

# *SurviveInPlace*

## Lesson 9

**Economic Update**

**Food Reserves**

**Getting Your Family On Board**

**Preparing Your Church**

**Water Heaters**

**Foreclosure**

**Paying Taxes After A Disaster**

**Dealing With Neighbors After A Disaster**

**(WOW! That's a LOT)**

By

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This week we're going to go over some vital SurviveInPlace strategies for both short and long term survival. This is meaty stuff, so hold on!

- **Economic time bomb on the horizon**
- Simplest way to build up food that EVERYONE in your family will buy into
- **Food Caches**
- Post-disaster conversations with neighbors
- **Hoarding cash**
- Paying your mortgage after a disaster
- **Paying taxes after a disaster**

To start with, I want to congratulate you on making it this far through the course. We've still got a lot to go over, and I want to encourage you to DO as much as possible in the lessons. As I discussed before, you only retain about 10% of what you read, and when you involve all five senses in the learning process, your retention rate goes up to as high as 90%. The best way to do that is to write out your plan and actually practice survival skills.

When you add in the fact that those numbers will get cut in half again when you're under stress, you need to ask yourself whether you want to remember 5% of the information in this course (reading only) or 45% (reading and doing.)

### **Timely Information**

There are a couple of particularly important items I want to tell you about that are timely as I'm writing this. As I've mentioned in the past, I'm VERY pragmatic. I'm not prone to conspiracy theories, and when people tell me about TEOTWAWKI scenarios, I ask an insane amount of questions to try to boil things down to a plausible level.

First, there is an increasing number of smaller towns that are pre-positioning concrete barricades or have heavy equipment ready to place barricades to block bridges and other choke points to keep "city people" from over-running them in the event of a local, regional, or national disaster. I KNOW of three towns doing this in Idaho, Wisconsin, and Louisiana. Three towns in the entire US is a miniscule number, but these are the locations that I personally know of where the barricades are obviously pre-positioned.

The point is that residents of small towns outside of large population centers know what's going to happen if there's a disaster. They read survival websites too and they know that waves of city people will be heading to the hills (their hills) and they don't want to deal with it. Frankly, they can't deal with it.

Small towns have small town infrastructure and aren't designed to handle a population explosion and know that in order to survive, they're going to have to make the hard decision of turning away city people...even city people who are just passing through trying to get to their retreat locations.

So, again, if you can leave the city before there's a problem, that's your best bet...but if you can't, you'd better be prepared to survive in place. The main, backup, and tertiary routes to your rural retreat may not be passable due to rural people trying to protect their towns and families.

**Second**, according to the St. Louis Fed, the money supply has gone up 110% in the last 12 months. There's a link on the resource page to a very disturbing graph that shows the Adjusted Monetary Base from 1918 to the present. In short, the money supply went from \$4 billion to \$850 billion from 1918 to June of 2008. From June of 2008 to June of 2009, the money supply went from \$850 billion to \$1.7 TRILLION...more than doubling in 12 months.

During the same time, US gross domestic product has, depending on which report you read, fallen 2-15%.

As a VERY simple explanation, when the supply of money goes up and the production of a country goes down, you have more dollars going after fewer goods and end up with inflation.

I could speculate on what this means from a survival point of view, but the fact is that we don't know what will happen. Never before has a military superpower that held the world standard currency faced a situation like this.

There are a million and one theories including terrorist attacks while our economy is depressed, China dropping the dollar, martial law, splitting the country, and/or a complete economic collapse. Frankly, they are all guesses...some of which are made to scare people into buying stuff and others that could be plausible, but aren't likely to happen.

We don't know what the Fed will do, what Obama will do, what China will do, Al-Qaeda will do, or what any other country will do. I encourage you to stay abreast of what's going on with these theories, but don't get too committed to any TEOTWAWKI scenario.

And, above all, don't give into worry. Be very careful about what thoughts you let linger in your head and only give time and energy to things that you have some control over. You can't effect meetings between national leaders, or the decisions of the Fed, but you can spend more time with your family, exercise more, and

spend another hour or two a week on common sense survival preparations from this course.

