

# When You Plan Ahead, Damage Can Be Minimized

Hurricane Florence is bearing down on South Carolina, with some estimates suggesting four FEET of rain could swamp the coastal towns. Even for seasoned hurricane survivors, that's a mega-monsoon.

Debbie and I have encountered many hurricanes in our decades of East Coast living. Most recently our Key West home was visited by Hurricane Irma, which left much of the Keys devastated. Our home was left relatively intact compared to some neighbors.

In 2004 I outlined some of the preparations built into our home. My point then was that when you plan ahead, damage can be minimized.

## *My Big Idea*

*I've been writing to you about my Big Idea. My program is based on the human tidal wave of over 70 million Baby Boomers who, in about four years, will begin to retire and will head south to warm weather and low taxes. I've written about Florida as a state that will garner increasing interest by Baby Boomers. Well, as might be expected, when one is especially enthusiastic on a subject, outside influences can, shall we say, put a damper on things. As it turns out, this year's hurricane season was a beauty, and Florida got hit with four major storms in one season. There hasn't been a hurricane season like this one for one state since Texas got hit back in 1886. Florida got whupped up by Charley, Frances, Ivan, and Jeanne. Naples, my favorite for relocation, did not get hit. My home base in the Florida Keys also avoided a hit from any of the four, as did Amelia Island north of JAX, another one of my favorites. And my strongly advised St. Joe came away*

*unscathed. Even with a recordsetting four hurricanes, I don't have much to complain about. And Florida real estate sales remain strong. The WSJ recently reported, "So far, the four hurricanes that pummeled Florida during the past two months have done little to scare investors away from commercial real estate in the Sunshine State." And sales at St. Joe remain red-hot.*

*The whole East Coast, not just Florida, felt the wrath of this year's hurricane season. Virginia was hit hard, and a lot of historic Richmond was under water. Jeanne dumped a foot of water in Delaware. The Carolinas, Maryland, Pennsylvania, and New Jersey all had loads of problems. It was a tough year in the East. After Hurricane Andrew in 1992, Miami-Dade County adopted much tougher building codes. In Miami-Dade, buildings must now be built to withstand 140-mile-per-hour winds.*

*I've been an East Coast island resident for almost 30 years and have weathered a number of nasty hurricanes. They are not much fun, but when you have a plan, dealing with storms is easier. In the Keys, our home is built to withstand 150-mph winds. We built our home like a fortress, with deep overhanging porches to protect windows, jumbo oversized roof beams, and vertical posts with lug bolts the size of your fist. We have zip on-and-off accordion metal shutters for exposed doors. In Naples, where our son, Matt, lives with his family, their fortress has brand-new hurricane-resistant metal doors, including the vulnerable garage. Windows are hurricane fighters. When you plan ahead, damage can be minimized.*

The same principles can be applied to your investment portfolio. Building a diversified portfolio on a foundation of value and compound interest will leave you ready for any market storm.