



U.S. Chamber of Commerce  
Foundation



# Small Business Resilience Study

Research Findings Overview

September 3, 2024



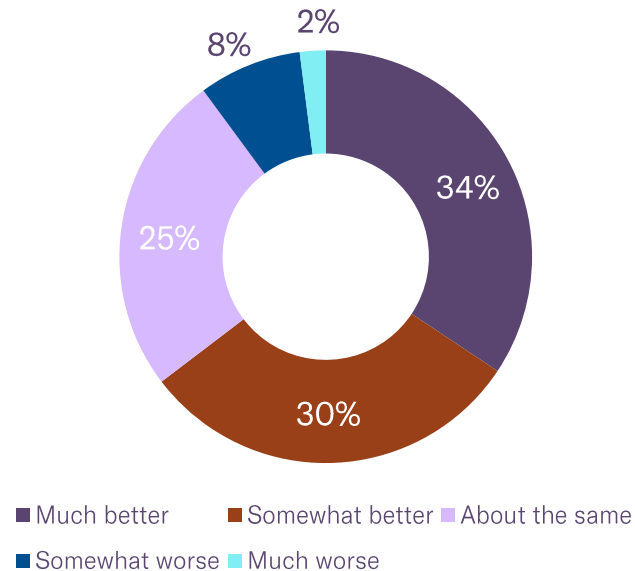
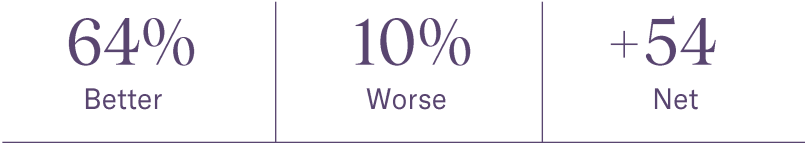
# SMB leaders are optimistic about their businesses' future—those who are more prepared are also more optimistic.

Two-thirds (64%) think their business will be doing better in a year, compared to 10% who think they'll be doing worse.

- 81% of SMBs under 3 years old (+17%).
- **77% of SMB leaders that are very concerned about natural disasters and weather (+13%).**
- 75% of SMB leaders between 18-34 (+11%).
- **74% of SMB leaders in disaster prone areas (+10%).**
- 73% of those who have done 3+ prep steps (9%).

Q

And looking ahead one year from now, how do you think your business will be doing?

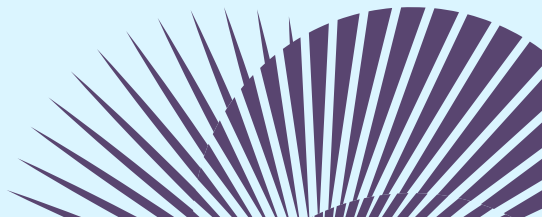


SMB leaders who are more confident about recovering if hit by a disaster are also more optimistic about their businesses' future.



	VERY CONFIDENT	LESS CONFIDENT
Much better	37%	26%
Somewhat better	30%	34%
About the same	24%	28%
Somewhat worse	8%	7%
Much worse	1%	5%

Q And looking ahead one year from now, how do you think your business will be doing?



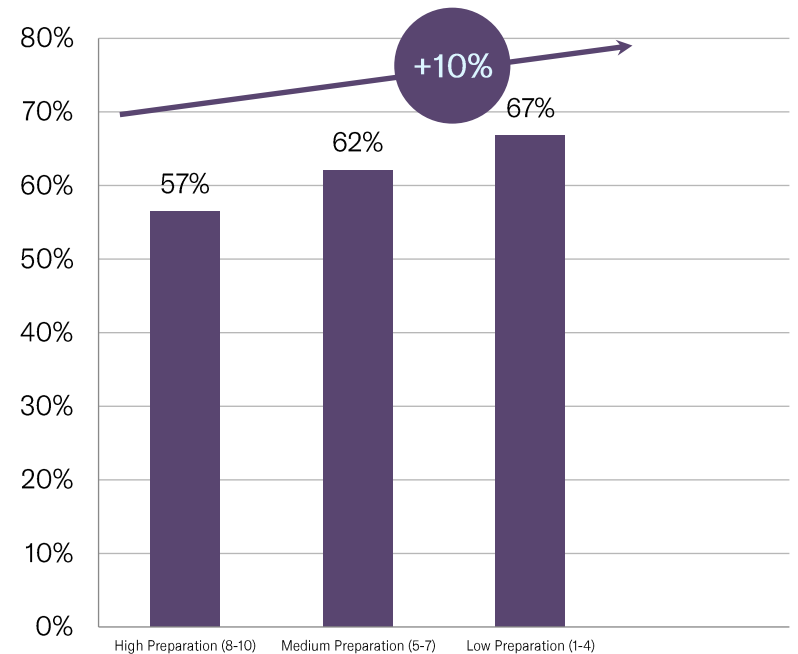
There's correlation between higher preparation and lower concern with disasters. SMB leaders in disaster areas are more concerned—and prepared.

Three in five (60%) SMB leaders are concerned by natural disasters. Top groups who are **concerned** include:

- 74% of SMB leaders in disaster-prone areas (+14%).
- 73% of SMB leaders who have been impacted by a disaster (+13%).
- 71% of SMB leaders with 50+ FTEs (+11%).
- 70% of SMB leaders ages 18-34 (+10%).
- 69% of product sellers (+9%).

Q When thinking about your business, how concerned, if at all, are you about the threat of natural disasters?

