

Family Transfers in Response to Hurricanes

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Abstract

This study examines the extent and nature of transfers from the extended family in response to hurricanes. This study relies upon the uncertainty of when and where a major hurricane will hit and the difficulty in predicting the path of a hurricane as justification for treating hurricanes as a natural experiment. In order to control for unobserved heterogeneity, I exploit the longitudinal data from the Panel Study of Dynamics. This data also contains a rich set of responses about labor outcomes that allow for an analysis of the effects of hurricanes on earnings and hours worked and how labor market changes may affect family transfers. By combining data directly from FEMA about estimated assistance provided to households, I examine the interplay between private family transfers and the public transfers from FEMA. Lastly, I consider how the relocation decision after a hurricane may be affected by non-co-resident family members.

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