

# How the hurricane (sandy) affected the economy of the usa



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Effect of Hurricane (Sandy) on the Economy of the USA Introduction: The Hurricane Sandy was recently reported as the superstorm that hit and severely affected the east coast of the USA on October 29, 2012. The New York City Subway was flooded as a result of this storm. More importantly, 15 percent of the US voters were affected, where the Presidential election was scheduled near to this date (Lomborg, 2012). The present study focuses on the effects of the Sandy on the economy of the USA.

Hurricane Sandy: Effect of USA Economy:

The effects of the Hurricane storm have been not only felt on the human lives in the regions, but also on the overall economy of the country. An estimation placed by IHS Global Insight reflected a total loss of \$30billion to \$50billion that also includes the infrastructure losses of around \$20billion. However, according to the studies of economists, the overall effect on the economy of the country has been minimal. This is primarily because some of these losses would be covered by insurers, while others would be covered through efforts of rebuilding and recoveries. The process of rebuilding has already begun. Hence, very big and negative consequences of the economy are not expected on the country's state of economy. Also, the federal budget deficit of the country is not going to be much affected as a result of Sandy. Based on comments made by senior economists of IHS, it can be said that the power struggle in politics of the country " over the cost of government aid is unlikely, considering that many politicians have dialed back their campaigns in the storms wake" (Kavoussi, 2012). However the employment of the country may be affected leading to " 0. 5 percent cut out of real gross domestic product (GDP) in the last three months of the year" (Kavoussi, 2012).

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According to the recent reports of JPMorgan, although there have been and may be initial effects of the storm on the economic activities of the country, the long term effects can be nullified with the rebuilding and recovery measures that have already initiated. In the present times, the frequency data and seasonal adjustments may be badly affected and hence kept off for some period of time. However, the impact would be minor with the passage of time. Impacts are more reflected on housing, construction and retail sales sector, where the storm has led to declines in performances and outcomes, but from the data and predictions, the country would be able to follow its normal economic activities and course lines that would have been in place if the storm had not occurred (Gauging Hurricane Sandys impact on the US economy, 2012).

Disasters like these are always bad for the lives of humans since with such huge destructions of properties, the lives of human tend to become worse. Even if they recover, their lives would take long time to be normal as before. The Hurricane Sandy, too, proved to be a disaster like this. It has been a severe disaster with huge destructions of lives as well as wealth of the residences of the regions. Even if the economy of the country has not been affected; yet the percentage of people affected by the storm may reflect the severe impact of the storm leading to disaster (Phillips, 2012).

Conclusion:

From the above study, it may be concluded that although the Hurricane Sandy has affected regions of USA badly, damaging lives of humans, and properties; however, the damages can be recovered by the insurance companies and the government leaving the overall economy of the country unaffected in the long term.

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