SMB leaders who rank their preparation "low" (1-4/10) are more likely to be concerned by natural disasters

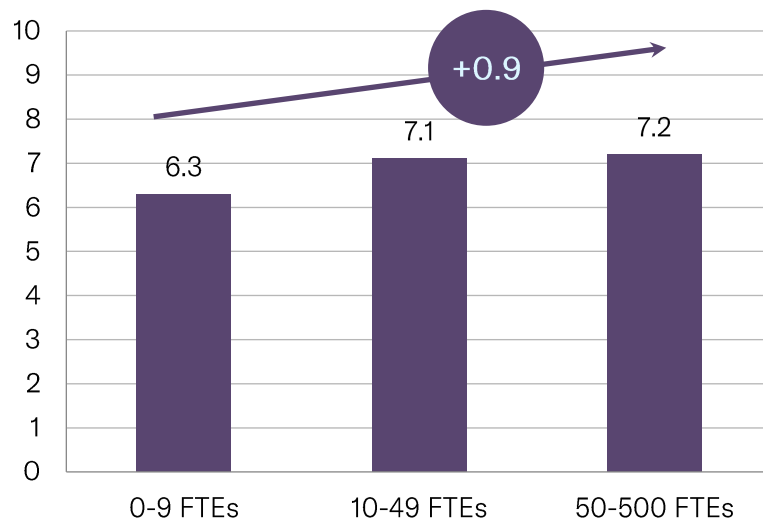


## There is a positive relationship between business size and disaster preparation. The new and micro-SMBs are less prepared.

Mean self-assessed preparation is 6.7. The groups **least prepared** for a disaster are:

- 5.6 for SMB leaders less confident they'd recover.
- 5.9 for SMB leaders in the West.
- 5.9 for SMB leaders in wildfire areas.
- **6.1 for SMBs less than 3 years old.**
- **6.3 for SMB leaders with 0-9 FTEs.**
- 6.3 for SMB leaders in earthquake areas.

### Self-Assessed Disaster Preparation by Business Size



Q

On a scale from 1 to 10, with 1 being the least, and 10 being the most, how prepared is your business against a natural or weather-related disaster?

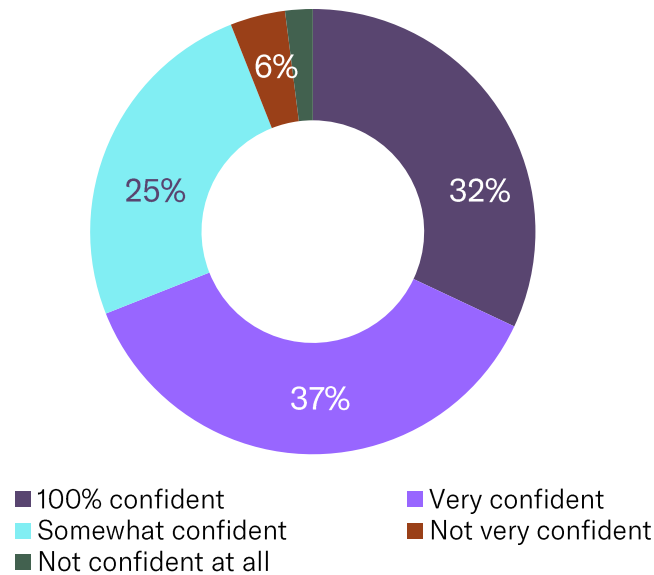
# Self-belief in preparedness translates into recovery optimism; 94% are confident they would recover.

Top groups who are **not** confident include:

- SMBs under 3 years old: +4.
- SMBs leaders in the West: +4.
- Female SMB leaders +3.
- SMBs leaders who are not in disaster prone areas: +3.

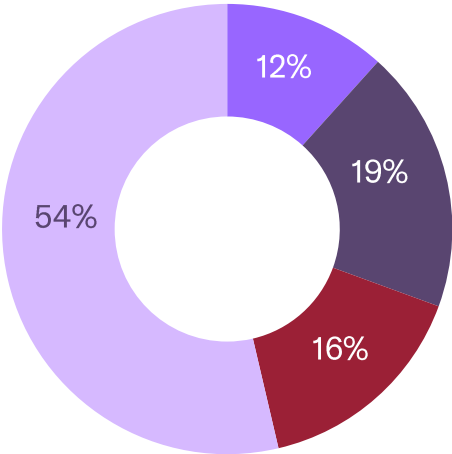
Q

How confident are you that if your business was hit by a disaster, you would completely recover?



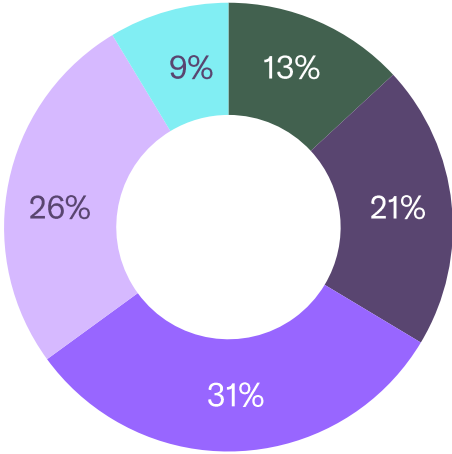
While fewer than half of SMB leaders have been affected by a disaster, two in three think a future disaster could be likely.

