

Small Business Resilience Study

Research Findings Overview

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September 30, 2024

The national survey of 1000 small and medium sized business leaders (fewer than 500 employees) was conducted online from August 8-15, 2024. The data was weighted to known demographic and geographic variables. The margin of error for this survey is +/- 3.1% and is larger for subgroups.

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SMB Resilience Survey

Objectives, Methodology, Timeline

Project Overview

The US Chamber of Commerce Foundation commissioned The RXN Group to conduct in-depth interviews (IDIs) and a representative online survey of 1,000 American small and medium-sized business owners and decision-makers (SMB leaders) nationwide.

The objectives of the research were to understand and explore SMB leaders' experience with and attitudes towards natural and weather-related disasters, disaster preparation, resilience, the barriers they face when it comes to preparation and resilience, as well as what might motivate them to take preparatory steps.

The survey fielded from August 7-16, 2024 and has a margin of error of +/-3.1%. Margin of error is higher for subgroups.

Project Timeline

Planning	May-July 2024
Focus Groups and IDIs	July-Aug 2024
Survey of American SMB leaders	Aug 7-16, 2024
Data analysis and insights	Aug 2024
Research Findings Overview	Sept 4, 2024

Key Insights and Takeaways

Key Takeaways

1. SMB leaders believe the country is off on the wrong track (55%). They are concerned about inflation (54% “very concerned”) and are much less concerned about natural (25% “very”) and weather-related disasters (22% “very”). Nevertheless, SMB leaders are optimistic when it comes to the future of their own businesses.
1. SMB leaders tend to think their businesses are prepared for disasters (6.7/10) and the vast majority believe their business would recover (94%) if affected by one. Those who have been through a disaster are more likely to believe the next one is coming, and be prepared for the next.
1. While just under half (46%) of SMB leaders have had to recover from a disaster in the past, a majority (65%) consider a future disaster likely.

Key Takeaways

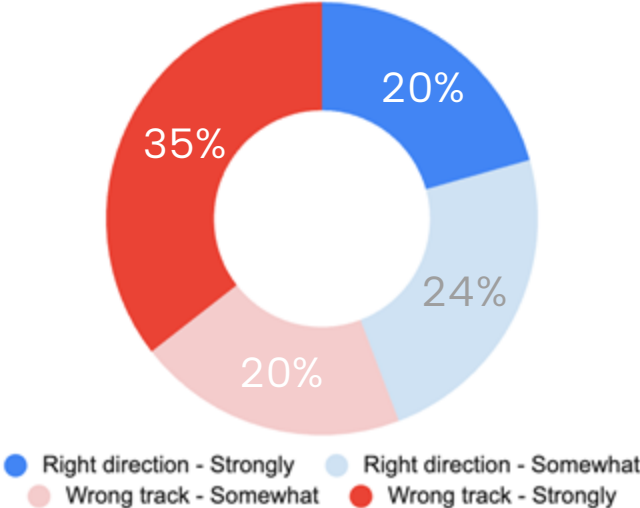
4. SMB leaders think disaster recovery would be minor or moderate (83%), but for those who've been affected by disasters in the past, it took six months or more for fully a third of them (34%) to recover. For more than one in ten (12%) it took over a year.
4. Despite what could happen to their businesses, SMB leaders haven't taken many steps to prepare for disasters (on average, only 3.5 out of a list of 17). Most SMB leaders (58%) haven't looked for resources about disaster preparation.
4. When presented with positive benefits of disaster preparation, increased insurance coverage eligibility (47% "very") and business continuity (44% "very") are the most persuasive arguments. Scare tactics seem to be considerably less effective.



Despite the perceived negative trajectory of the country and inflation woes, SMB leaders maintain positivity about the future of their businesses.

SMB leaders say the country is off on the wrong track.