I was told that the world would end before I got my driver's license, that society would collapse because of Y2K, that EMP attacks were imminent after 9/11, and that the US was definitely going to get hit with dozens of small coordinated terrorist attacks the end of 2008/beginning of 2009. None of them happened. All that I AM confident of is that being prepared to take care of yourself is smart, regardless of the threat and that prices for consumables will go up considerably once inflation starts taking hold.

### **Food Storage Made VERY Simple**

Fortunately, the food storage component of survival will be very helpful any disaster or TEOTWAWKI scenario, including the early stages of high inflation. Keep in mind the obvious fact that if you use your survival food and don't replenish it, it will all go away. The purpose of survival provisions, be it a 72 hour kit or a years worth of food and water, is to help you survive long enough to secure a sustainable source of food and water.

If high inflation hits and causes food prices to skyrocket, you're still going to want to buy some of the food you eat, but you can supplement it with the food that you have stored temporarily until the market settles or you figure out a long term solution to the high prices.

We talked about building up your food storage briefly in an earlier lesson, and if you didn't get serious about it then, I'm going to show you, right now, the easiest way to build up a food reserve, as well as how to frame the conversation with your family to get them on board.

Start by looking at your food inventory from earlier in the course and make a rough guess at how long that would last you in an emergency situation.

Next, if you haven't already, decide how much food you want to end up with. The longer period you are planning for, the more you're going to need to factor in water, vitamins, balanced nutrition, fiber, texture, cooking, flavor, etc. Decide how many people you're going to provide for (family, 1-2 "guests", charity, etc.)

If you have to, you can survive for a long time on beans, rice, and ash cakes (this is the norm in some African and South American countries,) but if you plan ahead, it's simple to have a wide variety of foods that you already eat on hand for survival.

As a note, my church asked me to put together a plan to feed 500 people 3 meals a day for 30 days (45,000 meals) as inexpensively as possible. You can easily do it for less than \$1.79 per person
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per day using prepackaged, sealed, 5 gallon buckets. This cost includes the cost of propane to heat the food.

If you buy in bulk bags rather than 5 gallon buckets, you can get the prices MUCH lower. If you are interested in this plan for your church or your family, let me know.

On this point, I encourage you to do like I have and talk with the leadership at your church. Briefly and simply lay out the facts about the money supply, GDP, and inflation and ask them if they will consider talking with their staff about building up their family food supplies.

### **Simple Strategy For Stockpiling Food You Actually Like:**

Starting today, when you use a can/bag/box of non-refrigerated food, simply write down that you are going to buy two the next time you go to the store. When you get home, simply put one where you normally would and the other can with your survival provisions.

The next time you use a can, replace it with the oldest one from your survival provisions and when you buy your two replacements, put them both in with your survival provisions. Make sure to write the date on the cans as you buy them so you know which to use next.

This simple strategy will work for any non-perishable item, like granola bars, instant rice, seasonings, drink mixes (including powdered milk), all canned fruits, vegetables, soups, tuna, chicken, salmon, non-refrigerated juices and even potatoes if stored properly. It also works quite well for vitamins, disposable contacts, toilet paper & other toiletries.

If you are currently strictly eating fresh produce, then I suggest buying some non-perishable food every time you go shopping. There is no doubt that fresh food is preferable to canned non-perishable food, but I would argue that if inflation causes prices to quadruple, the canned food you have will be healthier than the fresh food you can't afford anymore.

By building up your food storage like this, you will be stocking up on food you eat, that your stomach is used to, and food that you can rotate easily.

A final benefit to doing food storage in this way is that many canned meals are pre-cooked, have water in them, and you can use the can to cook in and eat out of.

One way of looking at this is that if you're consuming approximately 1500 calories a day and you're buying 3000 calories a day, after six months you'll have a 6 month food supply.

These numbers will be off when you factor in meals eaten away from home, but it will give you a rough idea. Obviously, if you can afford to, you can buy 3x or 4x what you use regularly to get your 1, 3, 6, 12, or 24 month supply of food more quickly.

