



57% of Major U.S. Cities Are Seeing Warmer Winters

San Francisco (WeatherBill.com) – Winter is getting warmer for 57 percent of some of the biggest cities in the United States. That's the latest finding from the weather risk managers at WeatherBill. The study highlights temperature changes across 42 states and 130 cities and finds that more than half of the large cities studied are experiencing an increase in winter temperatures, especially in the Midwest.

In the winter, November through February, 74 of the 130 cities studied show increasing temperatures. Increases are most prevalent in Texas, Oklahoma, Louisiana, Arkansas and in the Midwest. Eight Midwestern cities, including Minneapolis, Chicago, Milwaukee and Omaha, show at least a 0.2°F increase annually. That equals a 6.0°F increase over a 30 year period. Cities are experiencing temperature increases in every United States region except the Pacific.

In the summer, June through September, changing temperature trends are far less prevalent. Fifteen percent of the cities studied show increasing temperatures during the summer, most notably cities in New England. Boise, Hartford, Detroit and Las Vegas are seeing annual temperature trends of at least 0.09°F, which would amount to 2.7°F over 30 years. Reno is increasing by 0.23°F annually, which would amount to 6.9°F over 30 years.

San Diego is the only city with decreasing temperatures in the winter and summer. Ten cities show increasing temperature trends in both the winter and summer (including Boise, Hartford, Detroit and Philadelphia). Ann Arbor is the only city with increasing temperatures in winter and decreasing summer temperatures.

The study uses thirty years of historical data from 130 National Weather Service Stations to determine winter and summer temperature trends for U.S. cities with a population of at least 100,000. A free copy can be downloaded at www.weatherbill.com/reports/temptrends along with data for all of the cities studied.

WeatherBill published this original study to help urban consumers and businesses better understand local temperature trends for planning and risk management. Over 58 million people live in the cities studied. The metropolitan areas surrounding the cities include 187 million people, many of whom own or are employed at weather sensitive businesses.

How are temperatures impacting your bottom line? WeatherBill takes the guess work out by determining how much weather impacts your business revenue with free tools and then provides customized weather protection. To learn more, visit www.weatherbill.com/tools.

Keep reading to find out how businesses in the top five cities with winter or summer warming trends could be impacted by increases in seasonal temperature.

Top Five Cities Experiencing Winter Warming Trends

#1 Minneapolis/ St. Paul, Minnesota

Annual Trend Temperature: 0.2°F

Over 30 Years: 6.4°F

It's not Minnesota summers that bring in the tourists. Winters are the bread-and-butter for the state. Warmer winters are bad news for the Twin Cities of Minneapolis and St. Paul. The cities host winter tourists who flock to the state for winter recreation. Skiing, snowmobiling and ice fishing businesses face revenue losses and cost increases when the mercury rises.

According to the National Oceanic and Atmospheric Administration, or NOAA, temperatures did not rise above 50°F for more than 140 days in 2001. That's good news for businesses that thrive on snow. But December 2006 was the fourth warmest December on record for the Twin Cities. NOAA reports the temperature was 17°F above average the last three weeks of December, 2006. Warmer winters are expensive for snow and ice dependent businesses. Less natural snow means more snow making and every degree above 27°F costs snow makers more money. Warmer winters also hurt revenue. People are less likely to buy a new snowmobile if they can only use it for a couple months, or if they cannot use it at all. When ice fishing season is cut short by warm temperatures that thin the ice, ice fishing businesses can fall short of revenue expectations.

#2 Madison, Wisconsin

Annual Trend Temperature: 0.2°F

Over 30 Years: 6.3°F

Madison is the second largest city in Wisconsin and the state's capital. The city is also home to one of America's largest meat packaging companies: Oscar Mayer. Hot dogs are a \$1.6 billion a year business. While hot dogs sell year round the food is most popular in the summer months. Hot dogs do best in warm months when they are popular offerings at baseball games, barbecues and campfires. 10% of hot dog sales in the U.S. happen in July, according to the National Hot Dog and Sausage Council. In fact, July has officially been decreed National Hot Dog Month, during which Americans buy hot dogs by the millions.

