
# Society

**Key Messages:**

- Population shifts and development choices are making more Americans vulnerable to the expected impacts of climate change.
- Vulnerability is greater for those who have few resources and few choices.
- City residents and city infrastructure have unique vulnerabilities to climate change.
- Climate change affects communities through changes in climate-sensitive resources that occur both locally and at great distances.
- Insurance is one of the industries particularly vulnerable to increasing extreme weather events, but can also help society manage the risks.
- The United States is connected to a world that is unevenly vulnerable to climate change and thus will be affected by impacts globally.

Climate change will affect society through impacts on the necessities and comforts of life: water, energy, transportation, food, natural ecosystems, and health. This section focuses on characteristics of society that make it vulnerable to the potential impacts of climate change.

Because societies and their built environments have developed under a climate that fluctuates within a relatively confined set of conditions, most impacts of a rapidly changing climate will present challenges. Society is especially vulnerable to extremes, such as heat waves and floods, many of which are increasing as climate changes[1]. And while there are likely to be some benefits and opportunities in the early stages of warming, as climate continues to change, negative impacts are projected to dominate[2].

Climate change will affect different segments of society differently due to their varying exposures and adaptive capacity. The impacts of climate change also do not affect society in isolation. Rather, impacts can be exacerbated when they occur in combination with the effects of an aging and growing population, pollution and poverty, and natural environmental fluctuations[2,3,4]. Unequal adaptive capacity in the world as a whole also will pose challenges to the United States, because poorer countries are disproportionately affected and the United States is strongly connected to the world beyond its borders through markets, trade, investments, shared resources, migrating species, health, travel and tourism, environmental refugees, and environmental security.

Cedar Rapids, Iowa, June 12, 2008.

## Population shifts and development choices are making more Americans vulnerable to the expected impacts of climate change.

Climate is one of the key factors in Americans' choices of where to live. As the U.S. population grows, ages, and becomes further concentrated in cities and coastal areas, society is faced with additional challenges. Climate change is likely to exacerbate these challenges as changes in temperature, precipitation, sea levels, and extreme weather events increasingly affect homes, communities, water supplies, land resources, transportation, urban infrastructure, and regional characteristics that people have come to value and depend on.

Population growth in the United States over the past century has been most rapid in the South, near the coasts, and in large urban areas (see figure on page 55 in the *Energy* sector). The four most populous states in 2000—California, Texas, Florida, and New York—accounted for 38 percent of the total growth in U.S. population during that time, and share significant vulnerability to coastal storms, severe drought, sea-level rise, air pollution, and urban heat island effects[1]. But migration patterns are now shifting: the population of the Mountain West (Montana, Idaho, Wyoming, Nevada, Utah, Colorado, Arizona, and New Mexico) is projected to increase by 65 percent from 2000 to 2030, representing one-third of all U.S. population growth[3,5]. And southern coastal areas on both the Atlantic and the Gulf of Mexico will continue to see population growth; today, 53 percent of the U.S. population lives in the 17 percent of land along the nation's ocean and Great Lakes coasts[1,6].

Overlaying projections of future climate change and its impacts on expected changes in U.S. population and development patterns reveals a critical insight: more Americans will be living in the areas that are most vulnerable to the effects of climate change[3].

America's coastlines have seen pronounced population growth in regions most at risk due to hurricane activity, sea-level rise, and storm surge, putting more people and property in harm's way, as the probability of harm increases[3]. On the Atlantic and Gulf coasts where hurricane activity is prevalent, the coastal land in many areas is sinking while sea level is rising; human activities are exacerbating the loss of coastal wetlands that once helped buffer the coastline from erosion due to storms. The devastation caused by recent hurricanes highlights the vulnerability of these areas[7].

The most rapidly growing area of the country is the Mountain West, a region projected to face more frequent and severe wildfires and have less water available, particularly during the high-demand period of summer. Population movement to these arid and semi-arid regions will stress water supplies[8]. Overuse of rivers and streams in the arid West is common because of high demand for irrigating agriculture, especially those along the Front Range of the Rocky Mountains in Colorado, in Southern California, and in the Central Valley of California. Rapid population and economic growth in these arid and semi-arid regions has dramatically increased vulnerability to water shortages (see *Water Resources* sector and *Southwest* region)[3].