Right Direction: 44%
Wrong Track: 55%
 Net: -11%



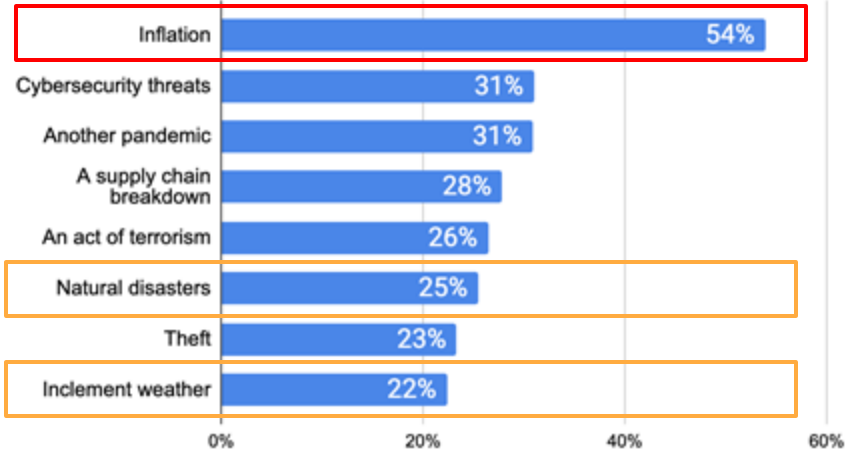
Top groups who say the **wrong track**:

- 76% of SMB leaders ages 65+ (+21%).
- 71% of rural SMB leaders (+16%).
- 69% of SMB leaders who sell services (+14%).
- 65% of SMB leaders ages 45-64 (+10%).
- 64% of white SMB leaders (+9%).
- 63% of SMB leaders with fewer than 10 FTEs (+8%).
- 63% of New England SMB leaders (+8%).

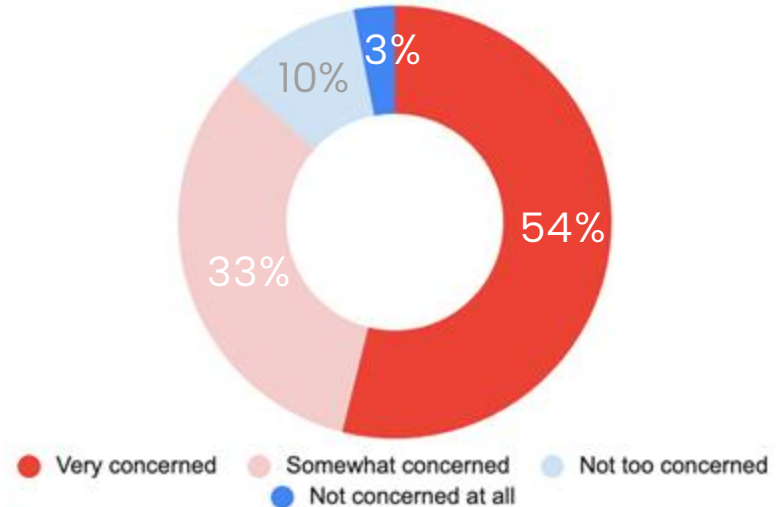
Q12. Thinking about the direction of the country, do you think things are heading in the right direction, or off on the wrong track?

Inflation is far and away the top issue impacting SMB leaders. Natural disasters and inclement weather rank at the bottom.

A majority of SMB leaders are "very" concerned about inflation.



SMB Leaders Concern About Inflation
87% "concerned"



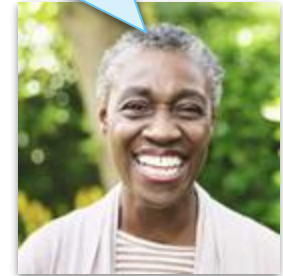
Black SMB leaders and leaders of younger, newer, and bigger businesses are more likely to think their businesses are doing better than last year.

Nearly half (46%) say their business is doing better than a year ago, compared to 19% who say it's doing worse.