Because hot dogs are such a hot commodity during warm months they are a weather-sensitive product. Warmer winters could have a positive impact on hot dog sales, along with other retail like outdoor furniture, pools, summer clothing, tickets to outdoor events (sports and music), and cold beverages.

#3 Peoria, Illinois

Annual Trend Temperature: 0.2°F

Over 30 Years: 6.2°F

Peoria is the quintessential all-American city. The city's official website boasts that it's the type of town where "many citizens vie for blue ribbons for their original cookie recipe or their prize bull" during town fairs. One of the other things the city is famous for is Caterpillar, Inc. (CAT), the world's largest manufacturer of construction equipment, turbines and diesel and natural gas engines. Right now CAT is feeling the effects of the U.S. housing slump.

Real Estate experts say the country is undergoing the worst housing slump in 16 years. Home sales are spiraling while foreclosures are spiking. The housing market and its related industries make up almost 25% of the gross domestic product, according to the Joint Center for Housing Studies. CAT is one such business; the company's profit has dropped 21% this year because of the housing slump.

Warmer winter temperatures are good news for CAT. The construction industry will benefit from warm, dry winters. Shorter winters mean increased productivity, longer building seasons, and more products are on the market. Home buyers also start shopping earlier when the temperatures increase. Higher demand for homes means CAT sells more equipment. More money for CAT means more money for the blue ribbon city of Peoria.

#4 Omaha, Nebraska

Annual Trend Temperature: 0.2°F

Over 30 Years: 6.1°F

More than 22% of Omaha's residents work in Trade, Transportation and Utilities, according to the Omaha Chamber of Commerce. Energy is a major part of the city's economic livelihood and energy usage and cost will certainly be impacted by warmer winters.

Warm winters are good news for consumers, but bad news for natural gas companies. Warm weather means people use less natural gas for heat and their bills are lower but less energy use means lower profits for energy companies. Lower energy revenue doesn't bode well for the state Nebraska where energy is big business.

While Nebraska's total energy consumption is low (the state is less populated than others), the state's industrial, transportation and residential sectors are important energy consumers especially in bigger cities like Omaha. Warmer winters can impact on the city's economy in two ways: residents will be spending less on energy, a positive, but 22% of them will be working for companies that are bringing in less revenue, a negative.

#5 Rockford, Illinois

Annual Trend Temperature: 0.2°F

Over 30 Years: 6.1°F

Even as winter temperatures rise in Rockford, the city boasts four distinct seasons. During Rockford's spring, summer, fall and winter, severe weather is a constant threat. Each season comes with a chance for extreme weather: thunderstorms, floods, tornadoes, hail and blizzards keep the city's government on its toes. But warm winters are making the government's jobs easier and saving the city money.

Unlike other Midwestern cities that have economies that thrive on snowfall, Rockford doesn't need it. Too much snow can paralyze city businesses. Lack of snow in Rockford is a good thing. Less snow means less governmental costs for street and highway snow removal. The Illinois Highway Department spends an average of \$49 million a year on snow removal and salting. During 2001's mild winter the state only spent \$15 million. That same year federal, state and local highway departments reported spending up to 80 percent less on snow removal, saving \$750 million nationally.

Top Five Cities Experiencing Summer Warming Trends

#1 Reno, Nevada

Annual Trend Temperature: 0.2°F

Over 30 Years: 6.9°F

Casinos are big business, and so is casino construction. Faced with growing competition from California's tribal casinos, Reno resorts and casinos are spending millions of dollars this year on renovations, expansions and new facilities.

Materials, equipment, personnel, and quality and quantity of construction work can be adversely affected by heat, delaying project completion and increasing costs. Quantifying heat impact is valuable to contractors as they prepare realistic schedules, cost estimates and reliable bids. Although construction usually proceeds during heat, productivity often drops, substantially impacting both the annual and quarterly growth rate of construction output.

