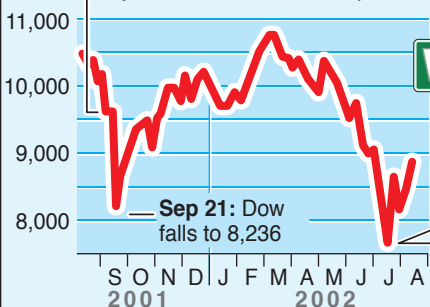


# Impact of 9/11 attacks on U.S. economy

Investors dumped stock, airline passengers stopped flying, and companies slashed thousands of jobs. But a year after terrorists attacked the World Trade Centre and the Pentagon – and by extension, the U.S. economy – the impact has not been nearly as deep or as lasting as first feared



**Sep 11-14:** Dow closes for four days. Index sticks at 9,605 points



**WALL ST**

## STOCK MARKET

\$2.4 trillion in market value is lost – almost one-quarter of U.S. gross domestic product

**Jul 23:** Corporate scandals – including energy giant Enron and telecoms firm WorldCom – shake confidence of investors. **Dow Jones Industrial Average** falls below its 9/11 low to 7,702



**EMPLOYMENT** 1.2 million jobs are lost – 33 states report layoffs tied to attacks. Since 9/11 jobless rate jumps from 4.9% to 5.9% (July)

## AVIATION AND TRAVEL

Severe downturn in numbers of airline passengers – down 11.2% since attacks. **Boeing** cuts nearly 30,000 jobs



Post 9/11, U.S. airlines face combined losses of \$100 million/day. Despite \$15bn bailout package, 90,000 jobs shed in two weeks

**INSURANCE** Insurers face \$40.2 billion claims for damage caused by the attacks. Costs for commercial insurance and workers' compensation up by 25% average



**SECURITY** Congress approves \$40 billion in emergency spending following attacks, plus \$28.9 billion anti-terrorism bill in July. \$45 billion spent on private security

## CONSUMER SPENDING

Record low interest rates keep families buying homes. **Refinancing of mortgages** generates ready cash for other purchases



**CONSTRUCTION** Attacks worsen an already deteriorating market. **Demand for new office space** down 32% (June-June), **hotel construction** down 36%