

Presentation to the Hampton Roads Planning District Commission

Potential Economic Impact of Hurricanes on Hampton Roads

By

John W. Whaley

Deputy Executive Director, Economics

Hampton Roads Planning District Commission

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Economic Impacts of Hurricanes

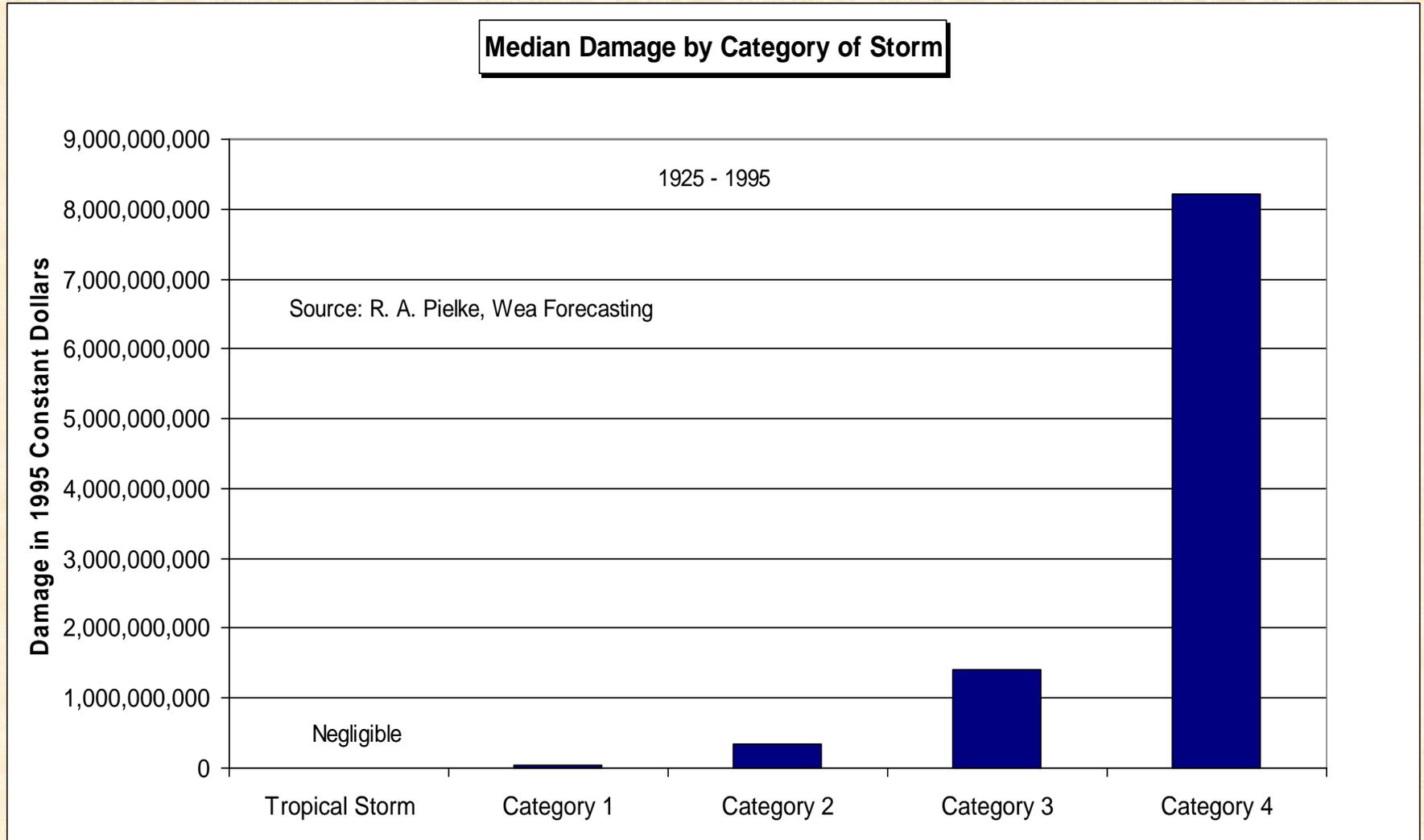
- **Damage**
 - **Structures (loss in net worth)**
 - **Personal Injury and Death**
- **Business Interruption**
 - **Reduction in Economic Activity (loss of sales, jobs, GRP, personal income, etc.)**