Many questions are raised by ongoing development patterns in the face of climate change. Will growth continue as projected in vulnerable areas, despite the risks? Will there be a retreat from the coastline as it becomes more difficult to insure vulnerable properties? Will there be pressure for the government to insure properties that private insurers have rejected? How can the vulnerability of new development be minimized? How can we ensure that communities adopt measures to manage the significant changes that are projected in sea level, temperature, rainfall, and extreme weather events?

Development choices are based on people's needs and desires for places to live, economies that provide employment, ecosystems that provide services, and community-based social activities. Thus, the future vulnerability of society will be influenced by how and where people choose to live. Some choices, such as expanded urban development in coastal regions, can increase vulnerabilities to climate-related events, even without any change in climate.

## Vulnerability is greater for those who have few resources and few choices.

Vulnerabilities to climate change depend not only on where people are but also on who they are. In general, groups that are especially vulnerable include the very young, the very old, the sick, and the poor. These groups represent a more significant portion of the total population in some regions and localities than others. For example, the elderly more often cite a warm climate as motivating their choice of where to live and thus make up a larger share of the population in warmer areas[9].

Chalmette, Louisianna after Hurricane Katrina.

Katrina flood waters.

People with few resources often live in marginal locations, such as in river floodplains or low-lying coastal areas, which increases their risk. For example, the experience with Hurricane Katrina showed that the poor and elderly were the most vulnerable because of where they lived and their limited ability to get out of harm's way. Thus, those who have the least often proportionately lose the most. And it is clear that people with access to financial resources, including insurance, have a greater capacity to adapt to, recover, or escape from adverse impacts of climate change than those who do not have such access. The fate of the poor can be permanent dislocation, leading to the loss of social relationships and community support networks provided by schools, churches, and neighborhoods.

Native American communities have unique vulnerabilities. Those on established reservations are restricted to reservation boundaries and therefore have limited relocation options. In Alaska, over 100 villages on the coast and in low-lying areas along rivers are subject to increased flooding and erosion due to warming[10]. Warming also reduces the availability and accessibility of many traditional food sources for Native Alaskans, such as seals that live on ice and caribou whose migration patterns depend on being able to cross frozen rivers and wetlands. These vulnerable people face losing their livelihoods, their communities, and in some cases, their culture, which depends on traditional ways of collecting and sharing food[11,12].

In the future (as in the past), the impacts of climate change are likely to fall disproportionately on the disadvantaged[1]. For example, the sensitivity of California's population to increased air and water pollution, heat waves, and other weather-related problems shows significant racial and socioeconomic differences, particularly for those who live and work without air conditioning[13]. Studies specifically examining the impacts of climate change on the African American community in the United States have concluded that they are both economically and physically more vulnerable to climate-related disasters, illness, and price shocks. Economic impacts of climate change such as higher prices for food, water, and energy are also expected to impose new economic burdens on low-income households[14]. However, these same studies have concluded that investments in clean energy and improved air quality would significantly benefit these vulnerable populations[15].

## City residents and city infrastructure have unique vulnerabilities to climate change.

Over 80 percent of the U.S. population resides in urban areas, which are among the most rapidly changing environments on Earth. In recent decades, cities have become increasingly spread out, complex, and interconnected with regional

and national economies[16]. Cities also experience a host of social problems, including neighborhood degradation, traffic congestion, crime, poverty, and inequities in health and well-being[17]. Climate-related changes such as increased heat, water shortages, and extreme weather events will add further stress to existing problems. The impacts of climate change on cities are compounded by aging infrastructure, buildings, and populations; as well as increased air pollution and population growth. Further, infrastructure designed to handle past variations in climate can instill a false confidence in its ability to handle future changes. However, urban areas also present opportunities for adaptation through technology, infrastructure, planning, and design[1].

As cities grow, they alter local climates through the urban heat island effect. This effect occurs because cities absorb, produce, and retain more heat than the surrounding countryside. The urban heat island effect has raised average urban air temperatures by 2 to 5°F more than surrounding areas over the past 100 years, and by up to 20°F more at night[18]. Such temperature increases, on top of the general increase caused by human-induced warming, affect urban dwellers in many ways, influencing health, comfort, energy costs, air quality, water quality and availability, and violent crime (which increases at high temperatures)[1,4,19,20] (see *Human Health, Energy,* and *Water Resources* sectors).

