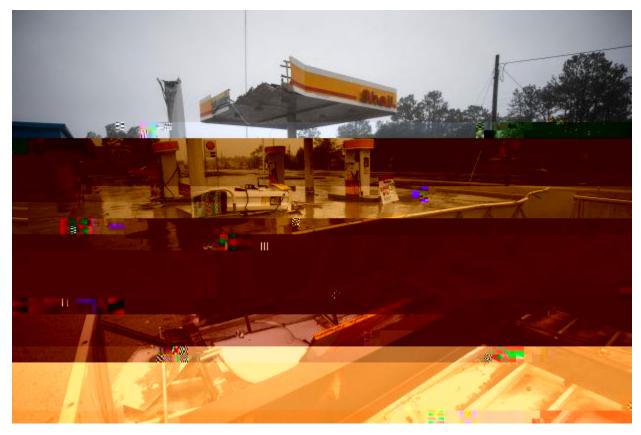
Studies show business slows during and after hurricanes hit, but rebuilding leads to a boost in economic activity



The awning of a gas station was torn off by Hurricane Florence in Wilmington, N.C.PHOTO: JM LO SCALZO/ EPA-EFE/ REX/ SHUTTERSTOCK

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Hurricanes upend lives and destroy wealth, but leave little lasting imprint on the broader economy.

That is one of the main takeaways from an examination of the economic effects of storms in recent years.

With Hurricane Florence hitting the U.S. East Coast, and potentially more storms to come in the weeks ahead, it is a time to assess the economic impacts of natural disasters.

-largest city by population, Houston, destroying \$125 billion worth of property, according to estimates by

perceptible sliver of more than \$19 trillion of national economic output, according to Mood

For the U.S. economy as a whole, output grew at a healthy 2.8% rate in the quarter when Harvey hit Texas. Payroll employment growth slowed in the weeks after Harvey, rising just 14,000 in September, and then bounced back with growth of 271,000 the following month. Individual claims for unemployment benefits briefly climbed, and then resumed a trend of shrinking to historic lows.

Storm Costs

The biggest economic losses from natural disasters in the U.S. from 1950 to 2017

Studies show that business might slow down during and immediately after storms hit. Restaurants and clothing stores lost foot traffic on the Atlantic coast after Hurricane Matthew in 2016, according to a Federal Reserve study. (1.1) product in the short-term, but it comes at the expense of discretionary spending households would have chosen instead.

And some local economies can be devastated by a storm and bear long-running scars, especially ones plagued by poverty or poor infrastructure. Employment in

Businesses in hurricane-

Advisers.

Economic impacts depend in part on where storms hit. Gulf-

73rd-largest metropolitan economy by gross domestic product in 2016, Myrtle Beach was 144th and Wilmington was 162nd.

Virginia and Georgia could impact 5% to 10% of the U.S. population, said Mr. Sweet.

Though the imprints of hurricanes on the broader economy are rarely significant, these events can cause mayhem in economic statistics, making it harder for policy makers to read them. U.S. purchases of cars grew at a 16.6% seasonally adjusted annual rate in the fourth quarter last year in part because households were replacing vehicles lost in storms, and then dropped at a 12.7% annual rate in the first quarter. That led to a surge in measures of overall economic output and then a slowdown.

-January policy meeting, nearly five months after Harvey, policy

spending on durable goods to replace those damaged during the hurricanes in

That means that while the storm itself might not upend a long-running expansion, economists could be talking about Florence for months to come.

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