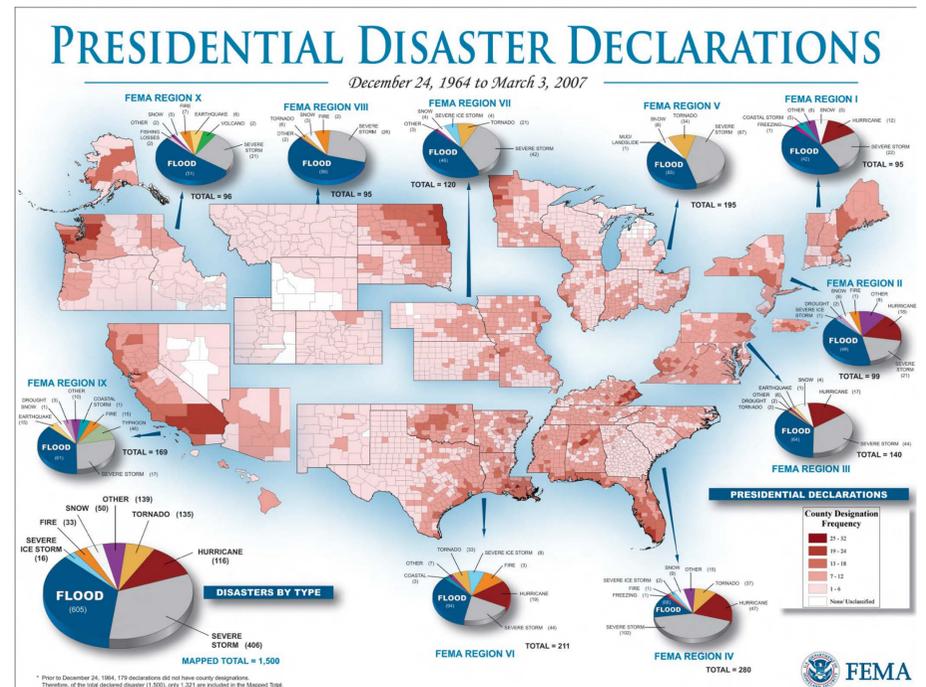


Determinants of Federal Disaster Relief

• Motivation:

- Post-loss disaster relief speeds recovery and reduces long term economic losses
- Current practice of federal disaster relief creates unfunded taxpayer liability
- Expectations of post-loss disaster relief reduce pre-loss incentives to mitigate and/or finance potential losses



• Hypotheses:

- The likelihood and amount of federal disaster relief will vary with:
 - Proximity of elections
 - Political party affiliation
 - Relative importance of state in national elections
 - % of population impacted
 - Wealth of the population
 - % of insured losses
 - Ultimate economic losses
 - Cause of loss

	Disaster Declarations	Disaster Denials	Rejection Rate
1960's	176	91	34.08%
1970's	310	225	42.06%
1980's	214	138	39.20%
1990's	427	117	21.51%
2000's	521	68	11.55%

• Results:

- Most political hypotheses lose support in later years as rejections become less frequent
- Economic hypotheses support remains
- Disturbing trend of frequency and amount of federal disaster relief not recognized in budget planning

• Next Steps:

- Public policy applications regarding natural disaster management

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