- 63% of black SMB leaders (+17%).
- 63% of SMB leaders with 50+ FTEs (+17%).
- 61% of SMB leaders ages 18–34 (+15%).
- 61% of SMB leaders in disaster prone areas (+15%).
- 60% of SMB leaders who are very concerned about natural disasters and weather (+14%).
- 59% of SMB leaders under 3 years old (+13%).

“We opened only two years ago, so growth opportunities are motivation to think positively, I’m always looking for ways to evolve.”

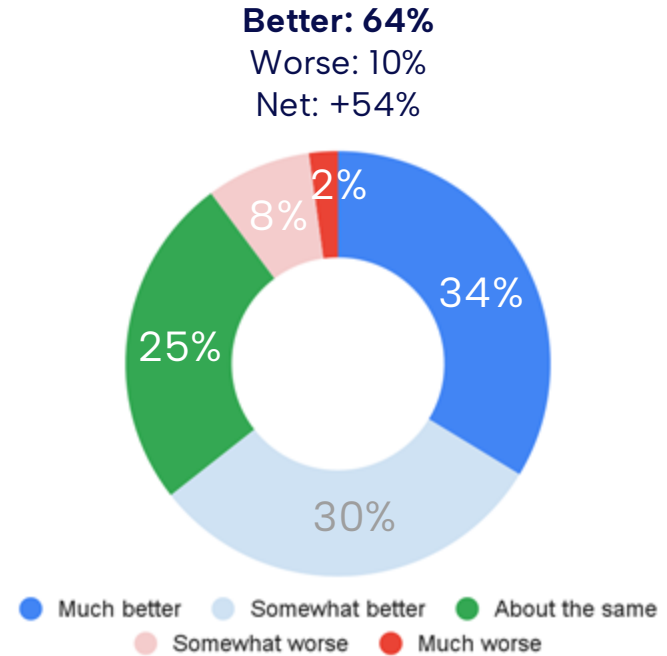
- SMB Leader, Illinois, Black, Financial Services Industry



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%).
- 79% of black SMB leaders (+15%).
- **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%).



This optimism carries over when it comes to the impact of natural and weather-related disasters. SMB leaders aren't too concerned, and the majority believe they're prepared and their business would recover.

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

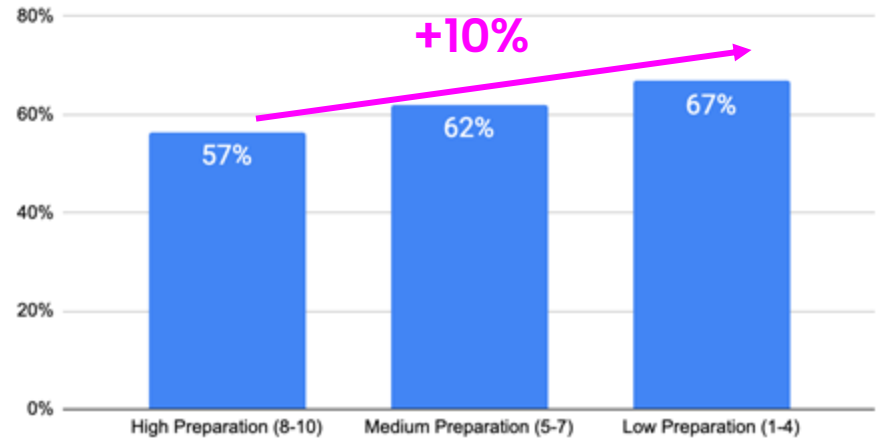
	Very Confident	Less Confident
Much better	37%	26%
Somewhat better	30%	34%
About the same	24%	28%
Somewhat worse	8%	7%
Much worse	1%	5%

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:

- 75% of Hispanic SMB leaders (+15%).
- **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%).

