

# Flood Reduction Economics

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US Army Corps of Engineers  
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# Structure Inventory



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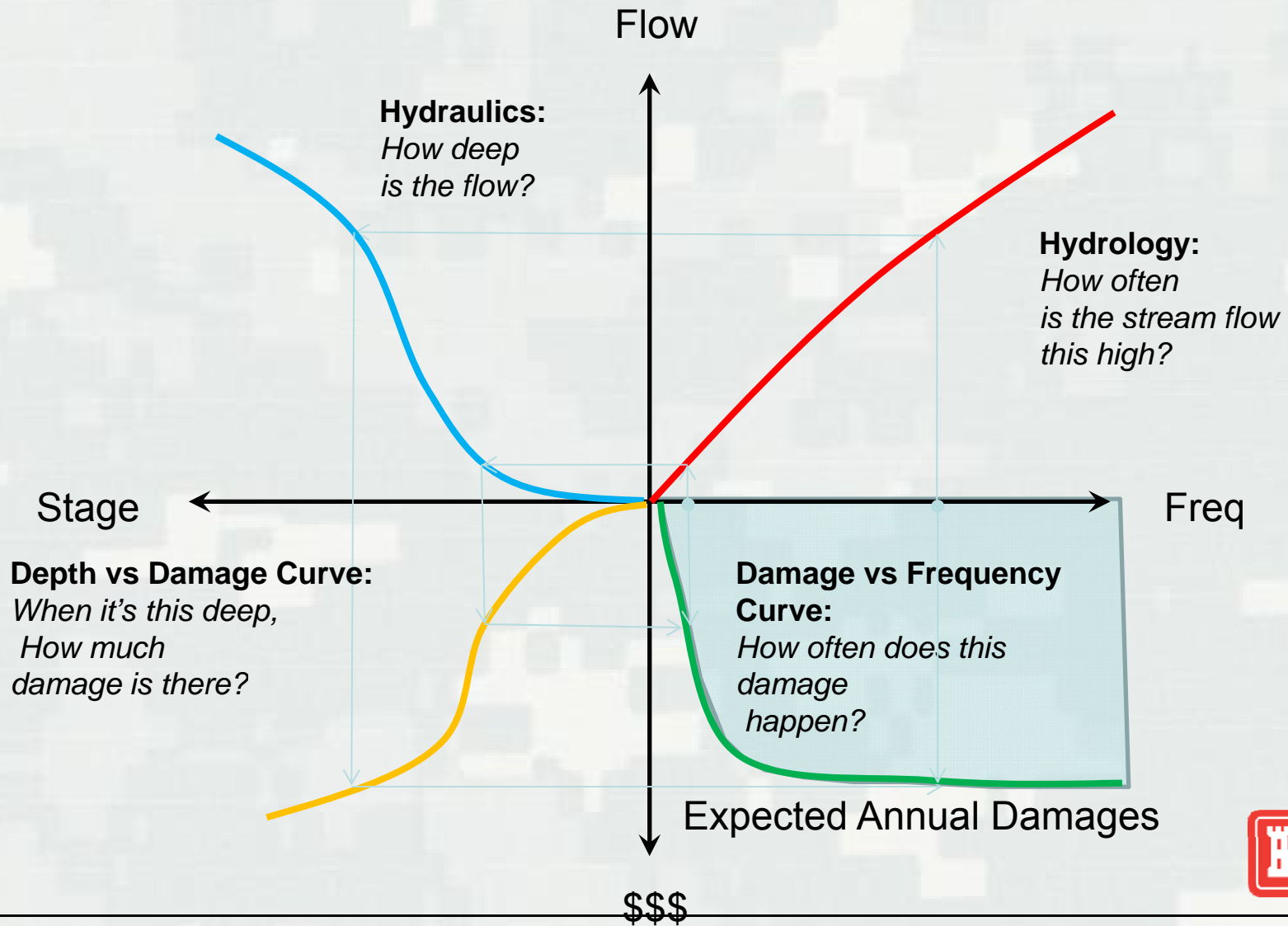


