



## **Impact of Hurricane Charley**

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Beyond its human toll, Hurricane Charley will have significant economic impacts. These impacts differ dramatically depending on the extent of the damage. At one extreme is the Punta Gorda, Port Charlotte area, which endured Charley's direct hit. Charley shattered the area's infrastructure. Much of the area still is without power or water, and it will take years to fully restore the infrastructure. The situation is like what Homestead faced after Andrew. Homestead's infrastructure was destroyed and its economic base ruined. As a result, many businesses and residents took their insurance settlements and left Homestead. Even today more than a decade later, Homestead has yet to fully recover.

Unfortunately, Punta Gorda and Port Charlotte are in a similar condition and face a similar fate. One mitigating factor is that unlike Homestead, Punta Gorda and Port Charlotte are on the water making the area more attractive, however, insurance practices have also changed. Today, the deductibles for hurricanes range from 5% to 10% of the value of the property so owners will not receive quite as much as they did previously.

Ironically, the economic impacts of the storm in Lee County to the South and Sarasota to the North are quite positive. The storm did little damage, but it stimulated spending for storm-related goods and services. Furthermore, many who have relocated from storm damaged areas went to Lee and Sarasota Counties.

Here in Central Florida, Charley's impact on the economy is also positive. This is because Charley did not destroy Orlando's economic base. The airport, convention center and the theme parks were all up and running by Sunday. Most businesses had their power restored by Monday. While many households suffered without power for days, they were forced to buy batteries, gas grills, chain saws and the like, which greatly boosted retail sales. The storm was also a

bonanza for tree trimming companies and for roofers. Given the new higher insurance deductibles, households will end up with a significant bill. But overall Orlando's economy will benefit from the storm; retail sales are higher and there was little effect on tourism or the convention business.

This is Hank Fishkind for 90.7 FM, WMFE News.

<http://www.fishkind.com>