



O - SIX

IMPACT PARTNERS

FINANCIAL PLANNING IN THE
AGE OF CLIMATE CHANGE



A NEW PARADIGM

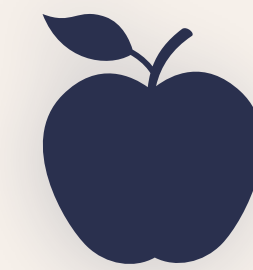
“CLIMATE HAZARDS CAN CAUSE INCOME LOSS, INCREASED EXPENSES, AND PLACE ADDITIONAL BURDENS ON AMERICAN HOUSEHOLD'S SAVINGS, CREDIT, AND INSURANCE COVERAGE.¹”



A NEW PARADIGM



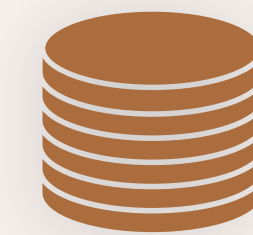
PROPERTY DAMAGE



COST OF LIVING



INSURANCE



INCOME



REAL ESTATE VALUE

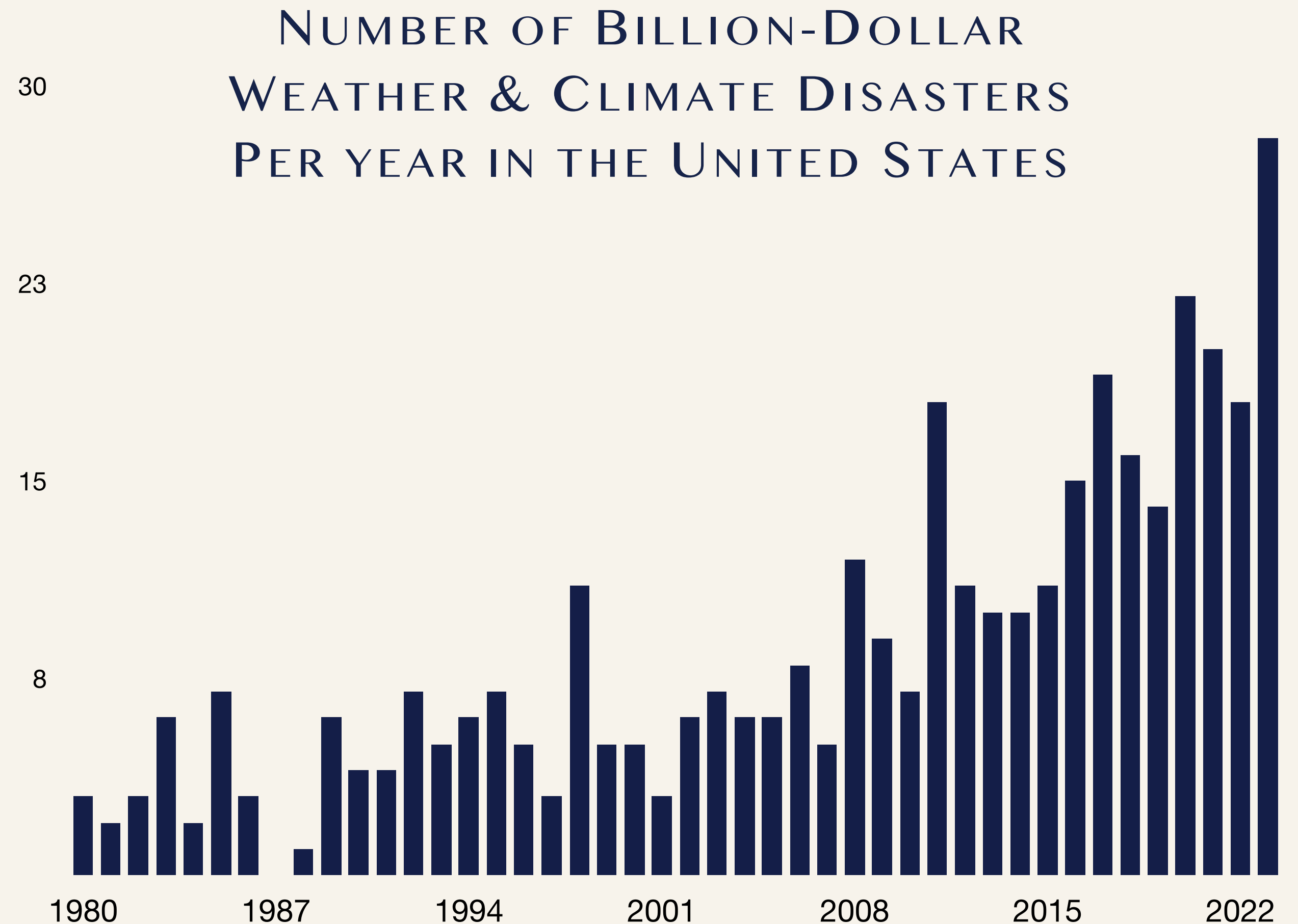


RETIREMENT SAVINGS

PROPERTY DAMAGE

One in ten Americans reported property damage from climate hazards in 2021 alone, generating ~\$56.92 billion in damages

The average expenditure for emergency home repairs has surged more than 400% in the past three years.⁴



