile wide destroying over 8000 homes and 30% of the town. To put that in perspective, since Chillicothe is about two miles wide and three miles long, if a tornado traveled three miles from the north

end to the south on the west half of the town, and then traveled another three miles from south to north on the east side of the town (I know tornados don't back track but this is for perspective), it would equal the path and width of the Joplin tornado and would have wiped out the entire town of Chillicothe.

Imagine the debris and rubble that a tornado of that magnitude could cause. In Joplin, there is over 3 million cubic feet of debris to clean up, the equivalent of a football field length of debris from the back of each end zone stacked up to a height that exceeds the Empire State Building by 200 feet! This will take a very long time to clean up. As an interesting side note, a receipt from a gas station in Joplin picked up by the storm was found over 200 miles away, an amazing distance and record for how far something from a tornado travelled.

There are two items of particular interest to me in visiting with the survivors of the three houses and yards at which we worked. All three survivors of these three households said they could not see the tornado because there was such a strong downpour of rain. Then when the tornado hit, it sounded like a dozen jets or trains. These homeowners where we worked all thought they were going to die. When it passed, they believed they had survived. But after a 45-second respite or calm, they were hit by the back end, or second tornado, that was louder and more powerful than the first; and this time they felt certain they were going to die. Apparently, either this tornado had multiple vortexes or there was a center of the storm that was calm. One homeowner said the time from when the front end of the storm hit to when the back end of the storm pasted them lasted only about three minutes. She went on to say that these 3 minutes seemed like an eternity.

The second and most significant item to me was how these survivors all felt blessed to be alive. Although they had lost their houses and possessions and keepsakes (a few items of which we found in the debris), they were able to put this all in perspective to say that none of that really mattered. They were alive and that was all that mattered.

The stories of heroism during this storm are also remarkable and show the courage and love of our fellow man as many sacrificed their own lives to save others. "No greater love is this than a man lay down his life for another."(John 15:12) An example of this bravery was described by the President of the United States at a memorial service in Joplin. He told the story of the manager of the Pizza Hut (I saw where it used to be) who as the storm approached moved all 15 or so people in his building to a walk-in freezer. When the door wouldn't close, he got a rope and tied it around the door knob and held on from the outside to save the others until the storm sucked him up into it. He died, but the others all lived. There are many stories of sacrifice and courage like this.

As a side note to this, I was told when we left that FEMA (Federal Emergency Management Agency) would pay \$18 per hour to the city of Joplin for the volunteer work we did plus \$150 per hour for the two bobcats we used. Based on 12 hours of work over 2 days and 29 volunteers, this equates to about \$10,000 that the City of Joplin should receive from FEMA.

This is a financial article; so one of the points I want to make is that nationally 4% of homeowners do not own home insurance, and in the South, it is as high as 17%. If Joplin had only the national average of uninsured homes, that means 4% of 8000 homes which equates to 320 uninsured homes. The federal

government will assist the uninsured up to \$30,000 for home repairs, rental assistance, and other disaster related losses in areas declared a disaster by the President, but the government cannot by law pay for the cost to rebuild. There is logic to not reimbursing 100% of uninsured home owners in that if the government routinely did that, this would create a disincentive that would discourage even more homeowners from buying insurance.

The point of insurance is that a person should buy insurance to cover financial catastrophes. Insurance is not needed to cover small financial losses if the person is financially willing and able to cover the loss. Therefore, as an example, many people don't insure an older car that is not worth much. However, financial catastrophes can include loss of life, health and loss of major assets like a home. These potential losses require insurance and failing to insure can turn an unlikely event into a financial catastrophe.

I have never seen a tornado in person and after seeing the Joplin devastation, I hope that I never do. Just in case we do have a tornado alert or warning, please take the warnings seriously. Move your family in the basement, but if you don't have a basement, get into the center of the house away from windows, possibly in a bathtub covered up by a mattress. Also to protect yourself financially, be sure you are insured properly for financial catastrophes including home insurance that adequately covers the replacement cost of your home and its contents.

Remember every investor's situation is unique and it is important to review your specific situation with a financial professional.

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