# Depreciated Replacement Cost

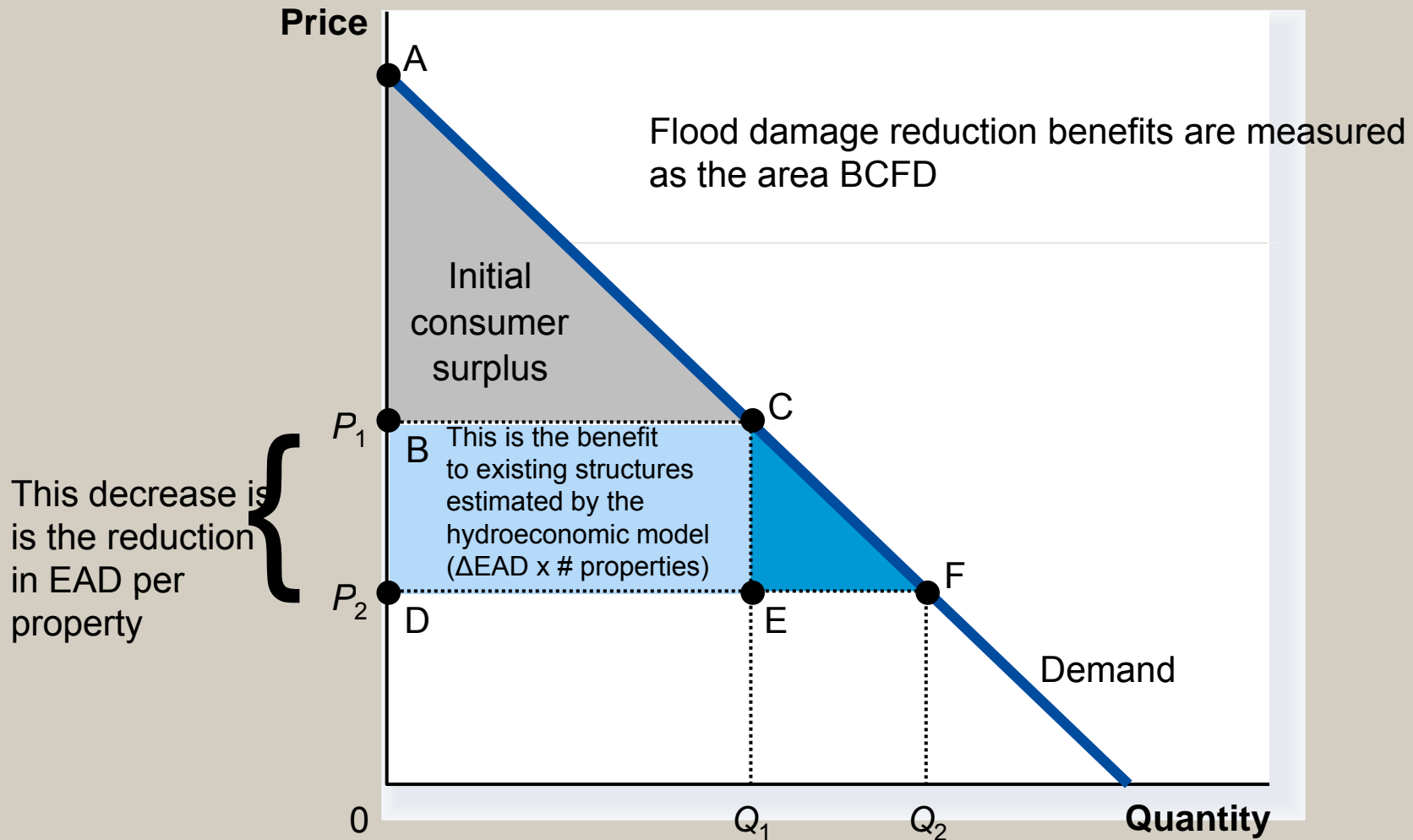


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# Flood Reduction Measurement



# Expected Annual Damage Reductions - Theory



# Flood Damages From Historic Events

<b>Event</b>	<b>Probability</b>	<b>Damage Reported</b>
2006	2-5 yr.	\$1,070,605
2011	25-50 yr.	\$3,328,581

Sources: Local surveys, NFIP, FEMA



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# EAD Consideration

- If Hurricane Irene was a 50-year event (.02 Probability) the EAD is only approximately equivalent to \$66, 572.



# Benefit-Cost Ratio

CATEGORY	SAMPLE 1	SAMPLE 2
Benefits (Damage Reduced)	\$10,000	\$5,000
Costs (Construction, O&M)	\$5,000	\$10,000
Benefit-Cost Ratio	2.0	0.5
Federal Interest	Yes	No





# Future Economic Work



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