

11 Ways Inaction on Climate Change Will Have Devastating Consequences for the American Economy, Communities and Families

- 1. The catastrophic impacts of climate change will have vast economic and social costs for the American economy and workers.**
- 2. Climate change increases the severity and frequency of natural disasters, slowing economic growth.** Economists estimate 2 degrees of warming would lower GDP by [0.5%](#) per year, and 4 degrees would cut GDP by 2.0% annually.
- 3. Extreme heat reduces labor supply, which constricts productivity.** At temperatures over 100°F, [labor supply drops](#) by as much as one hour per day. Even when indoors and air conditioning are provided, the [auto industry](#) has found an 8% decline in output in weeks where six or more days are above 90°F.
- 4. Higher temperatures hurt families and financial systems across the country.** Even modest warming will shrink the economy by [hundreds of billions](#) of dollars with higher temperatures raising costs at an increasing rate. [Researchers find](#) that American workers could lose as much as \$80 billion per year in lost wages due to time spent avoiding extreme heat.
- 5. Local governments and institutions are already bearing high costs from climate change.** The increase in droughts and fires in California has forced a single utility company to spend at least [\\$15 billion](#) to secure power lines from causing additional damage. [The Dallas Federal Reserve](#) estimated that the winter storm which left [hundreds dead](#) and millions freezing may have cost the Texas economy [\\$80-\\$130 billion](#).
- 6. Climate change will reduce health and increase mortality, alongside broader social consequences.** Extreme weather is tied to increased [direct mortality](#), with thousands of deaths per year attributed to carbon [particulate pollution](#), along with decreases in [outdoor activity](#) that are connected to higher rates of [obesity](#) and hypertension. And just as hotter temperatures bring down labor productivity, climate change will have a negative impact on young students.
- 7. Climate change disproportionately impacts marginalized and low-income communities.** Hispanic and Latino Americans face disproportionate [earnings risk](#) as they have the highest rates of lost work from extreme temperatures, increases in childhood asthma diagnoses from climate-driven changes and increases in traffic delays from more routine flooding. [African Americans](#) are 40% more likely to live in areas with the greatest expected increases in mortality due to climate change and 34% more likely to live in areas with the highest predicted increases in childhood asthma.

8 Ways Inaction on Climate Change will have Devastating Consequences for the American Economy, Communities and Families

8. The costs of climate change have dramatically risen over the last decade. Experts now have a better understanding of how climate change affects the economy, particularly when it comes to its responsibility in [producing extreme weather](#) and the economic [damage](#) of climate change. In 2010, the [federal estimate](#) of the economic cost of adding carbon alone to the atmosphere—the social cost of carbon—was \$27.27/ton. Today, the most sophisticated [corresponding estimate](#) is between \$61.40 and \$194, an increase of 125%-611% in just over a decade.

9. Extreme weather events, which are becoming increasingly frequent as a result of climate change, have a devastating human cost and resulted in nearly [\\$100 billion of damage in 2020](#). As these kinds of disasters become more common and more severe, the human toll and economic costs is expected to increase.

10. Inaction on climate change exposes workers and families to the economic risks of dependence on fossil fuels. The International Energy Agency points to [extreme weather](#) as one of the primary causes of a natural gas supply crunch that caused energy price shocks in the year before Putin's invasion of Ukraine. _

11. Historically, oil dependence combined with volatile prices has been a key driver of inflation and [driver of multiple U.S. recessions](#). These economic shocks are [extremely costly](#), especially to [American workers](#). Today American families are once again hurting as gas prices spike and energy markets are disrupted by dangerous foreign actions.