

## **How Extreme Weather Affects The U.S. Economy - Economic Dynamics**

Recent extreme heat throughout the U.S. has increased concern as to how out of the ordinary weather affects the economy. Extreme weather events exacerbated by climate change are having significant and growing impacts on the U.S. economy.

The U.S. has experienced, on average, more than one disaster causing over \$1 billion in damages each month in recent years. This is a dramatic increase from previous decades when billion-dollar weather disasters were rare.

Strain on the nation's power grid during periods of extreme heat as the demand for electricity rises, places tremendous pressure on the utility and power supplies.

The agricultural sector is particularly vulnerable to extreme weather. Flooding in the Midwest in 2019 led to significant crop losses and disruptions in planting, potentially affecting food prices and markets.

Studies suggest that climate change impacts could cost the U.S. economy between 1% to 4% of GDP annually by the end of the century, considering effects on mortality, labor productivity, and the energy sector. Southern and coastal states are projected to experience more substantial economic losses due to higher temperatures and increased exposure to storms and sea level rise.

Beyond agriculture, extreme weather affects energy demand and reliability, water supplies, property values, infrastructure, and tourism.

Sources: [whitehouse.gov](http://whitehouse.gov), [weathersource.com](http://weathersource.com)

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