



# The Preparedness Payoff: Wildfires

Research by the U.S. Chamber of Commerce and Allstate found each \$1 invested in disaster preparation saves \$13 on average in economic costs, and reduced damage and cleanup after a disaster. The research modeled more than 25 disaster scenarios; four wildfire event scenarios are summarized below. Read the full report at [uschamber.com](http://uschamber.com).

## A wildfire in the Sacramento area

A wildfire hitting the Sacramento, California area causing \$3.4 billion in damage would result in 12,000 job losses and about 2,800 workers leaving the labor force. The same wildfire striking the area after \$283 million was invested in resilience, predisaster mitigation, and preparedness (enough to cut the damage in half) would likely save over 6,000 local jobs and over \$368 million in earned income for residents.

	Pre-Investment Disaster Losses	Post-Investment Disaster Losses	Savings from Halving the Damage	\$238 Million Dollar Resilience Investment Gains
<b>GDP</b>	-\$1,208,888,231	-\$590,313,890	\$618,574,341	\$107,990,567
<b>Income</b>	-\$721,800,453	-\$353,165,467	\$368,634,986	\$69,260,277
<b>Jobs</b>	-9,699	-4,826	4,873	921
<b>Labor Force</b>	-2,279	-994	1,285	208
<b>Population</b>	-3,426	-1,472	1,953	331

### A wildfire in the Santa Fe area

A wildfire hitting the Santa Fe area causing \$1 billion in damage would result in 788 job losses and about 157 workers leaving the labor force. The same wildfire striking the area after \$83 million was invested in resilience, predisaster mitigation, and preparedness (enough to cut the damage in half) would likely save 388 local jobs and over \$20 million in earned income for residents.

	Pre-Investment Disaster Losses	Post-Investment Disaster Losses	Savings from Halving the Damage	\$83 Million Dollar Resilience Investment Gains
<b>GDP</b>	-\$81,829,248	-\$37,000,000	\$44,829,248	\$39,000,000
<b>Income</b>	-\$38,262,181	-\$18,000,000	\$20,262,181	\$19,000,000
<b>Jobs</b>	-788	-400	388	405
<b>Labor Force</b>	-157	-36	121	78
<b>Population</b>	-188	-33	155	92

### A wildfire in the Los Angeles area

A wildfire hitting the Los Angeles area causing \$1 billion in damage would result in 54,433 job losses and about 12,000 workers leaving the labor force. The same wildfire striking the area after \$83 million was invested in resilience, predisaster mitigation and preparedness (enough to cut the damage in half) would likely save over 27,000 local jobs and over \$2.2 billion in earned income for residents.

	Pre-Investment Disaster Losses	Post-Investment Disaster Losses	Savings from Halving the Damage	\$83 Million Dollar Resilience Investment Gains
<b>GDP</b>	-\$7,404,986,960	-\$3,694,000,000	\$3,710,986,960	\$100,000,000
<b>Income</b>	-\$4,479,085,184	-\$2,244,000,000	\$2,235,085,184	\$64,000,000
<b>Jobs</b>	-54,433	-27,333	27,100	786
<b>Labor Force</b>	-12,267	-6,068	6,199	175
<b>Population</b>	-14,964	-7,368	7,596	212



**A wildfire in the Phoenix area**

A wildfire hitting the Phoenix area causing \$1 billion in damage would result in 22,000 job losses and 6175 workers leaving the labor force. The same wildfire striking the area after \$83 million was invested in resilience, predisaster mitigation, and preparedness (enough to cut the damage in half) would likely save over 11,000 local jobs and over \$801 million in earned income for residents.

	Pre-Investment Disaster Losses	Post-Investment Disaster Losses	Savings from Halving the Damage	\$83 Million Dollar Resilience Investment Gains
<b>GDP</b>	-\$2,653,344,273	-\$1,312,000,000	\$1,341,344,273	\$124,000,000
<b>Income</b>	-\$1,594,790,980	-\$793,000,000	\$801,790,980	\$79,000,000
<b>Jobs</b>	-22,058	-11,055	11,003	1,052
<b>Labor Force</b>	-6,175	-2,902	3,273	266
<b>Population</b>	-8,009	-3,745	4,264	393