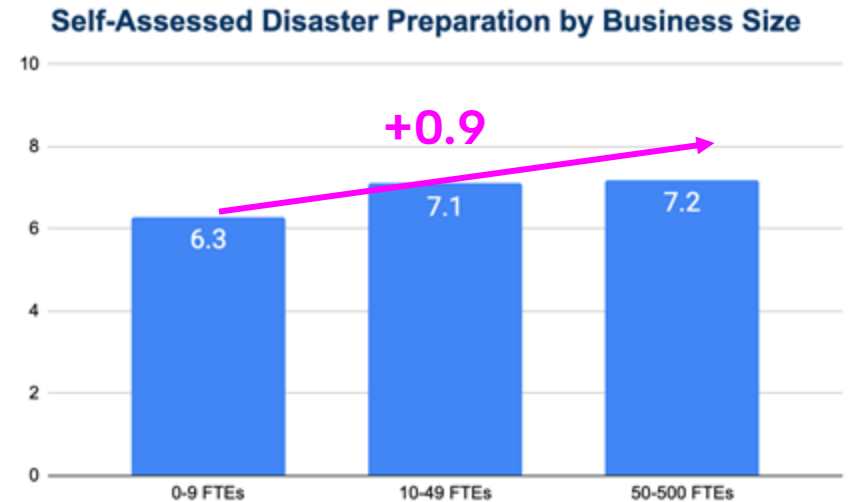
SMB leaders who rank their preparation "low" (1-4/10) are more likely to be concerned by natural disasters



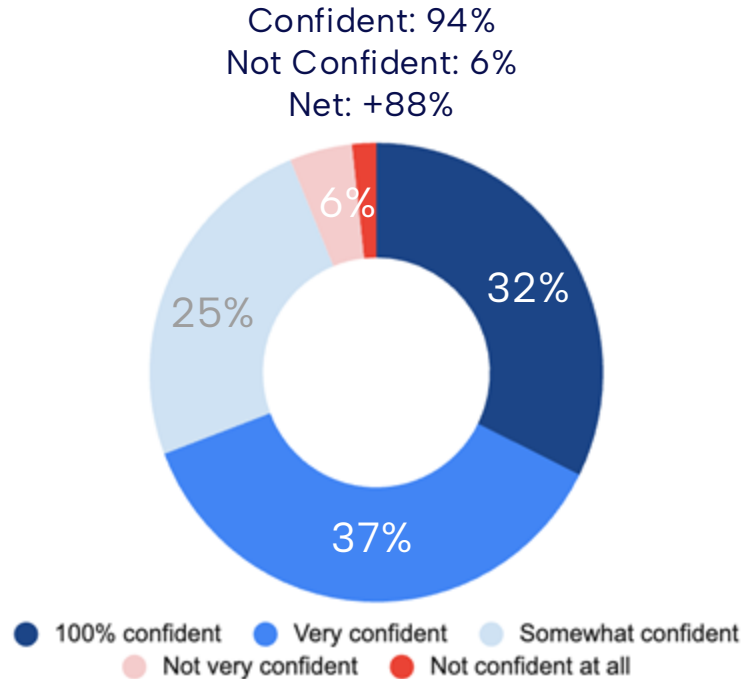
There is a positive relationship between business size and disaster preparation. The new and micro-SMBs are less prepared.

Mean self-assessed preparation is 6.7. The top 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-belief in preparedness translates into recovery optimism; 94% are confident they would recover.

