

Hurricane Florence

Potential Small Business Impacts of the Storm

RESEARCH SPOTLIGHT

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Carolina
Small Business
DEVELOPMENT FUND

After Hurricane Florence, ensuring small business recovery for long-term economic stability

Significant barriers for entrepreneurs

Small business is the engine of North Carolina's regional economies. In counties under a Florence disaster declaration, there are 41,839 businesses that employ between 1 and 19 people. With 48,851 employer firms in the area, that means almost 86% of potentially impacted firms employ less than 20 people. Based on national trends, up to 40% of small firms in FEMA-designed zip codes may report losses after a natural disaster.

Disaster impacts on small firms

Temporary Closure

40%

Permanent Closure

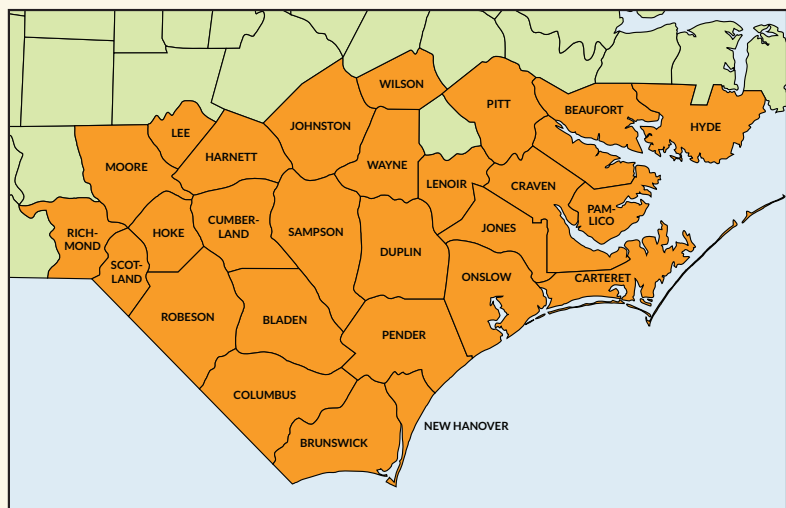
25%

More than half of impacted small firms are likely to apply for disaster recovery assistance.

Immediate and long-term needs

Research from the Federal Reserve shows that small businesses need help for years after a disaster. Almost two thirds (64%) of affected small firms report losing assets in the wake of disaster, which demonstrates the need for immediate short-term assistance. But the most frequently cited impact is forgone revenues (96%), an issue which requires long-term recovery programming.

Critically, most small business owners are unable to fully replace their losses via insurance claims. For example, in recent US disasters, only 16% of small firms had flood insurance – but 38% reported some form of flood damage.



Small Businesses comprise 83% to 95% of employers in 27 counties most affected by Hurricane Florence.