46% have been affected



■ Yes - natural disaster      ■ Yes - weather disaster  
■ Yes - both      ■ Not that I am aware of

65% think a future disaster is likely



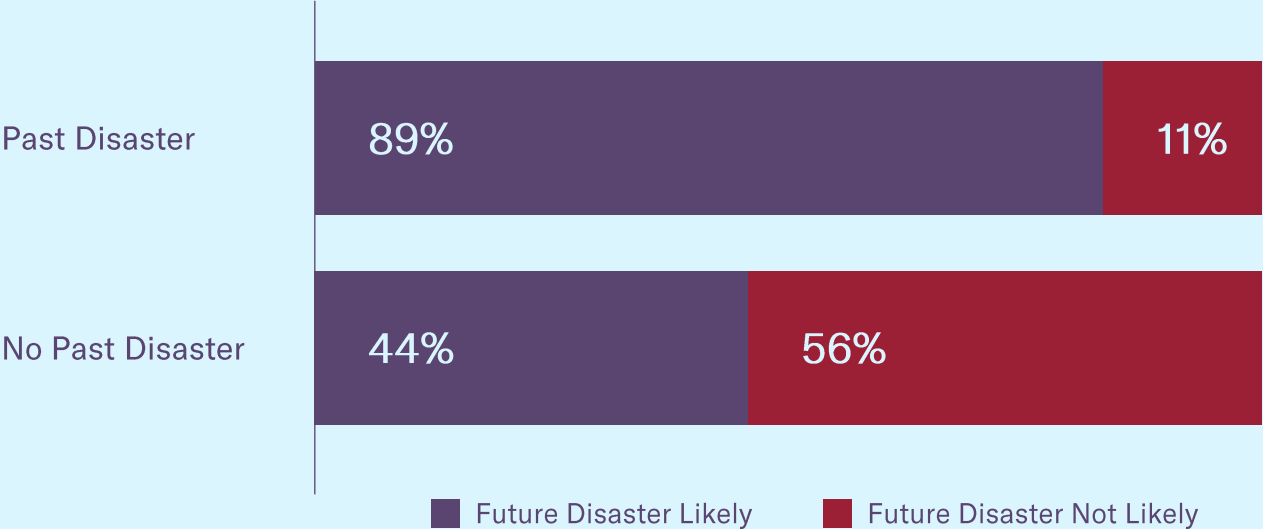
■ 100% likely      ■ Very likely      ■ Somewhat likely  
■ Not very likely      ■ Not likely at all

Q

Has your business ever been negatively affected by a natural disaster or a weather-related disaster? And regardless of the past, how likely do you think it is that your business may be affected by a weather-related or natural disaster in the future?

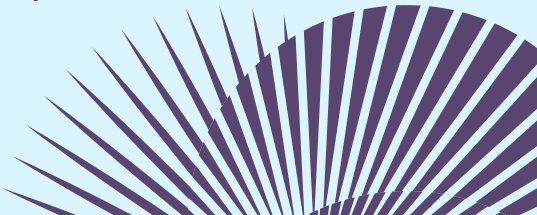
**SMB leaders who have been affected by disasters in the past are much more likely to think a future disaster is likely.**

Likelihood of Future Disasters by Past Experiences with Disasters



Q

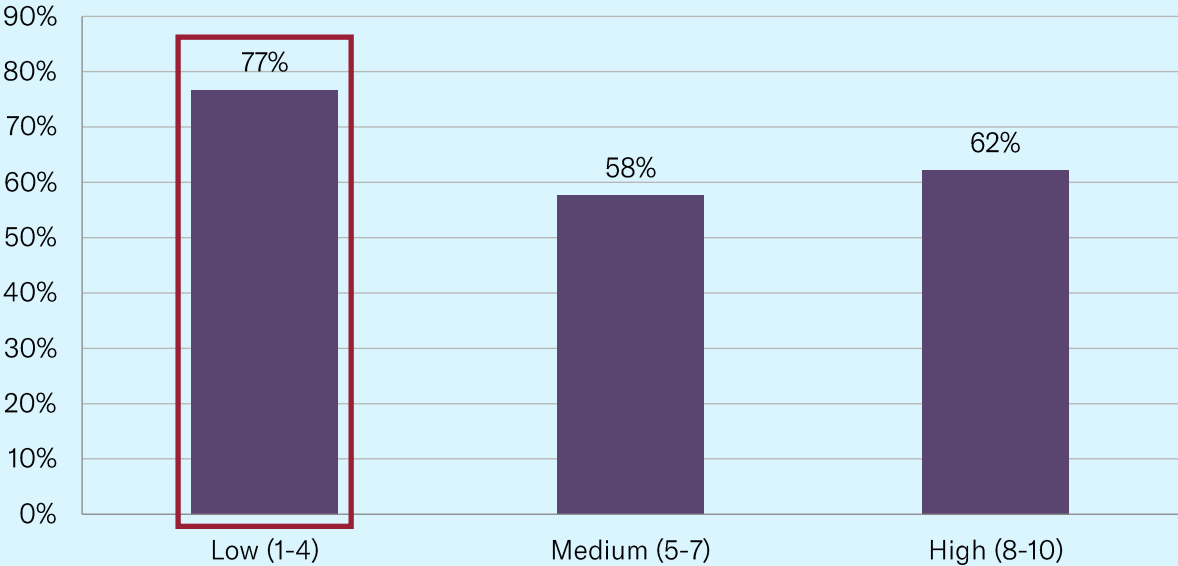
And regardless of the past, how likely do you think it is that your business may be affected by a weather-related or natural disaster in the future?





