February 17, 2014

I’m sure many of you have been cooped up for the past few days pining for the warm days of spring or at least for a “normal” winter. Lost school days aren’t the only casualty of the winter weather; the economy has definitely felt some losses over the past couple of months.

According to a CNBC Fed survey, a $50 billion hit is coming to the US economy courtesy of this year’s winter weather. This is due in large part to a decline in retail sales as consumers were shut in their homes and unable to spend money at restaurants and other retailers. The jobs market has also taken a slide. The survey estimated that the economy lost 32,000 jobs in December, and another 25,000 jobs in January. This latest round of weather will undoubtedly add to those numbers.

Let’s not forget the impact to families. For many North Carolinian’s, being snow bound to their homes means lost wages. Unfortunately, not everyone has vacation days to fall back on during extreme inclement weather. According to the consulting firm Global Insights, two-thirds of the economic losses we experience during a weather event are due to lost wages.

Using New Jersey (similar sized populations) as a yardstick, we see that in 2010 New Jersey lost $289

---

**Featured MOOC**

The 2014 Emerging Issues Forum is over, but the conversation is just starting! Sign up today for our online MOOC, World Class Teaching, to learn how to map out a plan for action in your community. Classes start March 10.

---

**Featured Tool**

Want to share your thoughts on the top priorities from the Emerging Issues Forum? Tell us what YOU think in Emerging Issues Commons.
million as a result of bad weather with $201 billion of that in lost wages. In some cases, lost wages can be made up with overtime in the aftermath, but this is far from the rule, and especially not so in the case of non-manufacturing industries.

If we look at the second and third order effects of those lost wages, we see that the impact ripples throughout the state's economy resulting in lost state revenue (fewer taxes collected). We won’t know until spring what the actual impact will be when the General Assembly will receive its regular report on state revenues as it begins its short session. One bright spot on the horizon is the lack of roadblocks from Washington. It seems that Congress and the President have avoided the potential stumbling blocks of the Farm Bill and debt ceiling debates. So, let's hope that the warming trend projected for next week is a harbinger of good things to come not only for the weather but for the state's economy as a whole.

Donnie Charleston
IEI Economy Policy Manager
donnie_charleston@ncsu.edu

You are receiving this message because you signed up for issue specific communications from IEI. Questions? Email us.