I feel like it is prudent to do this as soon as possible so that IF rampant inflation hits, you've created a safety net for your family. If two or three years go by and we haven't had the inflation that I expect, then you will either have a great supply of survival food or you will have very low shopping expenses when you eat the food.

### **Getting Your Family To Buy In**

This strategy of building up your food supply also happens to be one of the simplest segways that you can use with family members to get them on board with disaster planning. Instead of saying, "I want to buy a \$3000 pallet of survival food and put it in our garage," you can say, "Honey, it looks like the price of food and toiletries are going to go up quite a bit this fall. If we can afford it, can you start buying 2-3 extra of everything that won't spoil when you go shopping?"

You don't have to talk about terrorists, TEOTWAWKI, or any other disaster...just talk about buying more of what you already buy. It completely changes the conversation from being a major event to an "Oh, by the way..." conversation.

Another supporting argument for this strategy is to say, "Think of it like a savings account. If we need some more money in a few months, we just eat some of our extra food and use the money that we would have used to BUY food." Note that I said, "extra" food instead of "survival" food. This is on purpose so that the idea is not intimidating.

To Do: Talk with your spouse about inflation and the prudence of starting to buy double of some or all of the non-perishable items that you currently consume.
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### **Cache – It's Not Just A Cool Word In Spy Novels**

Picture a scenario with me for a minute. You're 12 days into a post-natural disaster situation. Shelves are bare, even though cell phones started working on day 2, food & water distribution is sketchy at best. A couple of neighbors who you've had over dozens of times come to your door begging for food. They are your friends.

You care for each other and want to help them, but you also know that they talk a lot. Here's where it gets interesting.

Option 1: You have all of your food in one location. They've been over for dinner before and they've seen it and commented on it. They know what you've got and know your kids aren't as hungry as their kids. You're going to have to think fast about how to help them without becoming their sole source of food and possibly giving away food that will be necessary for your family in the near future. Again, the concern isn't helping one family with one meal...that's just the right thing to do. The problem is being in a situation where several families come to you repeatedly, feel entitled to your food, and clean you out.

Option 2: You have your food cached in several locations throughout your house. Some visible, some in cardboard boxes marked for something else (crock pot, wine/liquor box, Lincoln logs, etc.) For the last 12 days, you've been using the food from your main location and it's almost gone. Your friends have seen your pantry before and figure you are in the same situation that they're in.

They know how much food you normally have there and this gives you the option to take them to your pantry, show them how little you have left, and offer them something. People in need will generally be more sympathetic to other people in need or even in a slightly better situation than they will be to someone who has "plenty."

By simply splitting up your provisions, you will have made yourself look like you're in as bad of a situation as they are and they will be unlikely to come back demanding more food. You will still have the option to give them food anonymously in the future, or tell them, "I found some Cliff bars in my backpack and knew you guys could use them as much as we can."

These caches don't have to be elaborately hidden caches, especially if your family members are on the fence about survival planning. They should just be hidden from casual view.

To Do: Pick 2-3 locations (closets, etc.) to put caches of food and boxes to put it in.
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## **Will YOUR Water Heater Have Clean Water In A Disaster?**

One of the best sources of survival drinking water in urban areas can be the water found in your water heater. Unfortunately, plumbers that I've talked to laugh out loud when I suggest that this is a good source of water in a survival situation.

It's not that water heaters don't have lots of water in them, it's that people make three BIG mistakes when they count on their water heater as a survival tool:

1. Maintenance
2. Bad water from the city
3. Scalding yourself

**Maintenance:** If you've ever had a water heater go bad and open the drain valve to empty it, you know how much crud (rust & mineral deposits) can build up in a water heater. If you don't drain your water heater regularly (we do it annually,) then you can expect to drink some of that crud if you need to use your water heater in a survival situation, if you can make the valve work at all.

Basic water heater maintenance is very simple, but you can ask a plumber/handyman to help you the first time if you need help.

