THE STORM RESOURCE

Hurricane Ike Overall Impact

Texas Engineering Extension Service

Knowledge Engineering

800-541-7149

KE@teexmail.tamu.edu

TEEX

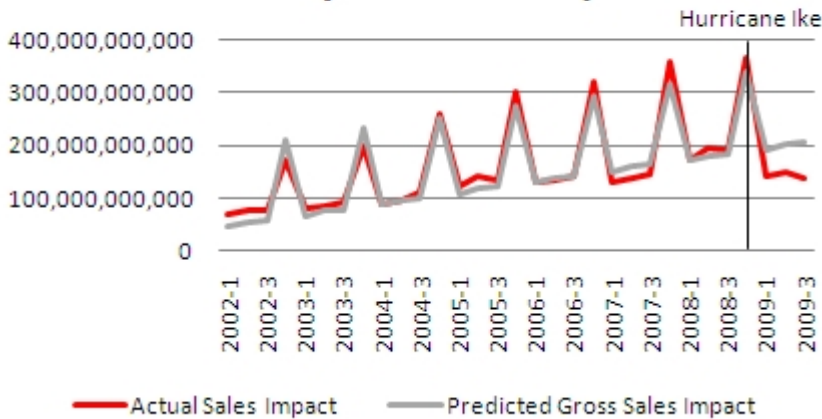TRAIN • SERVE • RESPOND

Hurricane Ike Overall Economic Impact

Hurricane Ike is estimated to have caused $29 billion in property damages, making Ike the 3rd costliest storm in U.S. history. However, the true economic impact of Hurricane Ike was considerably greater. The impact region alone suffered losses and downtime of infrastructure, food services, retail, manufacturing and utilities along with the displacement of workers, consumer and tourists. The Hurricane Ike Impact Study's Disaster Impact Model (DIM) has calculated the total economic impact of Hurricane Ike for the 12 months immediately following the storm (2008Q4-2009Q3) to be an estimated $142 billion.

TEEX partnered with Texas A&M University's Department of Agricultural Economics to have the Disaster Impact Model (DIM) developed. DIM was built to allow economists the ability to analyze economic impacts, both gains and reductions, in 29 different industry sectors at the county level. Utilizing historical sales and tax data expected receipts were forecasted for the 12 months period immediately following Hurricane Ike. Then as sales and tax data became available through Texas State Comptroller's office, DIM calculated the actual reduction or gain in sales and taxes experienced in the 8 counties studied.

> Hurricane Ike is the 3rd costliest storm in U.S. history causing an estimated $29 billion in property damage.
>
> In the 12 months immediately following Ike, it is estimate that the study region suffered an economic loss of $142 billion.

Historical data has been compiled for 29 industry sectors that were then categorized into three clusters often represented in coastal regions:

- Industrial
- Services
- Agriculture

The following three tables provide total economic impacts across all 8 counties. Each sector is broken down into the following impacts: total, quarterly and weekly.

TABLE 1: INDUSTRIAL SECTORS

Industrial Sectors	Total Avg. Loss	Quarterly Avg. Loss	Weekly Avg. Loss
Agricultural Support	$38,793,587	$9,698,396	$746,030
Utilities	$9,624,794,721	$2,406,198,680	$185,092,206
Construction	$3,080,566,408	$770,141,602	$59,241,661
Manufacturing	$93,580,886,674	$23,395,221,668	$1,799,632,436
Wholesale Trade	$40,119,203,939	$10,029,800,985	$771,523,152
Retail Trade	$6,696,308,711	$1,674,077,178	$128,775,168
Transportation/ Warehousing	$2,123,495,670	$530,873,918	$40,836,455
Mining/Oil/Gas	$3,099,595,502	$774,898,876	$59,607,606

TABLE 2: AGRICULTURAL SECTORS

Agriculture Sectors	Total Avg. Loss	Quarterly Avg. Loss	Weekly Avg. Loss
Corn	$311,931	$77,983	$5,999
Cotton	$6,836,967	$1,709,242	$131,480
Grain Sorghum	$5,178,324	$1,294,581	$99,583
Rice	$23,004,119	$5,751,030	$442,387
Soybeans	$1,196,979	$299,245	$23,019
Wheat	$935,334	$233,834	$17,987
Beef	$66,095,870	$16,523,968	$1,271,074
Goats	$1,231,737	$307,934	$23,687
Sheep	$207,508	$2,804	$3,991

TABLE 3: SERVICES SECTORS

Services Sectors	Total Avg. Loss/Gain	Quarterly Avg. Loss/Gain	Weekly Avg. Loss/Gain
Information	-$33,485,576	-$8,371,394	-$643,953
Finance/Insurance	$3,590,663,758	$897,665,939	$69,051,226
Real Estate	$2,097,143,973	$524,285,993	$40,329,692
Professional Service	$7,144,220,825	$1,786,055,206	$137,388,862
Management	-$1,655,531,873	-$413,882,968	-$31,837,151
Administration	$1,968,054,066	$492,013,517	$37,847,194
Education	$32,157,207	$8,039,302	$618,408
Health Services	$7,746,495	$1,936,624	$148,971
Entertainment	$72,993,853	$18,248,463	$1,403,728
Hotel/Food Services	$376,087,064	$94,021,766	$7,232,444
Other Services	$715,395,377	$178,848,844	$13,757,603
Public Administration	-$1,705,178,986	-$426,294,747	-$32,791,904

Note: Negative numbers represent a gain in that sector. Some sectors experienced gains in the 12 month period following Hurricane Ike. The impact is represented with a negative value due to (Predicted Values – Actual Values) results in a negative value.