**SMB leaders who are less prepared are more likely to report bad disaster effects.**

Bad Disaster Impacts by Self-Assessed Preparation



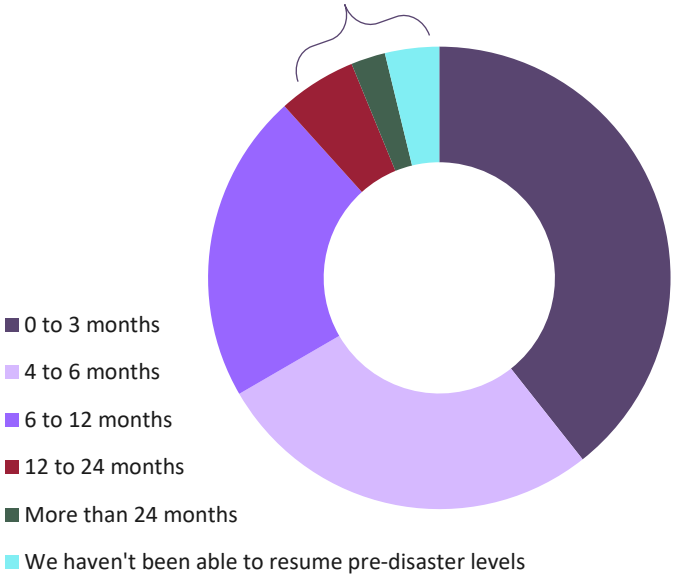
**For one-third of SMB leaders who've been hit by disasters, it's taken 6+ months to recover. For one in ten, it's taken a year or more.**

“I don’t have a communication strategy. But if a hurricane impacts your power, you need to communicate with customers when they're inquiring about things or let them know, ‘Hey, I’m in a disaster area. We got hit. Your items might be postponed or delayed’.”

SMB Leader, Florida, Apparel Industry

**Q** How long did it take for your business to recover from this damage and resume pre-disaster operations?

12% took 12 months or more of recovery

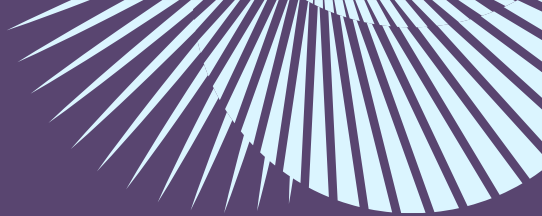


SMB leaders who haven't been affected by a disaster assume recovery would be minor—those who have recovered disagree.

	TOTAL	NO PAST DISASTER	PAST DISASTER
There would be minor damage, nothing more than an inconvenience to fix	47%	58%	36%
There would be moderate damage, and it would take some time and money to resolve	36%	31%	42%
There would be significant damage, and it would take a lot of time and money to fix	13%	6%	18%
There would be major damage, and I would have to change my business model to continue to operate	3%	2%	4%
The damage would likely force me out of business completely	1%	2%	1%

41% v. 65%

Q Which of the following best describes how you think your business might be affected? Please select the most likely scenario.



“I’ve seen so many businesses ‘bail and fail’ because they had no plan for continuity. Small mom-and-pop retail businesses without customers are still charged rent whether they can operate or not.”

Former SMB Leader, South Carolina, Construction Industry

## SMB leaders guess preparation would cost 25% of revenue. Those concerned and affected by disasters think it's harder and more expensive.

Average difficulty to prepare: 5.5

6.1 for businesses with 10+ employees.

**6.1 for those “very concerned” by natural disasters and weather.**

**6.0 for those concerned by flooding.**

5.9 for men ages 18-44.

**5.9 for those in a disaster-prone area.**

**5.8 for those affected by a disaster.**

Average guess of expense to prepare:  
25% of revenue

**35% for those “very concerned” by natural disasters and weather (+10%).**

**33% for those who rate their prep level “low” (+8%).**

32% for those concerned by wildfires (+7%).

