

# 'Issues' article urges bold action on natural disasters

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Although natural disasters are becoming more common and more expensive, human and financial losses can be greatly reduced through incentives to purchase insurance and install protective measures, according to an article in the Fall 2011 *Issues in Science and Technology*.

Despite increasing losses from [natural disasters](#) in recent years, few property owners in hazard-prone areas have purchased adequate disaster insurance, write authors Howard Kunreuther and Erwann Michel-Kerjan of the University of Pennsylvania's Wharton School. And many who buy insurance often let their policies lapse after a few years. In addition, few property owners invest in measures to fortify their properties.

Kunreuther and Michel-Kerjan propose a comprehensive program that creates an incentive structure to encourage property owners in high-risk areas to purchase insurance to protect themselves financially should they suffer losses from disasters and to undertake measures to reduce property damage and the accompanying injuries and fatalities from future disasters.

One key proposal is to tie [insurance](#) and other protective measures to the property rather than the property owner, as currently is the case. This would help spread costs out over time and deal with the reluctance of property owners to invest in loss-prevention measures because the upfront costs often far exceed the short-run benefits.

Also in the Fall 2011 Issues, Brian Bosworth, president of a Seattle

consulting firm, writes that expanding certificate programs can help the United States counter a decline in the educational attainment of the labor force that threatens to reduce economic growth and limit national and personal prosperity.

Bosworth argues that for many people, especially working adults and low-income and minority youth, a certificate of occupational competence can be a valuable and manageable path to good jobs. He says there is evidence that completion rates in some of the best certificate programs are significantly higher than in degree-granting programs. And it seems feasible to quickly ramp up certificate programs. Some colleges in some states are already showing the way.

The Fall 2011 *Issues* also features articles on the need for business to take a more active role in ensuring the nation's cybersecurity, the potential of perennial crops in bolstering food production and environmental sustainability, and the declining dominance of U.S. science and what the country can do about it.

**More information:** [www.issues.org/](http://www.issues.org/)

Provided by University of Texas at Dallas

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