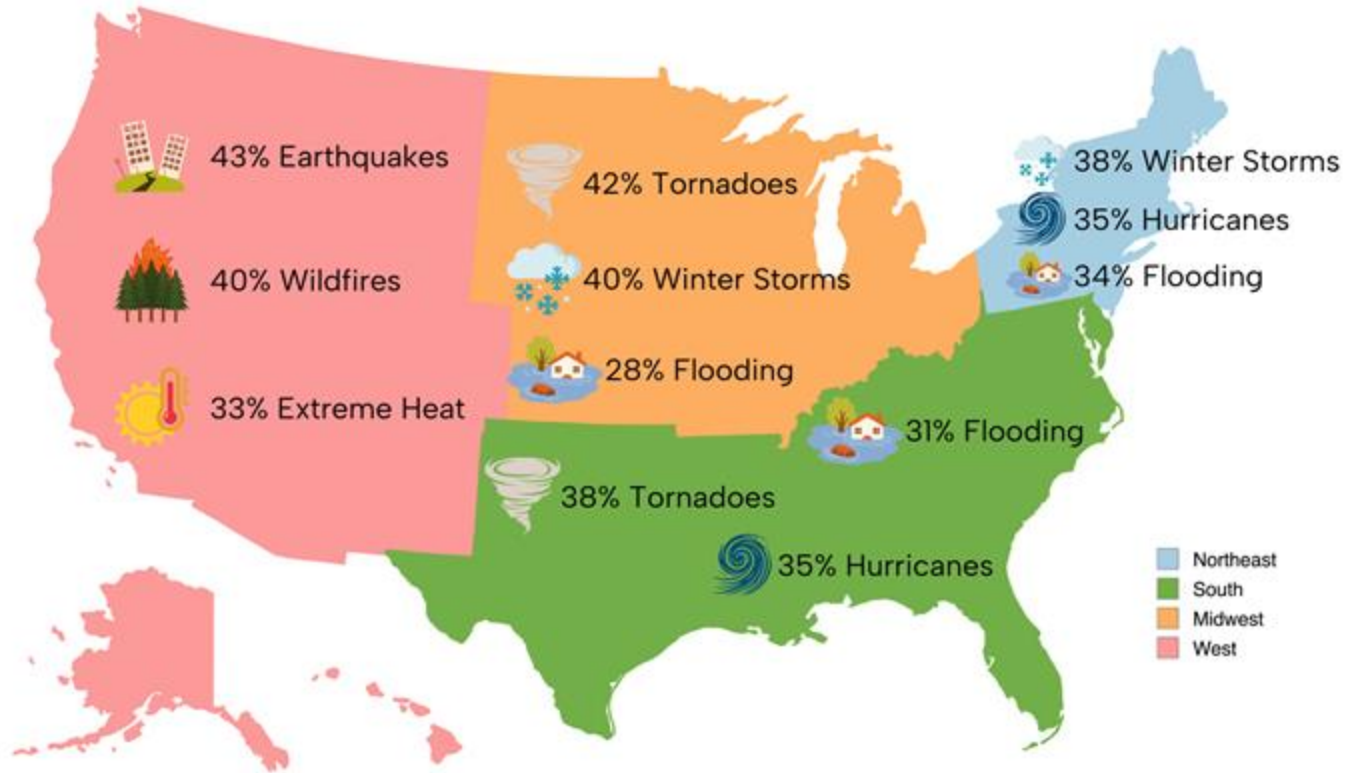


Top groups who are **not** confident include:

- 12% of black SMB leaders.
- 10% of SMBs under 3 years old.
- 10% of SMB leaders in the West.
- 9% of female SMB leaders.
- 9% of SMB leaders who are not in disaster prone areas.

Just under half of SMB leaders have had to recover from a disaster in the past. However, a majority consider a disaster in the future likely.

There is predictable regional variation in which disasters are most concerning for SMB leaders.



Q23. Specifically thinking about weather-related and natural disasters, which of the following worry you most?

Small businesses suffered from storms in many ways—damaged property, loss of power, time off to recover, and temporary loss of customers.

“We lost financial and social capital, as well as market share, resulting from damage to the company's reputation.”

“Due to the Texas blackout following the winter storm a couple of years ago, I lost one week of project time due to power outage/internet down time.”

“We sell to farmers and droughts and floods directly affect our product sales.”