More frequent heavy downpours and floods in urban areas will cause greater property damage, a heavier burden on emergency management, increased clean-up and rebuilding costs, and a growing financial toll on businesses and homeowners. The Midwest floods of 2008 provide a recent vivid example of such tolls. Heavy downpours and urban floods can also overwhelm combined sewer and storm-water systems and release pollutants to waterways[1]. Unfortunately, for many cities, current planning and existing infrastructure are designed for the historical one-in-100 year event, whereas cities are likely to experience this same flood level much more frequently as a result of the climate change projected over this century[2,21,22].

Cities are also likely to be affected by climate change in unforeseen ways, necessitating diversion of city funds for emergency responses to extreme weather[1]. There is the potential for increased summer electricity blackouts owing to greater demand for air conditioning[23]. Unreliable electric power, which affected minority neighborhoods during New York City's 1999 heat wave, can pose health risks and environmental justice issues because of their disproportionate effect on minority populations[24]. In southern California's cities, additional summer electricity demand will intensify conflicts between hydropower and flood-control objectives[2]. Increased costs of repairs and maintenance are projected for transportation systems, including roads, railways, and airports, as they are negatively affected by heavy downpours and extreme heat[25] (see *Transportation* sector). Coping with increased flooding will require replacement or improvements in storm drains, flood channels, levees, and dams.

Coastal cities are additionally more vulnerable than others due to their location, which increases risk due to sea-level rise, storm surge, and increased hurricane intensity. Cities such as New Orleans, Miami, and New York are particularly at risk, and would have difficulty coping with the sea-level rise projected by the end of the century under a higher emissions scenario[†,2]. Hurricane tracks now also threaten inland cities of the Appalachian Mountains, which are vulnerable if hurricane frequency or intensity increases. Since most large U.S. cities are on coasts, rivers, or both, climate change will lead to increased potential flood damage. The largest impacts are expected when sea-level rise, heavy runoff, high tides, and storms coincide[1]. Analyses of New York and Boston indicate that the potential impacts of climate change are likely to be negative, but that vulnerability can be reduced by behavioral and policy changes[1,26-28].

Urban areas concentrate the human activities that are largely responsible for heat-trapping emissions. The demands of urban residents are also associated with a much larger footprint on areas far removed from these population centers[29]. Cities thus have a large role to play in reducing heat-trapping emissions, and many are pursuing such actions. For example, over 700 cities have committed to the U.S. Mayors' Climate Protection Agreement to advance emissions reduction goals.

Cities also have considerable potential to adapt to climate change through technological, institutional, structural, and behavioral changes. For example, a number of cities have warning programs in place to reduce heat-related illness and death (see *Human Health* sector). Relocating of development sites away from low-lying areas, constructing of new infrastructure with future sea-level rise in mind, and promoting water conservation are examples of structural and institutional strategies. Choosing road materials that can handle higher temperatures is an adaptation option that relies on new technology (see *Transportation* sector). Cities can reduce heat load by increasing reflective surfaces and green spaces. Some actions have multiple benefits. For example, increased planting of trees and other vegetation in cities has been shown to be associated with a reduction in crime[30], in addition to reducing local temperatures.

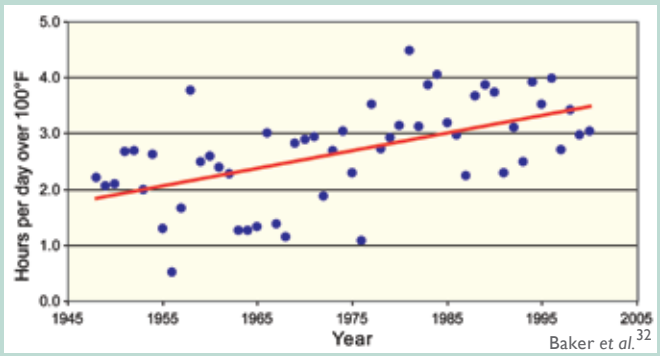
Human well-being depends on economic conditions, natural resources and amenities, health, infrastructure, and government, public safety, social, and cultural resources. Climate change will influence all of these, but understanding of the many interacting impacts, as well as the ways society can adapt to them, remains in its infancy[9,31].

## Climate change affects communities through changes in climate-sensitive resources that occur both locally and at great distances.

Human communities are intimately connected to resources beyond their boundaries. Thus, communities will be vulnerable to the potential impacts of climate change on sometimes-distant resources. For example, communities that have developed near areas of agricultural production, such as the Midwest corn belt or the wine-producing regions of California and the Northwest, depend on the continued productivity of those regions, which would be compromised by increased temperature or severe weather[l]. Some agricultural production that is linked to cold climates is likely to disappear entirely: recent warming has altered the required temperature patterns for maple syrup production, shifting production northward from New England into Canada. Similarly, cranberries require a long winter chill period, which is shrinking as climate warms[34] (see *Northeast* region). Most cities depend on water supplies from distant watersheds, and those depending on diminishing supplies (such as the Sierra Nevada snowpack) are vulnerable. Northwest communities also depend upon forest resources for their economic base, and many island, coastal, and "sunbelt" communities depend on tourism.