1. Turn off the water supply.
2. Release the pressure valve until you don't hear high pressure hissing. (You must do this first or the water coming out will be under pressure.)
3. Open the drain valve. I hook a hose up to our drain valve and run it to our floor drain so that I don't get the entire floor wet.
4. Release the pressure relief valve again. This will allow air in the top of the tank and water out the bottom. Drain the tank for one minute or until the water runs clear, whichever is longer. \*\*The water coming out of your water heater is HOT\*\*
5. Close the drain valve. If it won't turn off, and you haven't installed a backup valve, you can simply wait until the tank is empty and screw on another valve until you have a chance to repair the one on the water heater.
6. Turn the water supply back on.
7. Use a magic marker to write today's date on the side of your water heater so you'll know when to do it again.

It's a very smart idea to keep either a screw on Y valve (like you would use to split the flow of a garden hose) or a straight shut off valve on top of your water heater. If you find yourself in a survival situation where you need the water to survive, you don't want to lose the water because the shut-off valve stops working.

In a survival situation, make sure to attach this additional valve to your drain valve BEFORE you start draining it so that you can shut off the flow if the drain valve is bad. While you can also stop the flow of water (if the water supply is shut off) by letting go of the pressure relief valve or raising the end of your hose above the



water level in the water heater, the valve is a more reliable solution.

**Bad Water From The City:** In a flood or earthquake situation, the municipal water supply may not be usable for long. Whether it's river water, runoff, or even sewage getting into the water supply, you want to avoid contaminating your "clean" water with "dirty" water. Fortunately, it's simple to do this by either turning off the water supply to your water heater, or better yet, turning off the water supply to your entire house so that you can capture all of the clean water that's in your pipes.

**Don't Scald Yourself:** After you've drained your water heater a couple of times, this will be elementary, but since scalding is so serious and common with water heaters, I am including a warning about it.

**In An Emergency:** You're going to use almost the exact same strategy for getting water out of your water heater for survival as you do for annual draining: Screw on your backup valve, turn off the supply, pressure relief, open drain valve, pressure relief until you get enough water, close drain valve. The only difference is that now you won't turn the water supply back on, unless you KNOW that the water coming into your house is drinkable.

As you're draining the water heater tank in a survival situation, turn off the heater if it isn't off already to keep it from overheating as the water level goes down.

**To Do:** Go through the water heater maintenance steps above. Water from your water heater can burn you. Ask a plumber for help if you are not confident.

**Who Will You Let In?:** If you face a disaster where there is a breakdown in civil order, you will want to be careful about what you say to people and how you interact with them, but not everyone will be a threat. In fact, there's a good chance that the experience will bring you closer to your neighbors than ever before and possibly even create a small town feeling of closeness in your neighborhood.

One of the things that happened after Katrina is that since neighbors weren't going to work, and since they were going through a common struggle, they talked to each other more, helped each other more, and dropped in on each other more. This will probably be the case in your neighborhood.

That doesn't mean that they need to know about your provisions, and it doesn't mean that they need to come into your house to chat.

In the words of Ronald Reagan, "Trust, but verify." Don't be paranoid that your neighbors are going to take your food and supplies...rather, do your best to make sure that they don't know that you have food and supplies to take.

There's a saying that roughly says, "There are good people, bad people, and people who are on the fence. The good and the bad don't care what you do...they are going to be themselves. But the people who are on the fence can be tempted if you give them the opportunity to get away with being bad."

It is most often used to instruct people to lock their car doors and to keep valuables out of sight, but also applies to dealing with desperate people who may be willing to do things they wouldn't normally do to take care of their hungry families. By simply concealing your supplies, you will eliminate much of the threat.

It all depends on the situation, weather and the layout of your house, but if you have a sitting area in front of or in back of your house, it would be smart to offer to sit down and talk with neighbors that you don't know as well outside of your house rather than bringing them inside. In addition to OpSec, this gives you control over when you part ways.

If sitting down outside isn't practical, just make sure that you have things that you don't want neighbors to see put away at all times.

Take a second right now and think about what you would do in a disaster situation if there was a knock at the door and it was one of your neighbors. Mentally go up and down your street and decide what your response would be. Who would you invite in immediately? Would you step outside to talk? Talk to them through the door? Talk to them with the door open? Tell them to go away?