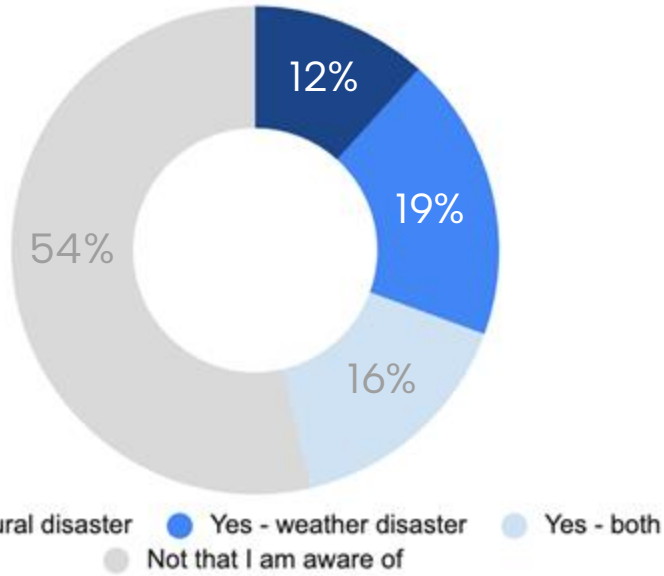
“Rained for 3 days straight overloaded the sub pump and flooded everything.”

“An earthquake made it impossible to work for a few weeks as our customers as well as us recovered.”

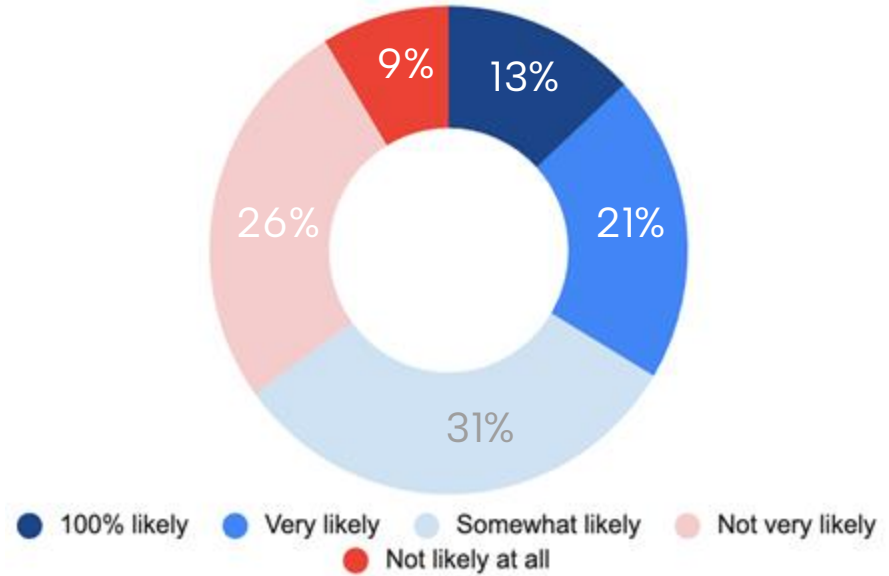
“A series of hurricanes a few years ago caused us to lose almost two months of revenue due to lack of travel into the area.”