Recreation and tourism play important roles in the economy and quality of life of many Americans. In some regions tourism and recreation are major job creators, bringing billions of dollars to regional economies. Across the nation, fishing, hunting, skiing, snowmobiling, diving, beach-going, and

### Rising Heat Index in Phoenix




The average number of hours per summer day in Phoenix that the temperature was over 100°F has doubled over the past 50 years, in part as a result of the urban heat island effect. Hot days take a toll: Arizona's heat-related deaths are the highest of any state, at three to seven times the national average[32,33].

Examples of Impacts On Recreation

| Recreational activity | Scenario of potential impact of climate change | Economic impact |
|---|---|---|
| Skiing, Northeast | 20 percent reduction in ski season length | $800 million loss per year, Potential resort closures[34] |
| Snowmobiling, Northeast | Reduction of season length under higher emissions scenario[†] | Complete loss of opportunities in New York and Pennsylvania within a few decades, 80 percent reduction in season length for region by end of century[34,35] |
| Beaches, North Carolina | 14 of 17 beaches permanently underwater by 2080 | Lost opportunities for beach and fishing trips = $3.9 billion over 75 years[36] |

other outdoor activities make important economic contributions and are a part of family traditions that have value that goes beyond financial returns. A changing climate will mean reduced opportunities for some activities and locations and expanded opportunities for others[9,35]. Hunting and fishing will change as animals' habitats shift and as relationships among species in natural communities are disrupted by their different responses to rapid climate change. Water-dependent recreation in areas projected to get drier, such as the Southwest, and beach recreation in areas that are expected to see rising sea levels, will suffer. Some regions will see an expansion of the season for warm weather recreation such as hiking and bicycle riding.

## Insurance is one of the industries particularly vulnerable to increasing extreme weather events, but can also help society manage the risks.

Insurance—the world's largest industry—provides peace of mind and financial security for many Americans. In the future, it will be one of the primary mechanisms through which the costs of climate change are distributed across society.

Most of the climate change impacts described in this Report have economic consequences. A significant portion of these flow through public and private insurance markets, which essentially aggregate and distribute society's risk. Insurance thus provides a window into the myriad ways in which the costs of climate change will manifest, and serves as a messenger of these impacts through the terms and price signals it sends its customers[37].

In an average year, about 90 percent of insured catastrophe losses worldwide are weather-related. In the United States, about half of all these losses are insured, which amounted to $320 billion between 1980 and 2005 (inflation-adjusted to 2005 dollars). While major events such as hurricanes grab headlines, the aggregate effect of smaller events accounts for 60 percent of total insured losses on average[37]. Many of the smallest scale property losses and weather-related life/health losses are unquantified[38].

Escalating exposures to catastrophic weather events, coupled with private insurers' withdrawal from various markets, are placing the federal government at increased financial risk. The National Flood Insurance Program would have gone bankrupt after the storms of 2005 had they not been given the ability to borrow about $20 billion from the U.S. Treasury[4]. For public and private insurance programs alike, rising losses require a combination of risk-based premiums and improved loss-prevention.

While economic and demographic factors have no doubt contributed to observed increases in losses[39], these factors do not fully explain the upward trend in costs or numbers of events[37,40]. Analyses discounting the role of climate change tend to focus on a limited set of hazards and geographies. They also often fail to account for the vagaries of natural cycles and inflation adjustments, or to normalize for countervailing factors such as improved pre- and post-event loss prevention (such as dikes, building codes, and early warning systems)[41].

What is known with far greater certainty is that future increases in losses will be attributable to climate change as it increases the frequency and intensity of many types of extreme weather, such as severe thunderstorms and heat waves[42,43].

Insurance is emblematic of the increasing globalization of climate risks. Because large U.S.-based companies operate around the world, their customers and assets are exposed to climate impacts wherever they occur. Most of the growth in the insurance industry is in emerging markets, which will structurally increase U.S. insurers' exposure to climate risk because those regions are more vulnerable and are experiencing particularly high rates of population growth and development.

