



Last updated  
1:28PM ET  
September 13, 2004

US

Charley's Effect On Jobs, Oranges, And Roofers  
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Christian Science Monitor

(2004-08-31) PUNTA GORDA, FLA. - As one of the Air Force's early storm chasers in the 1950s, John Barnett learned plenty about the destructive power of hurricanes. "We'd get tossed all over the place as we flew into the eye of the storm, and the whole plane would shake like crazy," says the Florida retiree.

But it was hurricane Charley, which ripped through the Slip Knot Mobile Home Park in Punta Gorda where he and wife, Clare, live for six months every year, that perhaps shook him up the most. In fact, it almost caused the Barnetts to turn their backs on the town altogether.

"Last night we'd decided to throw it all in," Mr. Barnett explained as he swept the yard where his carport used to stand. "We had no power, the roof was gone, there was no running water and no assurance when we'd get any of it back. We were going to take some furniture, head back to Virginia, and leave the rest of it all behind us."

But then, rescue workers affixed a temporary tarpaulin roof, and the restoration of utilities appeared imminent. With things looking up, the Barnetts decided to give life in the town another shot.

The economic recovery of Punta Gorda, and other

areas all but destroyed by Charley, will depend in part upon residents such as the Barnetts continuing to spend their money locally. The region will also depend on thousands of businesses repairing their damage and making a swift return to trading. Indeed, it's positives like these that will be counted on to counter steep challenges, including unemployment and a struggling citrus industry.

"There's no reason that things won't eventually return to normal, but there is going to be a lot of shorter-term pain," says David Scott, professor of economics at the University of Central Florida in Orlando.

Besides numbers showing the human cost of the tragedy - 26 deaths, 12,000 homes destroyed, and another 19,000 left uninhabitable - there is also the huge financial tally. Insured losses have so far amounted to \$7.4 billion, with the huge cleanup bill still to come.

About half of last week's 10,000 new applications for unemployment benefits in the US were attributable to the hurricane, according to the federal Labor Department. Wal-Mart, the nation's largest retailer, said that its temporary closure of 75 outlets while Charley swept through contributed significantly to lower August earnings, and it revised downward its year-on-year growth forecast by 2 percent.

Punta Gorda's downtown River City Grill restaurant is typical of businesses trying to stay afloat. Before the storm, proprietors Charles Wallace and Diane Amaral employed 80 at the Grill and at Riva's, their adjacent restaurant. "Now we're down to 40," Mr. Wallace says. "Some we've had to lay off. Some lost their homes and couldn't carry on."

Riva's, in fact, remains closed, due to flooding and a partially collapsed roof. The Grill, however, has been operating under generator power. Its hot lunchtime snacks are popular with rescue workers, even if it does keep running out of food.

"It's going to be a struggle, and our business will be off by about a third to 50 percent over the next year," Wallace predicts. "But there are many more businesses that have not reopened and might not be able to."

Perhaps the most significant loser in economic terms will be Florida's citrus industry, already hit hard by oversupply that has pushed down prices and profits. Charley's gusts destroyed 20 percent of next year's crop and hundreds of thousands of fruit-producing trees. Officials of the \$9.1 billion industry says it's too soon to calculate precise losses but predict the impact will be severe. "There are going to be farmers getting out of the business," says Casey Pace, spokeswoman for Florida Citrus Mutual, the state's largest association of growers. "They're seeing their entire income for the year lying on the ground."

At least some help looks to be on the way. President Bush, who announced last Friday that he would seek \$2 billion beyond the \$1 billion already promised in federal aid for Florida, also plans to reallocate Department of Agriculture funds to help pay for lost trees and crops.

Still, Charley does appear to have a silver lining. Among the beneficiaries will be banks, which will lend billions for repairs and handle deposits of billions more in insurance checks. And hardware chains are enjoying a sales bonanza. Demand for supplies such as tarpaulins and generators will fuel a post-hurricane windfall of \$900 million at Home Depot and Lowe's, according to Goldman Sachs analysts.

Building contractors, particularly roofers, will be busy for months, if not years. "It's impossible to respond to everybody who needs repairs," says Steve Munnell of the Florida Roofing, Sheet Metal and Air Conditioning Contractors Association. He says that the industry's \$1.2 billion annual revenue could almost double, but fitting in the work - which was already backlogged - will be hard.

Florida's tourism chiefs are generally upbeat but are taking no chances. Visit Florida, the state's tourism body, has taken out national newspaper advertisements emphasizing that the state is "open for business." "This is typically low season," says spokesman Tom Flanagan, who notes that hotels in the affected areas have been doing a brisk business.