Source: [National Oceanic and Atmospheric Administration](#)

INSURANCE

A quarter of US real estate is exposed to increasing insurance premiums while warning of an “insurance bubble” in many other regions where climate risk has not yet been priced into the market.

Homeowners in high-risk areas are experiencing premium hikes up as high as 63%.

CBS NEWS

Homes in parts of the U.S. are "essentially uninsurable" due to rising climate change risks

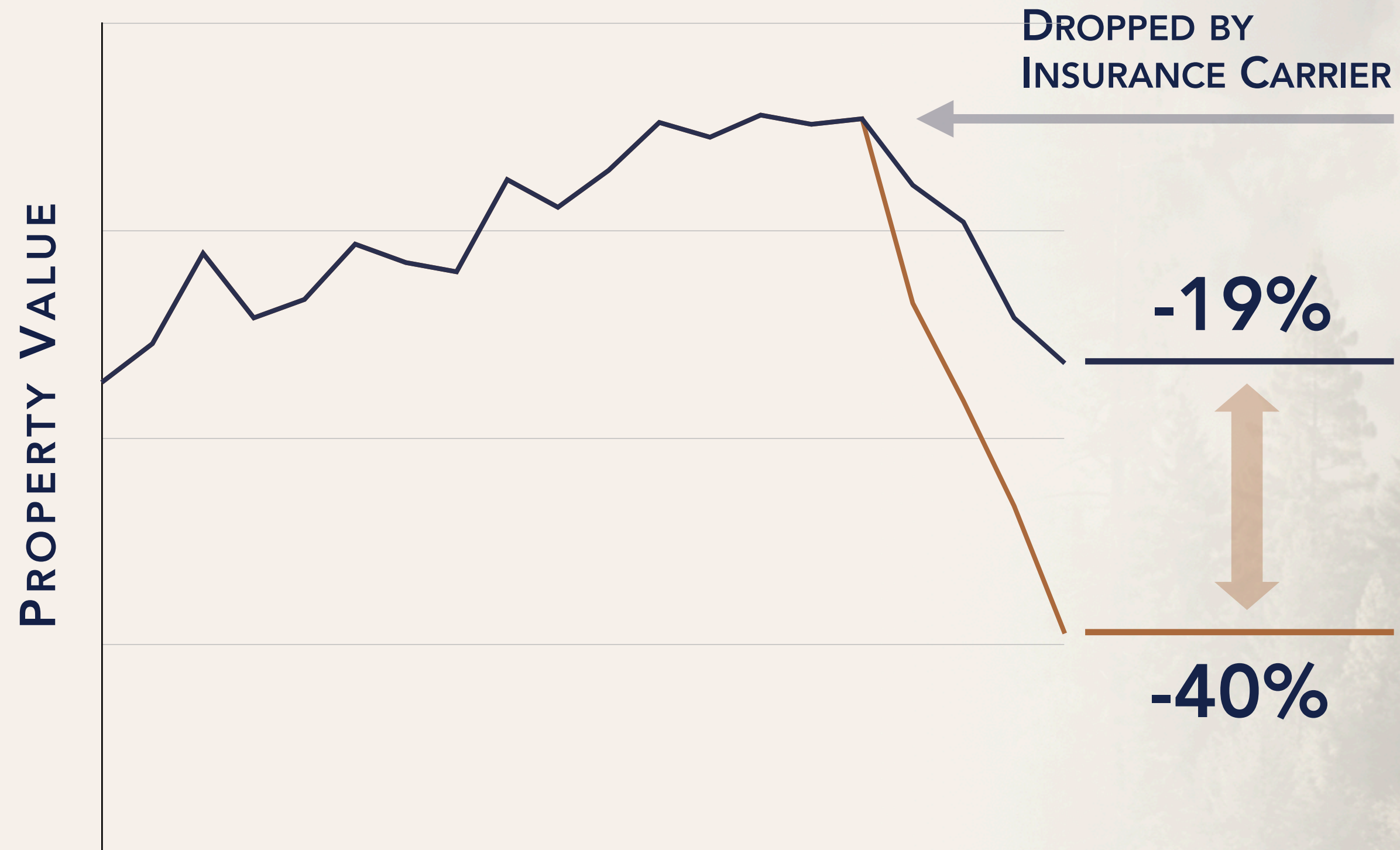
“The research has alarming implications for homeowners across the U.S., with even residents of inland states such as Kentucky, South Dakota and West Virginia facing