The movement of populations into harm's way creates a rising baseline of losses upon which the consequences of climate change will be superimposed. These observations reinforce a recurring theme in this Report: the past can no longer be used as the basis for planning for the future.

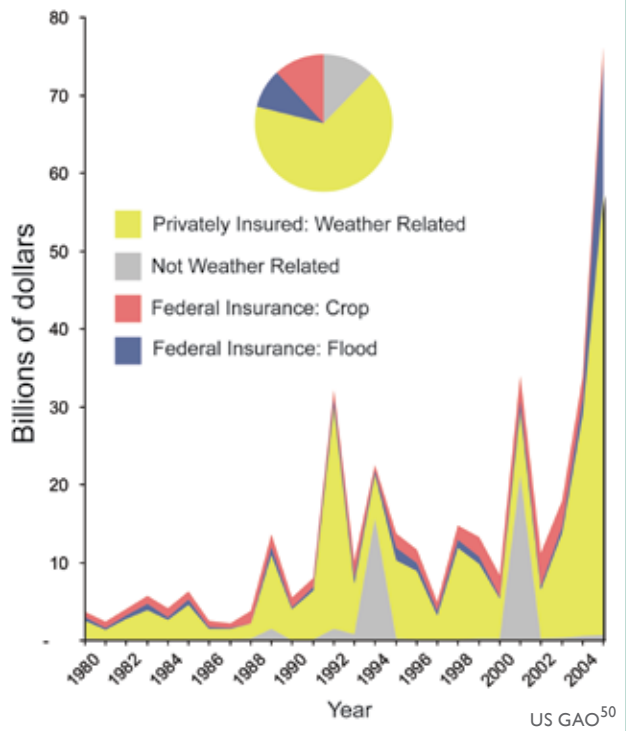
It is a challenge to design insurance systems that properly price risks, reward loss prevention, and

do not foster risk taking (for example by repeatedly rebuilding flooded homes). Market failures of this sort compound society's vulnerability to climate change. Rising losses[44] are already affecting the availability and affordability of insurance. Several million customers in the United States, no longer finding private insurance coverage, are taking refuge in state-mandated insurance pools, or going without insurance altogether. Offsetting rising insurance costs is one benefit of mitigation and adaptation investments to reduce the impacts of climate change.

Virtually all segments of the insurance industry are vulnerable to the impacts of climate change. Examples include damage to property, crops, forest products, livestock, and transportation infrastructure; business and supply-chain interruptions caused by weather extremes, water shortages, and electricity outages; legal consequences[45]; and compromised health or loss of life. Increasing risks to insurers and their customers are driven by many factors including reduced periods of time between loss events, increasing variability, shifting types and location of events, and widespread simultaneous losses.

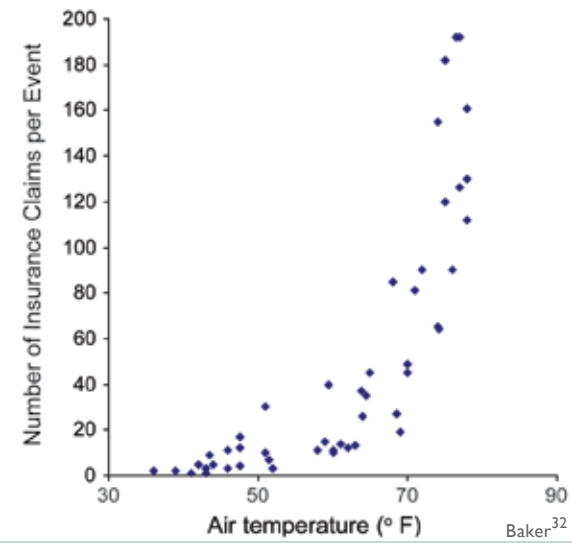
In light of these challenges, insurers are emerging as partners in climate science and the formulation of public policy and adaptation strategies[46]. Some have promoted adaptation by providing premium incentives for customers who fortify their properties, engaging in the process of determining building codes and land-use plans, and participating in the development and financing of new technologies and practices. For example, FEMA's Community Rating System is a point system that rewards communities that undertake floodplain management activities to reduce flood risk beyond the minimum requirement set by the National Flood Insurance Program. Everyone in these communities is rewarded with lower flood insurance premiums (-5 to -45 percent)[47]. Others have recognized that mitigation and adaptation can work hand in hand in a coordinated climate risk-management strategy and are offering "green" insurance products designed to capture these dual benefits[48,49].

