

# Snow Storm's Transfer of Wealth Stressing Government Budgets

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New snow has arrived in the DC metro area. This gave tri-city locals only a few hours to re-up essential supplies and get some much needed recovery rest.

The roads are now narrower. There is a considerable amount of ice to deal with in the mornings. Large snowbanks are abundant. Grocery store parking lots are full of cars while other stores are simply closed. Baltimore is overflowing...so much that officials were forced to dump excess powder in the inner harbor (they know about the run off. no other choice here) .

This morning we talked about the massive transfer of wealth that is known to occur following an unexpected environmental event. While a **substantially large economic opportunity** has presented itself for many snow pushers, at some point one has to wonder when the **laws of diminishing marginal utility** take over. At what point is there too much snow to plow? Are the county governments already out of snow emergency funds?

PG County is **TRYING TO FIGURE IT OUT**

The **SAME THING** goes for Dover, DE

...and in **ANNAPOLIS, MD**

While the surge in snow provided great economic opportunity for many folks, the massive transfer of wealth occurring appears to be stressing the local financial system. Choices will have to be made...budgets will have to be re-arranged and added costs will be spread socially via tax adjustments and new fundraising efforts...like having the police paint cars with parking tickets.

**Plain and Simple:** sometimes a little snow is great for the local economy. sometimes too much snow can strain the budgetary limits of the local economy and result in added costs for all. no more snow!

Think about how unexpected events like snow storms can affect the budget of local governments. I think the same thought process can be applied to the macro-economy at the moment. It adds perspective to recent domestic and foreign budget concerns. (wars, financial crisis, etc, etc)

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