Typically, the largest and most variable expense in construction is labor. Labor productivity depends on many factors, temperature environment being one of the more critical ones. However, heat delays and impact on productivity is not frequently factored into costs and schedules or used to quantify damages resulting from productivity losses in construction claims.

#2 Boise City, Idaho

Annual Trend Temperature: 0.2°F

Over 30 Years: 4.9°F

Boise, the most populated city in Idaho, is the headquarters for Albertson's. The major grocery chain has more than 350 stores in the U.S. with more than 230,000 employees (corporate-wide) that depend on predictable weather for their livelihoods. Warmer summers have a major impact on supermarket demand.

Supermarket shoppers face shortages and higher prices when severe, unpredictable weather hits farms and food production companies. The prices of vegetables, dairy, meat and grains are impacted by weather. For the most part, warmer winters are good news for farmers and consumers. Warmer summers can mean longer growing seasons and a decrease in early-season frost. Warmer summers can also spread the threat of warm-weather pests and damage temperature-sensitive crops. Experts say the impact of warm summers on crops will be noticeable in the price of foods at your local supermarket.

Supermarket sales patterns show sales of green salad vegetables go up when temperatures rise. On the other hand, cooler temperatures increase soup sales. Consumer purchases fluctuate with the weather and supermarkets, like Albertsons, quickly move to accommodate. Understanding temperature trends is critical to maintaining stable revenue because it makes it easier to predict demand and protect revenue. Tens of thousands of employees at Albertson's count on their company to know how weather impacts shoppers.

#3 Hartford, Connecticut (Metro)

Annual Trend Temperature: 0.1°F

Over 30 Years: 3.0°F

The capital of Connecticut is also known as the insurance capital of the world. Hartford is home to many of the world's insurance companies including Travelers, Aetna and The Hartford. These companies provide thousands of jobs to the city.

Recently insurance companies are warning consumers about the threat of global warming and how warming trends will have a significant impact on the health of Americans. The risk of heat-related illnesses like heat-stroke can increase in warmer temperatures. Infectious diseases like West Nile virus and Lyme disease are spread in warm weather. Shorter winters mean warm-weather viruses have a longer life-span and the ability to infect more people. Asthma sufferers can also be hurt by warmer summers because pollen season can start earlier and last longer. With more people susceptible to warm-weather diseases and longer-lasting allergy seasons, health care costs can rise, forcing insurance companies to raise their rates.

#4 Las Vegas, Nevada (Metro)

Annual Trend Temperature: 0.1°F
Over 30 Years: 2.7°F

When an already hot city gets hotter the local government really feels the heat in the city budget. Las Vegas is known for its year-round warm temperatures (good for tourists) but warmer summers can mean an increase in government spending (bad for taxpayers).

One reason a city can get hotter is called the “heat island effect.” As heat-absorbing buildings, roads, and parking lots replace natural coolants like trees and soil a city’s temperature can rise. An urban heat island can create poorer air quality, prolong heat waves and increase city operation costs. Hotter annual temperatures can exasperate the heat island effect and increase a city’s electricity usage and energy bills. It’s not just the casinos using air conditioning. Schools, government buildings, city transportation and residential buildings all need to beat the heat. That costs governments, and taxpayers, lots of money.

#5 Detroit, Michigan (Metro)

Annual Trend Temperature: 0.1°F
Over 30 Years: 2.6°F

The headquarters for the Big Three auto makers, Detroit’s main industry is manufacturing. When the temperature rises, the manufacturing industry feels the heat financially. Manufacturers typically use large amounts of energy to produce goods. As the heat rises, so does the cost of keeping things cool. High electricity prices force manufacturers to cut-back on output and, in turn, lower output can cost companies millions of dollars every year.

Some companies manufacture products that are weather-sensitive including food and beverage (canned soup and soft drinks), clothing (snow boots and flip flops), outdoor gear (snowmobiles and plastic swimming pools) and heating/cooling devices (space heaters and air conditioners). Demand for those products changes with the temperature, and so does supply. According to the Department of Motor Vehicles, new car sales drop off significantly during inclement weather. Detroit is a city that certainly keeps its eyes on the forecast.