sharply higher insurance costs because of increased damage from extreme weather that experts attribute in part to climate change.”

REAL ESTATE

A homeowner in Florida who is dropped by an insurance carrier can expect their property value to decrease by 19% to 40%.

DISRUPTIONS TO HOME INSURANCE MARKETS CAN SIGNIFICANTLY IMPACT



Source: [First Street Foundation](#)

REAL ESTATE

Realtor.com add climate change risk features; 40% of US Homes Show Risks of Heat, Wind, Air Quality



Realtor.com announced Wednesday that it will add features that will provide climate risk information on listings. The company said that the three features will show the heat, wind and air quality risks associated with a property. Listings currently show a property's fire and flood risks. Realtor.com said in a

press release that over 40% of homes are at severe or extreme risk when it comes to heat, wind and air quality. A 2023 report from Harvard University estimated that 60 million U.S. homes are currently vulnerable to climate disasters.

COST OF LIVING

Climate change is
constraining supply of
agricultural goods and
disrupting global trade

Traffic through the
Panama Canal is down
40% due to drought

Robusta coffee futures price

\$4,000 a metric ton



Note: London, continuous contract
Source: FactSet

Cocoa futures price

\$11,000 a metric ton



Note: New York, continuous contract
Source: FactSet

COST OF LIVING

Adapting to climate change and adopting decarbonizing technologies can save consumers money. For example, installing an efficient heat pump can create between \$300 and \$1,500 per year in energy savings for an American household

RESIDENTIAL CLEAN ENERGY TAX CREDIT

30% tax credit on home clean energy systems such as solar or geothermal

HIGH EFFICIENCY ELECTRIC HOME REBATE ACT

Point of sale discounts up to \$8,000 for heat pumps and \$840 for electric stoves

CLEAN VEHICLES CREDIT

Up to \$7,500 for new electric vehicle purchases. (Vehicle and income restrictions apply) 30% tax credit (capped at \$4,000) for used EV purchases

ENERGY EFFICIENT HOME IMPROVEMENT TAX CREDIT

30% tax credit for energy efficiency improvements such as insulation, windows, and efficient appliances. (Annual caps apply) \$150 credit for home energy audits

Source: [Internal Revenue Service](#)

INCOME

The International Labour Organization predicts that hours worked in construction and agriculture could fall 3.8% by the end of the decade, a casualty of climate-induced high temperatures



RETIREMENT SAVINGS



ECONOMISTS

Economists have claimed, in refereed economics papers, that 6°C of global warming will reduce future global GDP by less than 10%

SCIENTISTS

In contrast, scientists have claimed, in refereed science papers, that 5°C of global warming implies damages that are "beyond catastrophic, including existential threats"

- Professor Steve Keen, University College London

TAKING ACTION

- ▼ Educate clients about the growing dislocation in insurance markets.
- ▼ Inquire if clients are planning to buy or sell real estate.
- ▼ Speak to clients about emergency funds to cover uninsured property damage.
- ▼ Inquire if clients are planning to make home improvements or purchase a new vehicle.
- ▼ Consider increasing projected retirement income needs.

EDUCATE YOURSELF

The Impact of Climate Change on American Household Finances

- United States Department of the Treasury

The 9th National Risk Assessment: The Insurance Issue

- The First Street Foundation

Credits and Deductions Under the Inflation Reduction Act of 2022

- Internal Revenue Service



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QUESTIONS?



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