Impact of Hurricanes Varies by the Strength of the Storm

**Category 1-2: Moderate Damage with
Quick and Complete Recovery**

**Category 3-5: Severe Damage with Slow
and Incomplete Recovery**

More Powerful Storms Produce Greater Impacts



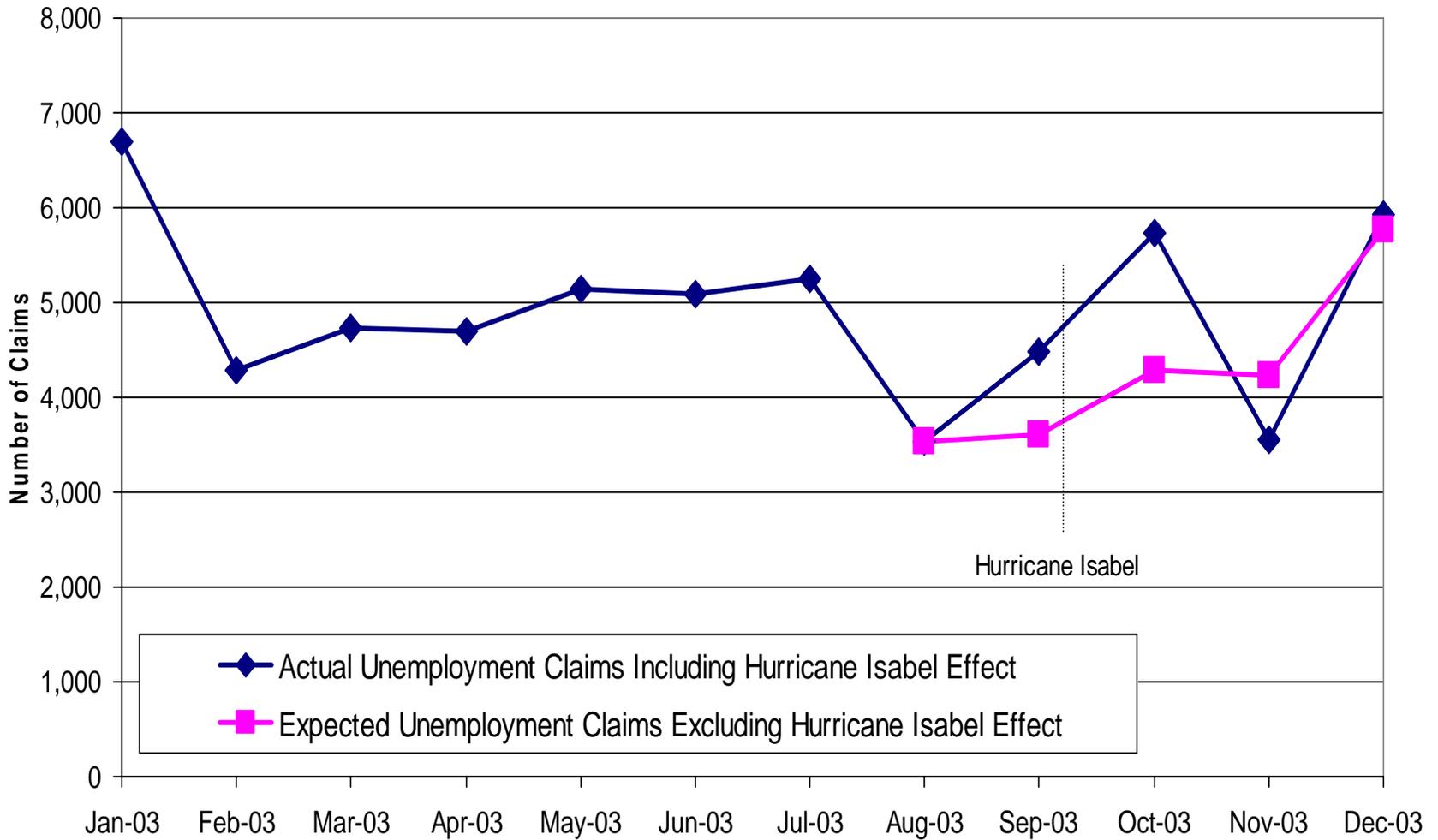
Example of a Less Powerful Storm

Isabel

(in HR)

