

## Swine flu could wreak more havoc on US economy, says economist (w/ Video)

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H1N1 influenza could slow growth in key industries and stall already-weak GDP growth in the third and fourth quarters of 2009, says a health economist in the University of Alabama at Birmingham (UAB) School of Business.

"Tourism and travel are vitally important sectors in the economy of many U.S. cities and communities," Bryce Sutton, Ph.D. "Depending upon the severity of the spread of the virus, consumers and businesses may respond by restricting travel and vacation plans, which would dampen an already weak recovery in these areas."

AAA estimates that as many as 60 million Americans annually travel 50 miles or more from home during the country's peak travel periods, which fall on the days that surround the Thanksgiving and Christmas holidays. Sutton says airlines, hotels and other service industries negatively impacted by recent trends of tightened [consumer spending](#) could face double jeopardy should H1N1 infections or simply fears of exposure keep would-be travelers at home.

Other business sectors could suffer, too, if sick workers and absences cut deeply into productivity and revenues, Sutton says.

"Although business managers have had time to prepare contingency plans, those that already have cut the numbers of employees in an effort to reduce costs during the downturn may be hardest hit," Sutton says. "In many cases, companies that already are working with the bare minimum

staffs face further productivity challenges should large numbers of the remaining employees contract H1N1."

Sutton says more research is needed to measure the more precise impact of the H1N1 virus once the traditional U.S. [flu season](#) has passed. Until then, statements on the economic influence of the virus will reflect educated predictions based on the history of previous pandemics and their reported economic effects.

"The most recent case we have to study is the Asian SARS outbreak in the early 2000s, which negatively impacted a range of industries in Asia. The effects led to a regional loss of between 0.5 and 2 percent of GDP," Sutton says. "H1N1 impact predictions are based on examples like this one in which virus fears traditionally have had a negative influence on the economies of impacted regions.

"However, the H1N1 preparation has been much better when compared to the response of health agencies during the SARS outbreak and that could counter some potential negative impacts," he says.

Source: University of Alabama at Birmingham ([news](#) : [web](#))

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