### Insured Losses from Catastrophes, 1980 to 2005




Weather-related insurance losses in the United States are increasing. Typical weather-related losses today are similar to those that resulted from the 9/11 attack (shown in gray at 2001 in the graph). About half of all economic losses are insured, so actual losses are roughly twice those shown on the graph. In addition, the graph only includes catastrophic scale insured losses. Data on smaller-scale losses (many of which are weather-related) are significant but are not included in this graph as they are not comprehensively collected by the U.S. insurance industry.

### Lightning-Related Insurance Claims




There is a strong observed correlation between higher temperatures and the frequency of lightning-induced insured losses in the United States. All else being equal, these claims are expected to increase with temperature[26,51,52].

## The United States is connected to a world that is unevenly vulnerable to climate change and thus will be affected by impacts globally.

American society will not experience the potential impacts of climate change in isolation. In an increasingly connected world, impacts elsewhere will have political, social, economic, and environmental ramifications for the United States. As in the United States, vulnerability to the potential impacts of climate change world wide varies by location, population characteristics, and economic status. The rising concentration of people in cities is occurring globally, but is most prevalent in lower-income countries. Many large cities are located in vulnerable areas such as floodplains and coasts. In most of these cities, the poor often live in the most marginal of these environments that are susceptible to extreme events, and their ability to adapt is limited by their lack of financial resources[4].

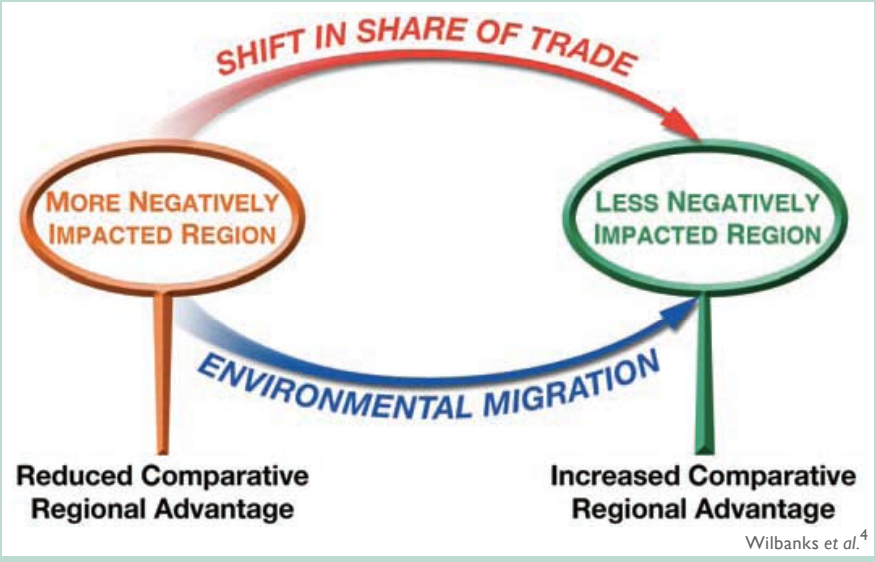
In addition, over half of the world's population—including most of the world's major cities—depends on glacier melt or snowmelt to supply water for drinking and municipal uses. Today, some locations are experiencing abundant water supplies and even frequent floods due to increases in glacier melt rates due to increased temperatures world wide. Soon, however, this trend is projected to reverse as even greater temperature increases reduce glacier mass and cause more winter precipitation to fall as rain and less as snow[53].

As conditions worsen elsewhere, the number of people wanting to immigrate to the United States will increase. The direct cause of increased migration, such as extreme climatic events, will be difficult to separate from other forces that drive people to migrate. Climate change also has the potential to alter trade relationships by changing the comparative trade advantages of regions or nations (see figure). As with migration, shifts in trade can have multiple causes.

Accelerating emissions in economies that are rapidly expanding, such as China and India, pose future threats to the climate system and already are associated with air pollution episodes that reach the United States.

Meeting the challenge of improving conditions for the world's poor has economic implications for the United States, as does intervention and resolution of intra- and intergroup conflicts. Where climate change exacerbates such challenges, for example by limiting access to scarce resources or increasing incidence of damaging weather events, consequences are likely for the U.S. government and economy[54].

### Climate Change Affects International Trade and Migration




As some areas are more severely affected by climate change, such as where drought reduces crop production, trade advantages shift to favor less affected areas. At the same time, people tend to move from more-affected to less-affected regions.