2021 Disaster Season Briefing for Small Business Partners

The webinar will begin shortly.

Please take a moment to review our housekeeping checklist:

- Your audio is muted, and we ask that it remains muted throughout the discussion.
- If you are using your computer for audio only and experience difficulty hearing, try joining the call-in option at 415-655-0001,,1739860171##.
- We will have a Question & Answer segment at the end of the webinar. Questions can be submitted via the chat feature at any time during the webinar.
2021 Disaster Season Kick-Off: Small Business Supporters
Welcome

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Most nonprofits and small businesses do not have any plans for a disaster

Small businesses in rural areas are especially vulnerable

Small businesses qualify for minimal aid compared to families and public entities

25-40% of businesses never reopen after a disaster
What is a disaster?

A disaster is a serious problem occurring over a short or long period of time that causes widespread human, material, economic or environmental loss which **exceeds the ability of the affected community or society to cope using its own resources.**
Preparing for disasters

1. Increase your ability to cope
2. Find avenues to obtain aid where you can’t cope
Small Businesses in Disasters

- Most critical infrastructure within communities owned and operated by private sector
- Small businesses that rent have less control over mitigation
- Job loss catalyzes migration from rural to urban areas post-impact and exacerbates challenges to economic base
- Businesses owned by women, veterans, and BIPOC far more likely to not recover; coastal areas
- $1 in preparedness is $6 saved
Myth #1: Property Damage

Myth: Greater physical damage, greater influence on business recovery outcomes

Truth:
• Impacts on customers and employees
• Loss from disruption in utilities and infrastructure
• Impacts to vendors and supply chains
• Inability to innovate and adapt to a “new normal”
Myth #2: Aid

Myth: Small businesses receiving aid have greater recovery outcomes

Truth:

• Most aid is in loans, putting the business in greater debt
• Assistance doesn’t cover/consider loss of customers, decline in demand for services from disasters
• Some case studies demonstrate more aid, lesser recovery success
• Most mitigation and preparedness funds only available after a disaster
Myth #3: Insurance

Myth: Small businesses are covered by insurance (and therefore don’t need additional help)

Truth:

• Many don’t carry insurance
• If they do, they don’t usually understand it
• May not cover business interruption (focused on physical infrastructure)
Myth #4: Plans

Myth: Having a plan makes you prepared

Truth:
- Paper Plan Syndrome: Filling out templates
- Plans become symbolic (vs instrumental)
  - Fantasy documents
- Planning is a process
Myth #5: Preparedness

Myth: Common preparedness approaches are leading to lesser impacts on businesses
  • Training someone to plan means they will plan
  • You just need a book

Truth:
  • Preparedness is behavior change
  • Knowledge isn’t the only barrier to preparedness and all must be address to reach preparedness goals
  • Most don’t actually take preparedness actions
How to become prepared?

Source: FEMA
Common Barriers to Preparedness Action

- Knowledge
- Risk perceptions
- Resources and funding
- Time and Personnel
- Competing priorities
- Management Support
- Inaccurate assumptions
Innovation is Resilience

• You can’t prepare for everything
  • The more you are prepared for, the more energy and resources available to adapting in a crisis

• Top cause of businesses closing: Inability to adapt
  • “Dead business walking” syndrome

• Operating environments change after disasters
  • “Anchor stores” may fail and impacts surrounding business
  • Changes to customers
  • Supply chains and vendors
We share our neighbors’ vulnerabilities

• Unprepared businesses impact employees
• Unprepared families impact their (Small business) employer
• Unprepared governments impact their small businesses
• Unprepared neighbors are unprepared customers
Rural Condition

- Far more cash strapped, have a less diversified economic base, and are less able to maintain a rainy day fund
- More acute underinvestment in mitigation and preparedness; lower capacity for emergency planning
  - Significant disadvantages in the development of plans, including an aging population base, fewer resources, greater isolation, a lack of in-house expertise, limited resources for hiring consultants, inferior housing stock, and poverty
  - Challenges accessing networks and consultant services
Rural Condition

• Greater challenges in adopting recovery frameworks due to lacking knowledge, staff, and resources
• Rarely able to take advantage of resources that become available
• Greater pre-existing medical infrastructure and communication challenges
• Predicted increase in migration to urban areas
Rural Condition

A few rural numbers...

As the rural fire problem becomes more acute compared to larger communities...

3.1
FIRES PER 1,000 PEOPLE
in communities with pop. of
1 million or more

4.5
FIRES PER 1,000 PEOPLE
national average

10.8
FIRES PER 1,000 PEOPLE
in communities with pop. less than 2,500

6
CIVILIAN FIRE DEATHS PER
MILLION PEOPLE
in communities with pop. of
1 million or more

10.9
CIVILIAN FIRE DEATHS PER MILLION PEOPLE
national average

20.9
CIVILIAN FIRE DEATHS PER MILLION PEOPLE
in communities with pop. less than 2,500

Source: NFPA, 2017
Rural Condition

...and as smaller communities continue to rely on volunteer fire departments...

44.8% Communities with pop. 5,000–9,999 with all-volunteer fire departments

74% Communities with pop. 2,500–4,999 with all-volunteer fire departments

92.7% Communities with pop. less than 2,500 with all-volunteer fire departments

...those volunteers are getting older...

42% Volunteers who’ve been with their departments for more than 10 years

10% Volunteers who’ve been with their departments for less than a year

Source: NFPA, 2017
Where to Start Right Now

- Plan to Prepare
  - Take inventory: what are your preparedness barriers?
  - Plan how you will address these barriers
  - Check Your Insurance
  - Know your hazards and vulnerabilities

- Become an advocate
  - For preparedness
  - For rural small businesses
  - To your local governments
  - To your employer
  - To your friends
  - Advocate for inclusion of small businesses into planning committees and VOADs
Initial Resources

• Hazard or Risk Information
  • National Risk Index by FEMA: hazards.geoplatform.gov

• Preparedness Resources
  • Ready.gov (FEMA and American Red Cross)
  • restoreyoureconomy.org (IEDC)
  • https://www.sba.gov/business-guide/manage-your-business/prepare-emergencies (SBA)
Our Goals: Approaches

• Our goal is to ensure preparedness, not just produce materials
• Using the sciences and lessons learned of behavior change
• Want to design a program that supports you in alleviating barriers to get your community actually prepared
Our Goals: Small Business Continuity Program

- To create a program that will help business development organizations (or others) provide business continuity planning to the small businesses they support

- Comprised of:
  - Training and guidance materials
  - Identification or direct funding support for equipment, staff, and supplies
  - Small grant to assist with capacity-building
  - Network of peers to support ongoing learning, joint projects, etc.
  - Ongoing technical assistance

- Business Continuity Planners would help small businesses:
  - Identify their barriers to preparedness and how to address them
  - Create a business continuity program
  - Innovate and adapt to the “new normal” post-disaster
  - Train, exercise, and improve the continuity programs
Our Goals: Disaster Coaches

- Support the development of Disaster Recovery Coaches within community-based organizations to help guide their organization's participation in their community's recovery and resilience.
- Based on individual capacity, services, capability
- Could support one or more:
  - **Disaster casework or case management:** Assist individuals and families through their recovery
  - **Fundraising and finance:** Establish a disaster relief fund or serve as a fiscal agent for the recovery efforts
  - **Housing and construction:** Assist in the rehabilitation and reconstruction of the community
  - **Economic recovery and private-sector engagement:** Advocate for small business recovery, provide technical assistance to recovery planning
Questions?
Know Your Hazards

- Hurricanes
- Wildfires
- MegaDrought
- COVID-19 (Pandemic)
- Typhoon