What about a stranger? If a crying 20 year old girl is at your doorstep, does she need help or is she the Trojan horse equivalent of a fake breakdown on the side of the road?

What about FEMA personnel, or other "aid" groups wanting to check and make sure your house is safe?

To Do: Spend a few minutes going through these scenarios and decide what you would do in each situation.
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The first decision in each case is whether or not to acknowledge their presence once you've identified them. (Is it possible for you to identify visitors without them knowing that you are looking at them? In many houses, it is not.)

Next, decide whether you will talk to them in your house, outside of your house, through an open door, or through a closed door. (Sometimes, if I'm by our back door when someone knocks at the front door, I'll go out the back door, walk around the house, and greet them from behind.)

Finally, decide whether to engage them in a friendly manner or a neutral manner. If at all possible, I would avoid being aggressive. If you are confident, resolute, and polite, you can get your point across without creating an enemy. It's also easy to start off friendly and change the tone to aggressive but VERY difficult to start off aggressive and change the tone to friendly.

In addition to going through this drill mentally, you will most likely be able to go through the process within the next 7 days if you live in an urban area. Even with no-solicitation laws, we get strangers at our door at least a couple times a week and I'm guessing you do too.

**Cash:** We'll talk about barter and alternative currencies in an upcoming lesson, but for most short term disasters, cash will be the simplest currency to use. Keep as much as you feel comfortable having in small bills (\$20 or smaller) in a safe at your house. I would start building this up as quickly as possible.

Many people are unaware, but in the fall of 2008, we were within a few short hours of the entire banking system shutting down. Banks were on a rolling notice and were within hours of being locked and electronic commerce turned off. In light of that, keeping cash on hand is hardly a "crazy" idea. At a minimum, it will save you money if you currently have to pay ATM fees to get access to your money.

Obviously, the fewer people who know that you keep cash in your house, the better.

To Do: Check your classifieds, Craigslist, Kijiji.com, and Backpage.com to see if there are any small fire safes for sale in your area for cheap. Buy one or more if possible.
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**Foreclosure:** In a disaster situation, there are several reasons why you might not be able to pay your mortgage. Your job might not exist anymore, your bank could be shut down temporarily, mail service may not be reliable, or you may not be able to contact your bank by phone or internet.

Keep in mind that banks and most investors don't WANT your house. They want your payments. The foreclosure process is very expensive for banks and is a last resort. After they go through the process, they end up with a house that they have to clean up, pay insurance on, and pay someone to sell.

If for whatever reason, you can't make your mortgage payment next month, the bank is not going to swoop in and take your house immediately. Worst case, if you can't make your mortgage payments in a non-disaster situation, it's going to take the bank 5-12 months to go through the process of contacting you, trying to work something out, sending the case to their legal department, posting a written notice on your door, scheduling the foreclosure auction, and actually selling the house at auction.

In the meantime, they might offer to modify your loan to a lower payment that you can afford just so that they don't have to foreclose.

In a disaster situation, all bets are off. If it's a local or regional disaster, there's a good chance that there will be state and federal assistance, like there was after Katrina. If it's a nationwide disaster, there is no telling what will happen.

I have friends who own several thousand mortgages and car loans. The one constant that has existed through regional disasters, economic booms, and economic busts is that people who communicate with their lender get treated better than borrowers who bury their head in the sand.

So, if you're in a disaster situation and know that you won't have income and won't be able to make your mortgage payment for a month or more, don't panic. Stay in contact with your lender, or at least attempt to make contact and keep a written record of your attempts.

If you get 3 or more months behind and haven't been able to work out a good solution with your mortgage company, you need to start preparing for alternative living arrangements, either by moving in with someone else or finding a less expensive shelter. You should already have backup shelter figured out before you get into a disaster situation and we'll cover this in a couple of weeks.

If you want to negotiate with your bank, one strategy that you can use is to see what houses similar to yours are going for at foreclosure auctions. Calculate what your payment would be if you kept your interest rate the same and owed the bank that price that houses are going for at auction rather than what you currently owe.