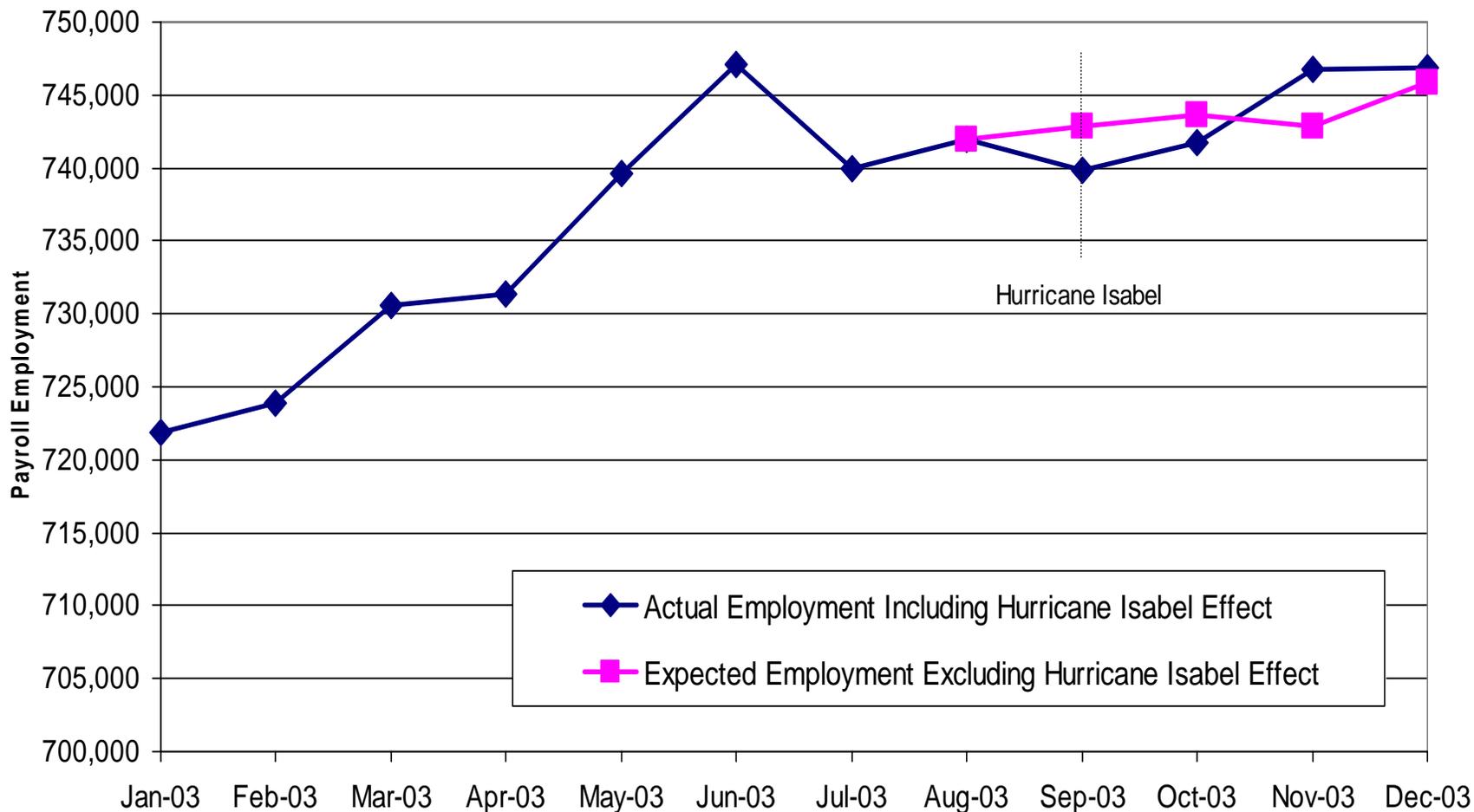
Hurricanes Destroy Jobs

Impact of Hurricane Isabel on Initial Unemployment Claims in Hampton Roads



Less Powerful Storms Have Little Net Impact on Employment

Impact of Hurricane Isabel on Payroll Employment in Hampton Roads

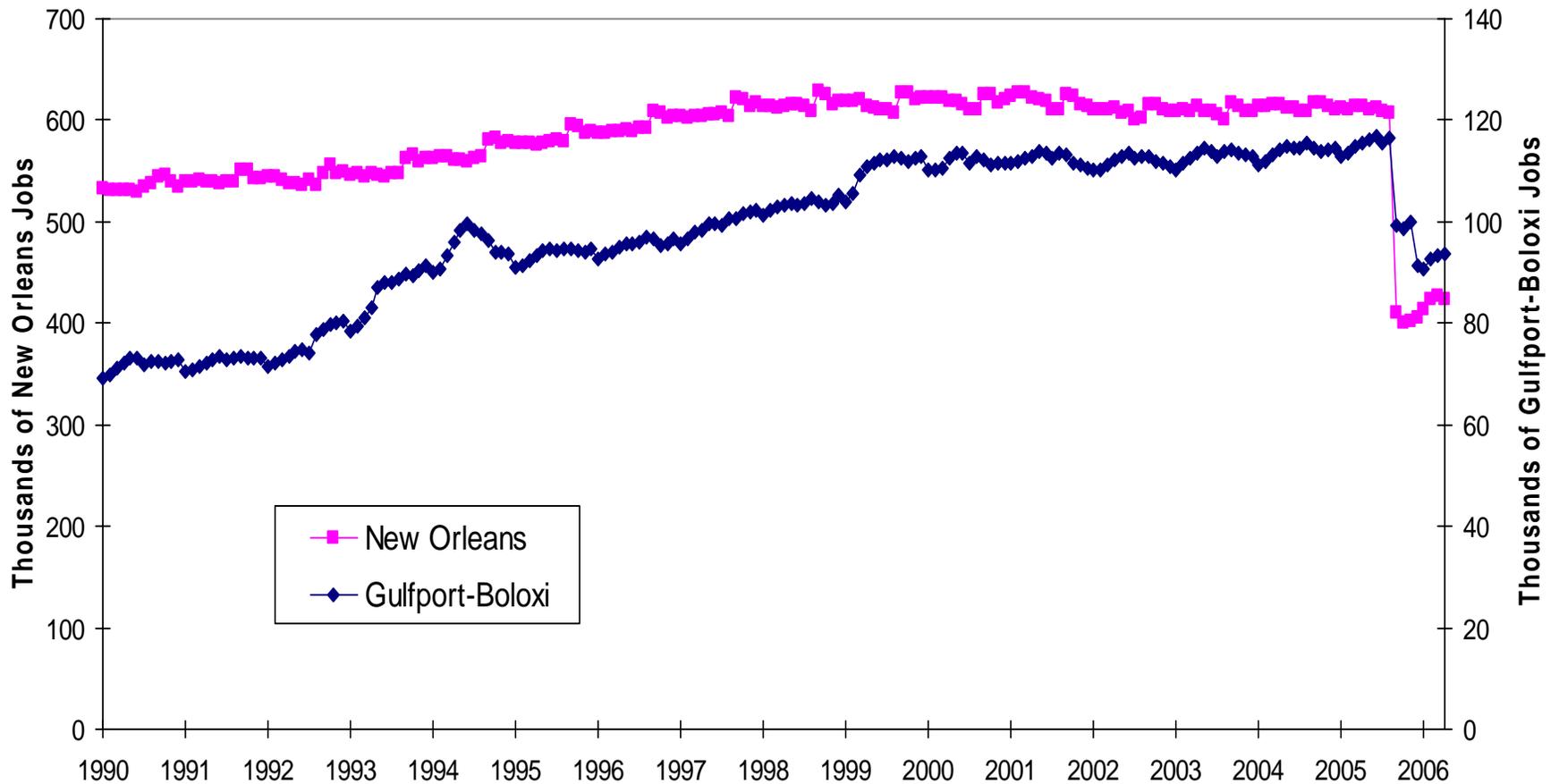


Example of a More Powerful Storm

Katrina

Hurricane Katrina Remade the Economies of Alabama, Louisiana, and Mississippi

The Impact of Hurricane Katrina on Deseasonalized Nonfarm Employment in New Orleans and Gulfport-Boloxi MSAs



Strategies

Strategies to Reduce the Economic Impact of Hurricanes

- **Emergency management planning**
 - **Economic recovery planning**
- **Mitigate damage**
 - **Public**
 - **Zoning**
 - **Building codes**
 - **Private**
 - **Remove or trim trees**
 - **Secure outdoor furniture and other objects**
 - **Strengthening garage doors**
- **Insurance**

Conclusions

- **Hurricanes produce economic consequences that go beyond physical damage**
- **Recovery is quick and complete for Cat 1-2 storms but recovery is slow and limited to Cat 3-5 storms**
- **No matter how successful the recovery – all hurricanes reduce regional wealth (net worth)**
- **Actions to reduce the economic effects of hurricanes can greatly diminish their destructive impact**

The End