**31% for those affected by a disaster (+6%).**

**31% for SMB leaders ages 18-34 (+6%).**

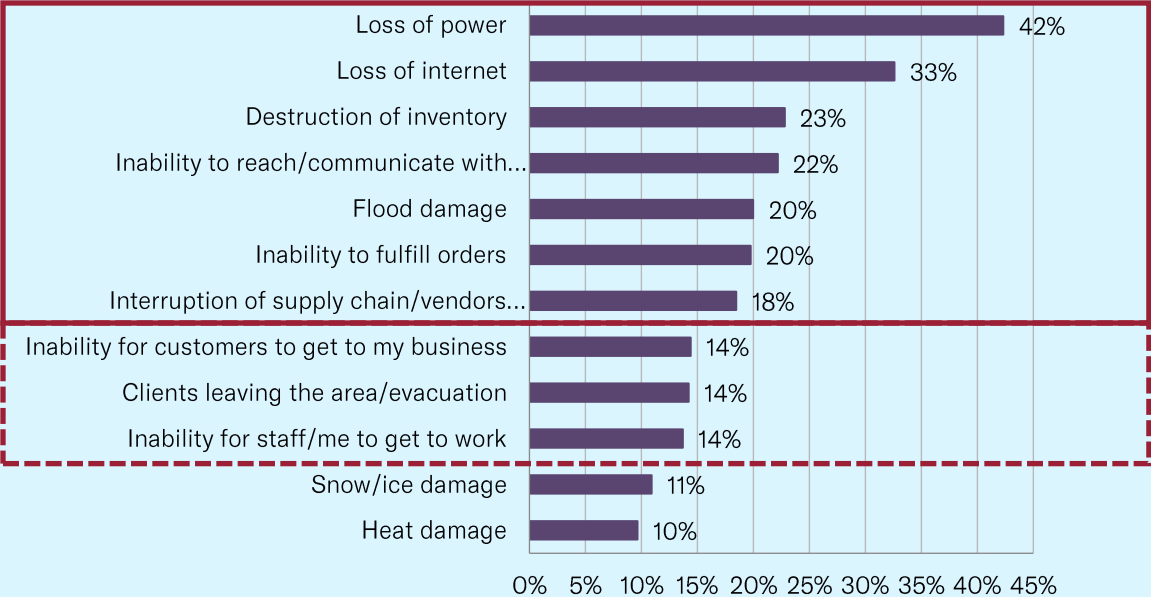
Q

And on a scale from 1 to 10, with 1 being the easiest, and 10 being the hardest, how difficult do you think it would be to adequately prepare your business against a natural or weather-related disaster? Q: If you had to guess, what percentage of your company revenue do you think it would cost your business to be prepared for a disaster?

# SMB leaders are more concerned about immediate impacts of disasters, not secondary interruptions to customers and staff.



Most Concerning Impacts of Disasters



“A big thing that I didn't realize until it actually happened was the lost clientele. Whenever there’s a storm, a lot of people actually leave, and you don’t know when they’ll return. You don’t know if you’ll be back if you’re functional yourself, given that hopefully, the flooding is not too bad and you get power back. If evacuation plans last a week, 2 weeks, people stay away for over a month.”

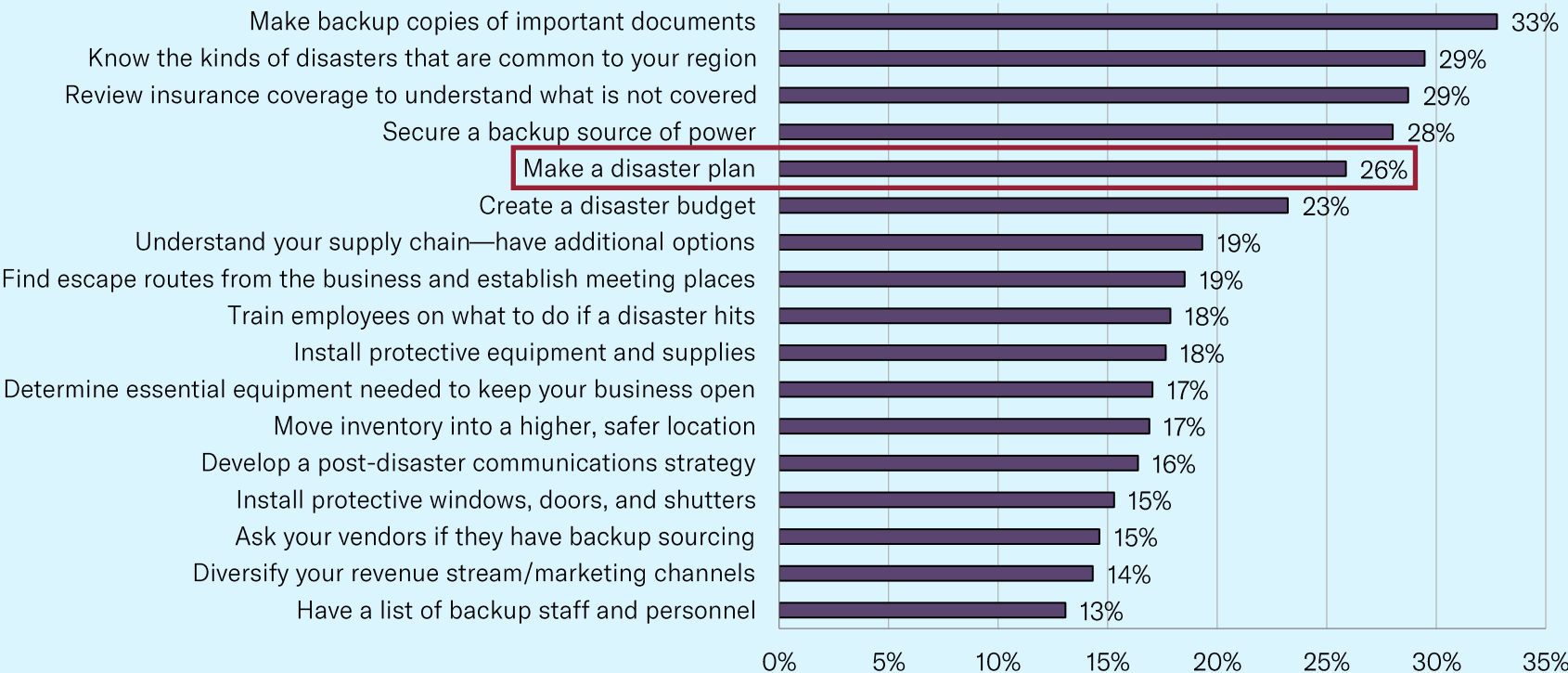
SMB Leader, Louisiana, Restaurant Industry

**Q** If your business was hit by a disaster, which of the following would you be most concerned about, in terms of your ability to recover?