As a WAG (wild guess), if your current mortgage is \$150,000 and houses are going for \$75,000 at auction, ask your bank if they'd modify the mortgage so that you only owe \$75,000 and start making payments on that amount. Banks are currently doing this several hundred times a month and will have even more of an incentive after a disaster. It will be better for both you and the bank than going through the foreclosure process.

Keep in mind that while banks don't want to foreclose, it is in their best interest to get as much money from you as often as possible. If there is a widespread disaster, your bank will try to squeeze you for as much as they can, but if the situation is bad enough, they'll be happy to be getting anything.

**Taxes:** Property taxes after a regional or nationwide disaster are another big unknown, and talking about them is like opening a can of worms. To begin with, the amount that you're taxed has very little to do with the actual value of your home. Here's how they work in most parts of the country:

1. Taxing entities (cities, counties, ISDs, etc.) make their budget.
2. The budget gets sent to the assessors office.
3. If the assessor can't raise the tax rate (mil rate), they meet the budget by declaring how much properties have gone up in value, regardless of reality.

Is it cynical? Yes. Is it accurate? Befriend someone who works in your local tax assessor's office and find out. Or do a "news" search in Google for "Property Taxes In Florida." I think you'll be shocked at how tame my assessment is. Some Florida residents who saw their homes DROP by 20% over the last year are actually going to pay 15% MORE in taxes this year.

I am not a fan of excessive taxes, but I would argue that taxes are necessary to provide for efficient law enforcement, fire departments, EMS, and infrastructure like roads, bridges, water, sewer, electricity, gas, etc.

In the event of a disaster, essential services will still be needed, but if we look at what happened after Katrina, commerce dropped, home prices dropped, and jobs were lost. Tax revenues from sales tax, property tax, and income tax all dropped and the citizens who were left just didn't have the ability to pay local governments enough to cover their budgets.

Cities were able to recover after Katrina due in large part due to federal funds and US Treasury backing of local bonds. This option may or may not be available after future regional disasters and would definitely not be available after a widespread disaster.

What happens in your particular area after a disaster is going to depend on several factors, the main one being what the disaster is. A massive hurricane, earthquake, tsunami, volcano, or local terrorist attack is going to have a much different impact on local governments than a national disaster. Again, with a national disaster, the use of federal funds just isn't going to be an option.

On the local level, the factors include the presence or absence of emergency funds, how many bonds your local government has outstanding and how much your local

governments try to provide social services that could otherwise be taken care of by churches, charities, and other private institutions.

It will also depend on your local government's willingness to cut back on spending (non-essential employees) and their ability to come up with creative solutions to compensate essential employees for their time and effort.

What can you do to prepare?

1. Know who you're dealing with as far as your taxing entities are concerned. Living in a no/low income tax state is great when you're making money, but if a disaster eliminates your income, you'd be better off living somewhere with low property taxes.
2. Support politicians in your area who are fiscally conservative.
3. If you have to live in a city for financial/medical reasons and live somewhere with bloated government that isn't making positive changes, consider moving somewhere with smaller state and local government.
4. Look into getting an ag exemption for your home (even in the city.) Many cities offer ag exemptions for residents. Boise, for example, has an exemption for people who sell as little as \$1000 a year. This can be \$1000 worth of eggs, fruits, vegetables, flowers, hay, etc. and can be done on relatively small lots.

With property taxes, like mortgage payments, you will have more leverage if you are one of a large number of people having a problem paying their taxes and you happen to be willing to communicate and attempt to negotiate your taxes. You will also have more leverage if you have cash that you can use to pay your taxes with, or skills that you can exchange for what you owe in taxes.

WOW! When I said this week was going to be meaty, I wasn't kidding. Hold on tight...we're on the final stretch and we've still got a lot to go over. I've still got some surprises for you, including more "bonus" lessons.

Go on over to <http://urbansurvivalplan.com/382/lesson9> so you can check out the graphs from the St. Louis Fed and let me know your thoughts on this week's lesson.

See you in 7 days!

God Bless,

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