### National Journal LEADERSHIP COUNCIL

# The fiscal risks of climate change facing the federal government

An assessment by the Office of Management and Budget

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# The fiscal risks of climate change range from increased support for farmers to greaterdisaster relief spending

Federal budget items that could be affected by climate change



Disaster relief spending



Protecting, repairing and relocating Federal facilities



Flood insurance payouts



Federal programs that support farmers



Federal fire suppression resources

#### **Analysis**

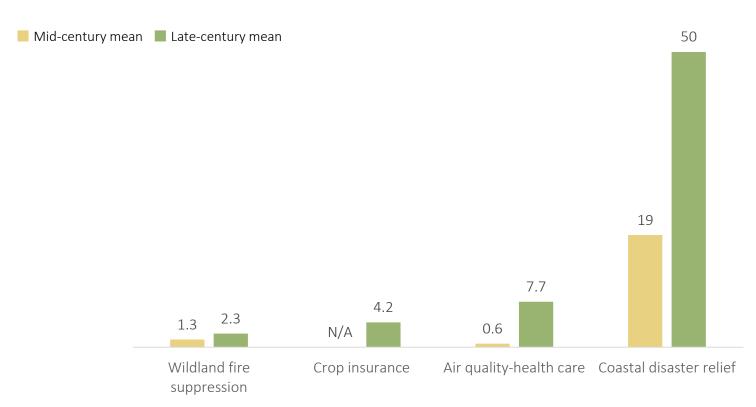
- Climate change is already affecting communities in the United States and will eventually have a significant impact on the federal budget
- Projected government costs are based on current information and are subject to change in light of future developments

Source: Office of Management and Budget, "Climate change: the fiscal risks facing the Federal government," Executive Office of the President, November 2016; NounProject, Arthur Shlain, Claire Jones, HLD.

### Coastal disaster relief is the largest expenditure in modeled scenarios

#### Increases in annual expenditures due to climate change

Billions of real dollars

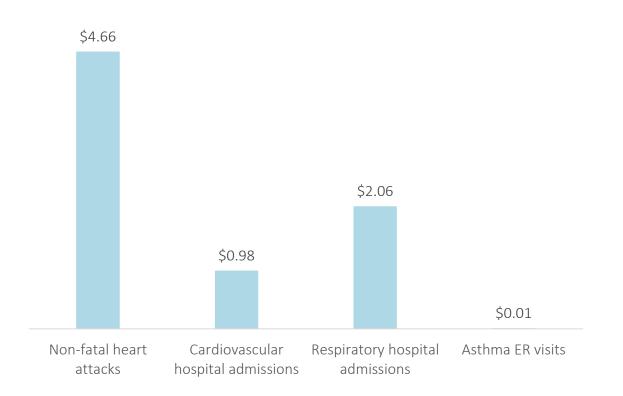


Source: Office of Management and Budget, "Climate change: the fiscal risks facing the Federal government," Executive Office of the President, November 2016.

# Non-fatal heart attacks will be the leading health expenditure caused by climate change in 2100

Increases in annual federal health expenditures in 2100 due to climate change

Billions of real dollars



#### **Analysis**

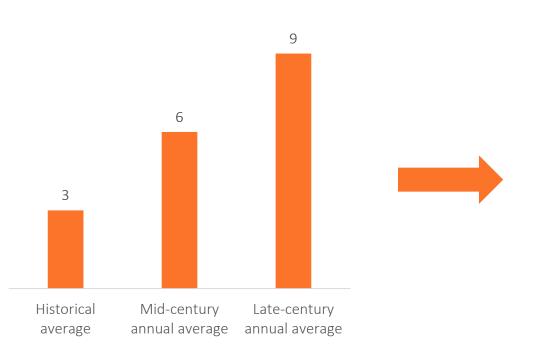
- Increases in the heart attacks and cardiovascular issues are connected to poor air quality levels
- Climate change is likely to increase risks associated with vector-borne diseases as their distribution changes and new pathogens emerge
- The risk of food-borne illness is likely to increase as food is exposed to certain pathogens and toxins
- Risks associated with algal toxins have also been shown to increase as water temperatures rise

Source: Office of Management and Budget, "Climate change: the fiscal risks facing the Federal government," Executive Office of the President, November 2016.

### Acreage burned by wildland fires could triple by latecentury

#### Increases in annual acres burned due to wildland fires

Millions of acres burned



#### **Annual fire suppression expenditures**



\$1.3 billion historical average



\$1.3 billion by mid-century



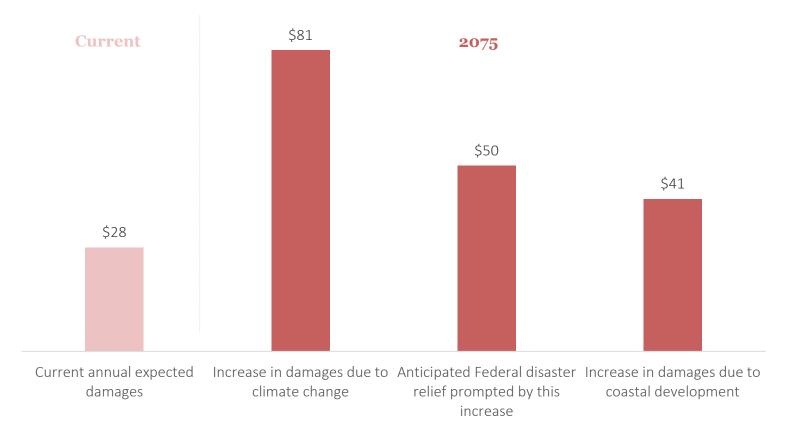
\$2.3 billion by late-century

Source: Office of Management and Budget, "Climate change: the fiscal risks facing the Federal government," Executive Office of the President, November 2016; NounProject, Delwar Hossain.

## Increases to damages due to coastal development will total about \$40 million annually by 2075

Additional annual expected disaster relief for hurricane damage in 2075

Billions of real dollars

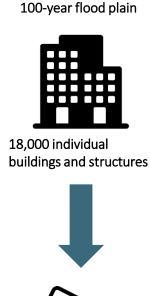


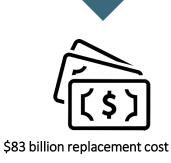
Source: Office of Management and Budget, "Climate change: the fiscal risks facing the Federal government," Executive Office of the President, November 2016.

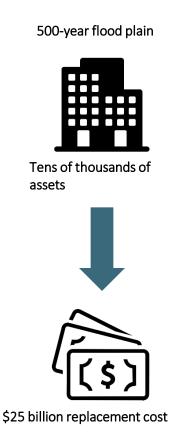
## Almost 20,000 federal buildings are located in the current 100-year floodplain

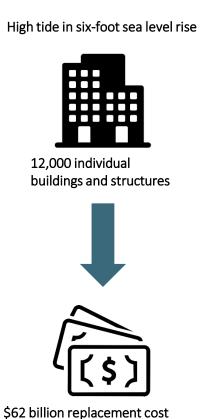
#### Federal buildings and structures at flood risk

Billions of real dollars









Source: Source: Office of Management and Budget, "Climate change: the fiscal risks facing the Federal government," Executive Office of the President, November 2016; NounProject, Gregor Cresnar, Delwar Hassain.