# Three in four SMB leaders don't have a plan for the event of a disaster.



## Disaster Preparation Steps

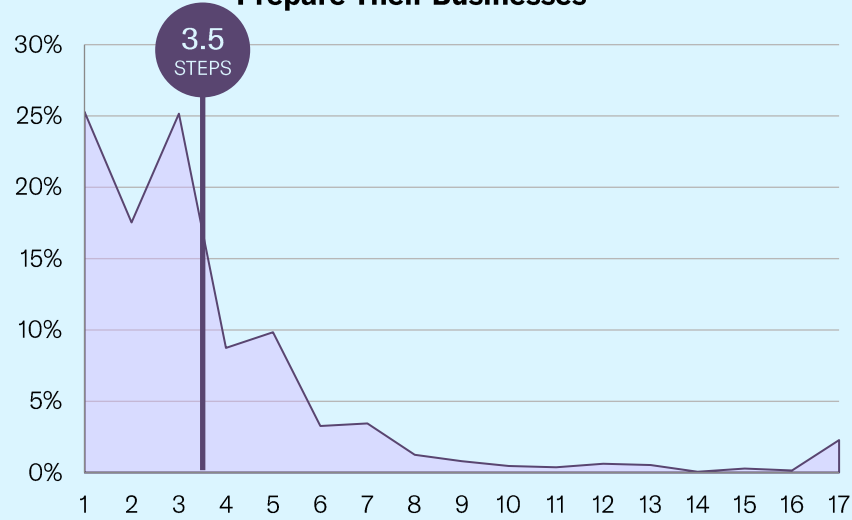


**Q** There are a number of different things a business can do to be better prepared in the event of a disaster. From the following list, please indicate whether it is something you or your business has done.

Nearly four in five SMB leaders have completed fewer than 5 preparation steps out of 17 tested.

- SMB leaders have taken an **average of 3.5 steps** out of a list of 17.
- 43% have taken 1-2 steps, 34% have taken 3-4 steps, and 23% have taken 5+ steps to prepare.
- SMB leaders in disaster-prone areas, who have been affected by past disasters, and who think disasters are more likely have taken more steps than other SMB leaders.
- After being shown this list, self-assessment of disaster preparation only nominally decreases by 0.2 points (from an average of 6.7/10 to an average of 6.5/10).

On Average, SMBs Have Only Taken 3.5 Steps To Prepare Their Businesses



Q

There are a number of different things a business can do to be better prepared in the event of a disaster. From the following list, please indicate whether it is something you or your business has done.

# One in three SMB leaders perceive the risk of disaster as too low to justify the expense of adequate preparation.

## WHY HAVEN'T YOU COMPLETELY PREPARED?

<b>The risk isn't high enough to justify the expense of doing it</b>	32%
It's too expensive	21%
I'm not concerned enough	19%
It's too complicated	14%
I don't know where to start	12%
I don't know where to find the right information	11%
I don't have the time	9%
It wouldn't really matter	7%
I am completely prepared	11%

“The rest of other [preparation planning] we want to get into, like the insurance coverage. But again, it’s just funds I don’t have right now to pay monthly to get that coverage for my business.”

SMB Leader, Florida, Healthcare Industry

Q

From the following list, what are the one or two biggest reasons that you have not completely prepared your business against a disaster?



## Different segments of SMB leaders cite different reasons for their lack of preparation.

### Risk Isn't Worth It

- **Older** SMB leaders are more likely to say the risk doesn't justify the expense.
- SMB leaders **with under 10 FTEs** are more likely to say the risk doesn't justify the expense.

### Low Concern Level

- **Older** SMB leaders are more likely to say they aren't concerned enough.

### Information Gap

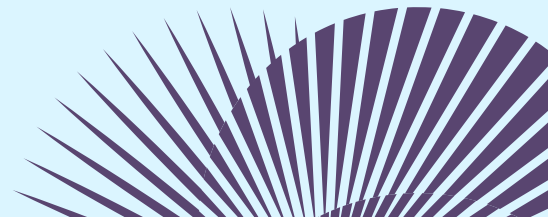
- **Younger** SMB leaders are more likely to say they don't know where to find information.
- **Minority** SMB leaders are more likely to say they don't know where to find information.

### Lack of Time

- Leaders of **newer** SMBs are more likely to say they don't have the time it takes to prepare.

Q

From the following list, what are the one or two biggest reasons that you have not completely prepared your business against a disaster?

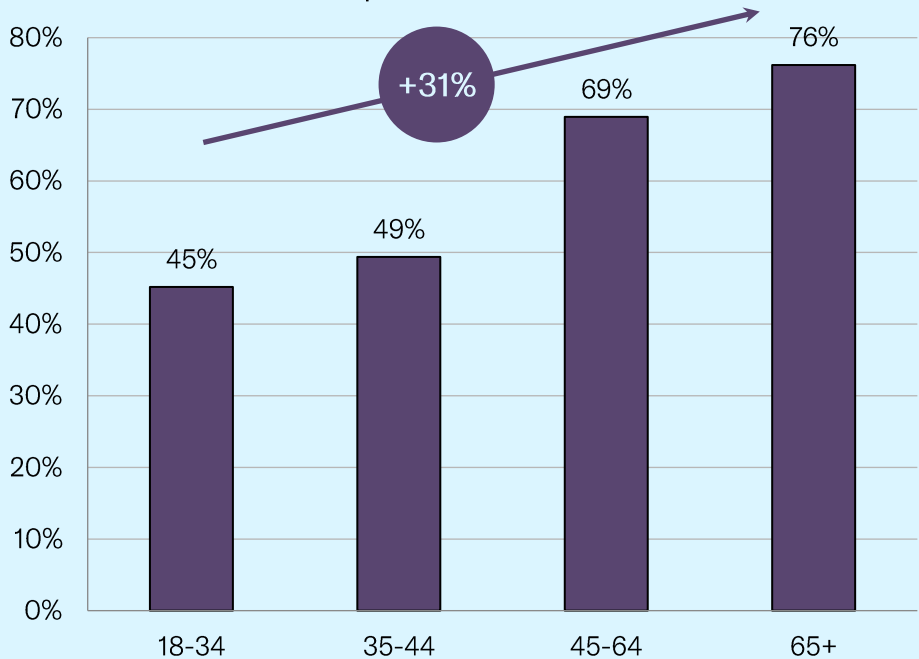


# The oldest SMBs are less likely to have leaders who have sought information about disaster resources.

Fewer than half of SMB leaders (42%) have reached out to someone about disaster preparation. A full 58% haven't reached out to anyone. Top groups who have **not** reached out:

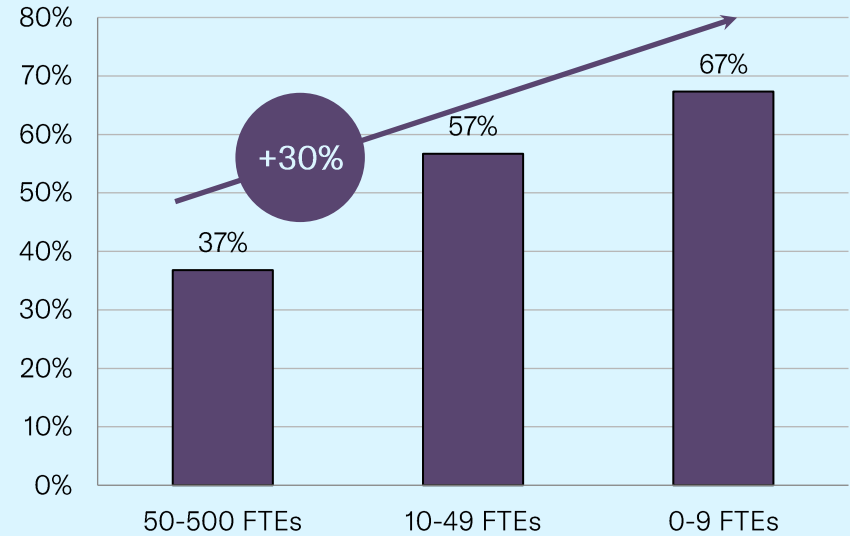
- 76% of SMB leaders ages 65+ (+18%).
- 74% of “services only” sellers (+16%).
- 69% of those ages 45-64 (+11%).
- 67% of those with fewer than 10 FTEs (+9%).
- 66% of businesses 10+ years old (+8%).

Older SMBs are Less Likely to Have Sought Disaster Preparedness Resources

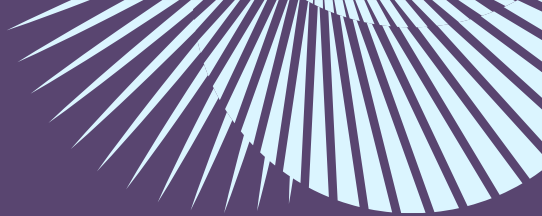


**Two-thirds of leaders of the smallest SMBs have not sought preparation information. One leader said she doesn't know where to start.**

