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# **THE TOTAL COST OF FIRE IN THE UNITED STATES**

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## **Abstract**

The total cost of fire in the United States is a combination of the losses caused by fire and the money spent to prevent worse losses, by preventing fires, containing them, detecting them quickly, and suppressing them effectively. For 2004, that total cost is estimated at \$231-278 billion, or roughly 2 to 2½% of U.S. gross domestic product. Property loss represents only \$11.7 billion of this total. The net costs of insurance coverage (\$16.2 billion), the cost of fire departments (\$28.3 billion), building costs for fire protection (\$41.3 billion), other economic costs (\$38.5 billion), the monetary value of donated time from volunteer firefighters (\$52-99 billion), and the estimated monetary equivalent for the deaths and injuries due to fire (\$41.9 billion), all are larger components than property loss.

Keywords: fire statistics, cost, loss estimates, fire losses

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## Executive Summary

In 2004, property losses due to fire (direct and indirect, reported and unreported) totaled an estimated \$11.7 billion. After adjustment for inflation using the Consumer Price Index, this represented a 35% decrease from 1980.

Other economic costs of fire in 2004 included: the cost of fire departments (\$28.3 billion, up 117% from 1980 after adjusting for inflation), the net difference between fire-related insurance premiums paid and NFPA's estimate of economic losses eligible for insurance coverage (\$16.2 billion, up 72% from 1980 after adjusting for inflation), and new building construction costs for fire protection (\$41.3 billion, up 70% from 1980 after adjusting for inflation).

The core total cost of fire was therefore \$97.5 billion in 2004, up 50% from 1980 after adjusting for inflation.

Other economic costs that are not re-estimated each year but only updated for inflation cost an estimated \$38.5 billion. Human losses are estimated at \$41.9 billion, using formulas developed by the U.S. Consumer Product Safety Commission and with acknowledgement that no amount of money can compensate for the loss of a loved one. The monetary value of donated time from volunteer firefighters is estimated at \$52-99 billion.

Therefore, the complete total cost of fire is estimated at \$231-278 billion, or roughly 2 to 2½% of U.S. gross domestic product.

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