

Will The Oil Spill Slip Up Our Economic Recovery?

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WASHINGTON (AP) — The BP oil spill has hammered the fishing and tourism industries along the Gulf of Mexico. But it appears the economic damage to the rest of the United States will be limited.

Analysts say the spill will reduce economic growth by only about one-half of 1 percentage point this quarter, and even less during the second half of the year. For an economy as large as the United States' — \$14.6 trillion — a \$73 billion cut is barely a nick.

That is small comfort to residents of the Gulf Coast. There, the economic impact is severe. And experts say the spill is taking a psychological toll on people still dealing with the emotional aftermath of Hurricane Katrina five years ago.

Psychiatrists who treated people after Katrina say the same symptoms are showing up now: Anger. Anxiety. Drinking. Depression. Suicidal thoughts.

And now another storm may make matters worse.

Tropical Storm Alex, which moved into the Gulf on Sunday, was not expected to cross the oil spill area or halt the cleanup and containment efforts. Alex could become a hurricane late Monday or Tuesday as it moves over the warmer waters of the Gulf, but it was forecast to hit Mexico's eastern coast, well away from the area where BP PLC is trying to stop the massive leak, the National Hurricane Center said.

But it could still have an effect.

"The center of Alex is not expected to approach the oil spill area, " said Stacy Stewart, a senior hurricane specialist at the center. "However, that does not mean there could not be some indirect effects as the outer wind field will produce winds possibly 20 to 30 mph, seas perhaps as high as 12 to 15 feet across the oil spill area, and that could exacerbate the problem there in terms of pushing oil a little bit further inland and also perhaps hindering operations."

Analysts said there are several reasons the spill's effect on the U.S. national economy will be slight:

— Spending on tourism is moving elsewhere inside the country — to the Atlantic coast, for example.

— The Gulf's commercial fishing makes up only a tiny fraction of the U.S. economy.

— The Gulf energy industry, which makes up about 10 percent of the regional economy, is not vital to the nation's.

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But the local economy may take years to recover. And the psychological damage is difficult to quantify.

Shrimper Ricky Robin is haunted by memories of his father's suicide in the aftermath of Katrina, which in August 2005 devastated a swath from Louisiana to Alabama — almost as big as the area affected by the oil — killing more than 1,600 people.

"I can't sleep at night. I find myself crying sometimes," said Robin, 56, of Violet, a blue-collar community on the southeastern edge of the New Orleans suburbs.

"Everybody's acting strange," he said. "Real angry, frustrated, stressed out, fighting brothers and sisters and mamas and family."

The helplessness, coupled with uncertainty about what's going to happen with the spill and when the next check from BP PLC will arrive, leaves charter boat captain George Pfeiffer angry all the time.

"Our families want to know what's going on," said Pfeiffer, 55. "When we get home, we're stressed out and tired, and they want answers and we don't have any."

His wife cries a lot.

"I haven't slept. I've lost weight," said Yvonne Pfeiffer, 53. "My shoulders are in knots. The stress level has my shoulders up to my ears."

Mental health professionals say it is too early to have reliable data to understand the full severity of stress issues spawned by the spill. But they said the backdrop of Katrina means it is likely to get worse.

"This is a second round of major trauma for children and families still recovering from Katrina. It represents uncharted territory," said Dr. Irwin Redlener, director of the National Center for Disaster Preparedness at Columbia University and a member of the National Commission on Children and Disasters who has worked with Katrina survivors.

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