Smaller SMBs are Less Likely to Have Sought Disaster Preparedness Resources



**Q** And have you ever reached out to someone to find information about being better prepared?

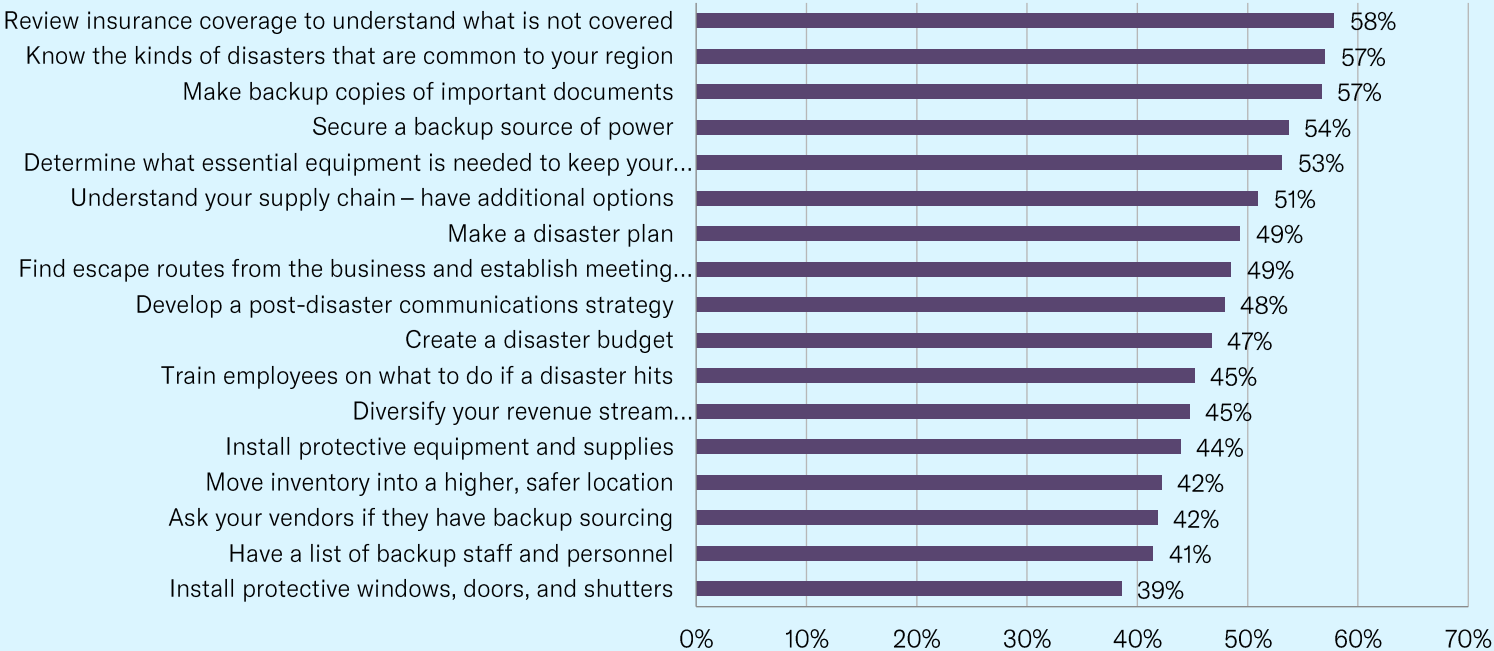


“I don’t know where I should go, and I have so much other stuff to do that comes first. It would be nice to have something where you could just plug information in and it’s easily explained what steps you need to do. I want to be more organized and prepared and have a list to check off as I get things in order. It motivates me as a business owner to make sure I’m doing my part for my clients and staff.”

SMB Leader, Florida, Apparel Industry

After going through the survey, many more SMB leaders say it's likely they will take additional steps to prepare.

100% or Very Likely Will Take Disaster Preparation Steps



Q

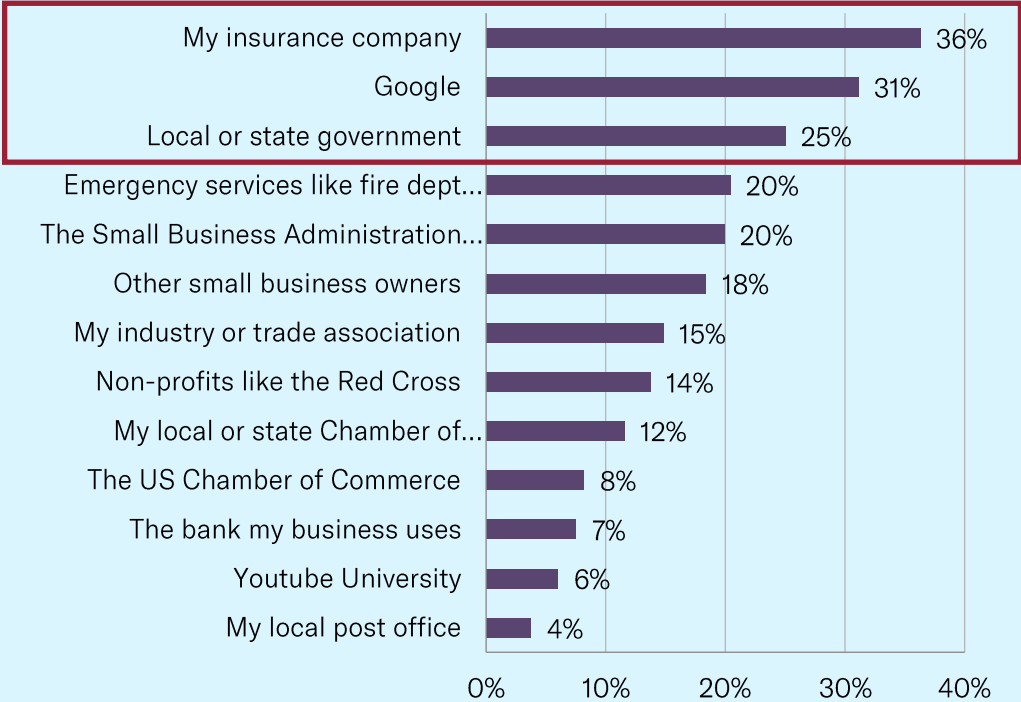
And from the same list as before, please indicate how likely you might be to consider doing it in the future.

**SMB leaders would go to their insurance companies, Google, and the government to find information about preparing their businesses.**

“FEMA would be the go-to. There is so much on their site about every type of disaster imaginable. I am not sure if [FEMA] will send someone, but there are definitely local emergency management departments you can call and get an assessment about what you need to be doing.”

Former SMB Leader, South Carolina, Construction Industry

Top Places SMBs Would Go for Disaster Preparation Information



Q

Where do you think you are most likely to find information about how to prepare your business for a disaster?

**For the most part, SMB leaders understand there may be resources available, steps to take, and employees to support—and it's better not to learn the hard way.**

“Recording studios have expensive equipment. People's livelihoods are based on us and we have to do everything to protect the assets in our business.”

“Call my insurance company. Definitely something that we should take into consideration, especially living close to the coast.”

“I will not be caught without power again. A brief outage is one thing but without electricity for a week or more is devastating. It's important to be prepared.”

“Even if a disaster occurred, my business would not be greatly impacted. As a Floridian, we're always prepared for hurricanes.”

“After taking this survey I feel the need to look into [my area's] disasters. It's not been an affected area but I'll take precautions just to be safe.”

“The type of work I'm in I really never know what I would need to do to be fully prepared so as the weather comes I will then know what to do.”

Q

In a few words or sentences, can you describe your general feelings about whether or not you would take steps to prepare for a disaster, and why?