

Storms destroy homes and cars. They also sap paychecks.

By Thomas Frank

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Hurricanes are notorious for their destruction, and a new study shows the storms demolish more than buildings and infrastructure.

Nearly half the people who lived in an area hit recently by a major U.S. hurricane lost income because their employer was forced to close or cut back operations, according to a study by a leading disaster researcher.

The income loss mostly hit hourly employees in lower-paying jobs such as retail and hospitality and not salaried employees, said study author Carolyn Kousky, associate vice president of the Environmental Defense Fund.

“People who work hourly jobs are not getting wages,” Kousky said. “Salaried workers might not be able to work a little but are still getting their salary.”

The finding highlights another way in which hurricanes and other disasters are more damaging to lower-income people, who also are less likely to have property insurance or personal savings to pay for repairs and emergency costs. Many lower-income or minority residents live in areas that are highly exposed to storms or flooding.

Kousky and Freddie Mac climate research economist Xuesong You surveyed people who were hit by one of the four most-damaging hurricanes in U.S. history.

The hurricanes are Harvey in Texas in 2017, Florence in North Carolina in 2018, Michael in Florida in 2018 and Ida in Louisiana in 2021. Together, they caused \$300 billion in damage and killed 287 people, [according to NOAA](#).

The survey of 461 people found that 47 percent had lost income after the hurricane “due to a reduction in working hours, job loss, or being furloughed.”

The percentage startled Kousky, who has done extensive research on the financial effects of disasters and the role of property insurance in recovery.

“I didn’t expect that it was quite as widespread,” Kousky said of income loss.

Hurricanes often force storefront businesses to close. That’s because they damage the building, cut off services such as water and internet or disrupt supply chains. And some storefront employees can’t get to work because roads are closed or their car was damaged, Kousky said.

The study, published last month in the *Journal of Risk and Insurance*, focuses on the costs beyond property damage that residents face after a destructive hurricane.

“There’s a lot of nonproperty costs like evacuation expenses, temporary lodging and cleaning muck out of your backyard,” Kousky said. Some of the costs aren’t covered by property insurance or disaster aid.

Kousky and You found that insurance accelerates overall community recovery. After Hurricane Michael demolished the Florida Panhandle in October 2018, local businesses had more customers in areas where a higher proportion of residents had flood insurance, the study found. Flood insurance is sold separately from homeowners’ coverage.

Flood insurance “may help relieve” money problems for residents and create “spillover benefits to the local economy,” the study found.

Previous research has shown that residents with homeowners' insurance or flood insurance have a much easier time recovering after disasters than uninsured residents.