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

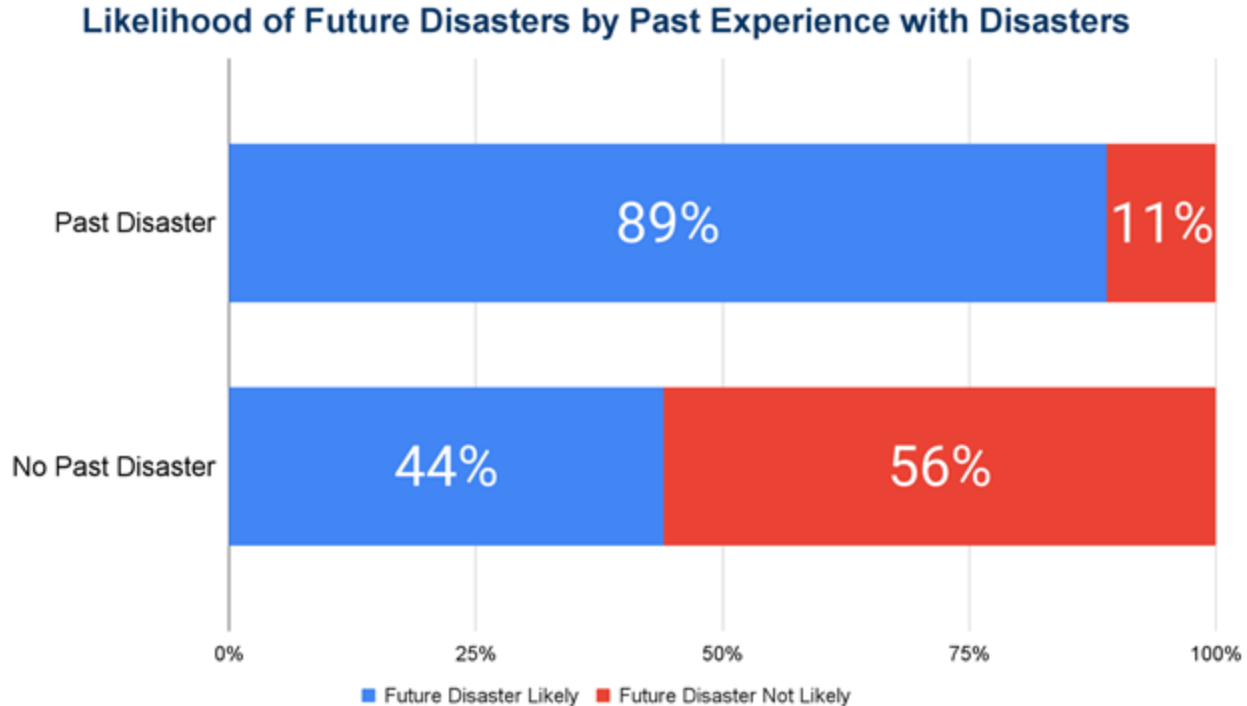


65% Think A Future Disaster Is Likely



Q27. Has your business ever been negatively affected by a natural disaster or a weather-related disaster? Q34. 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.



Q34. 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?

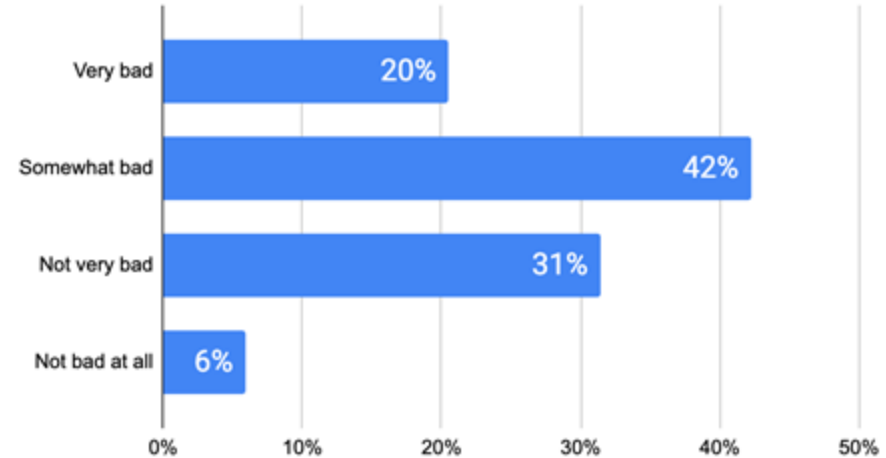
Most SMB leaders who've been affected by disasters report experiencing bad impacts.

“For me, on the home care side, we had a big disaster—tornado and hurricane. We have those often and how are my workers going to see their clients if a tree has fallen in their yard and they can't get out. It affects their ability to make money, and then it affects the clients not getting the care they need.”

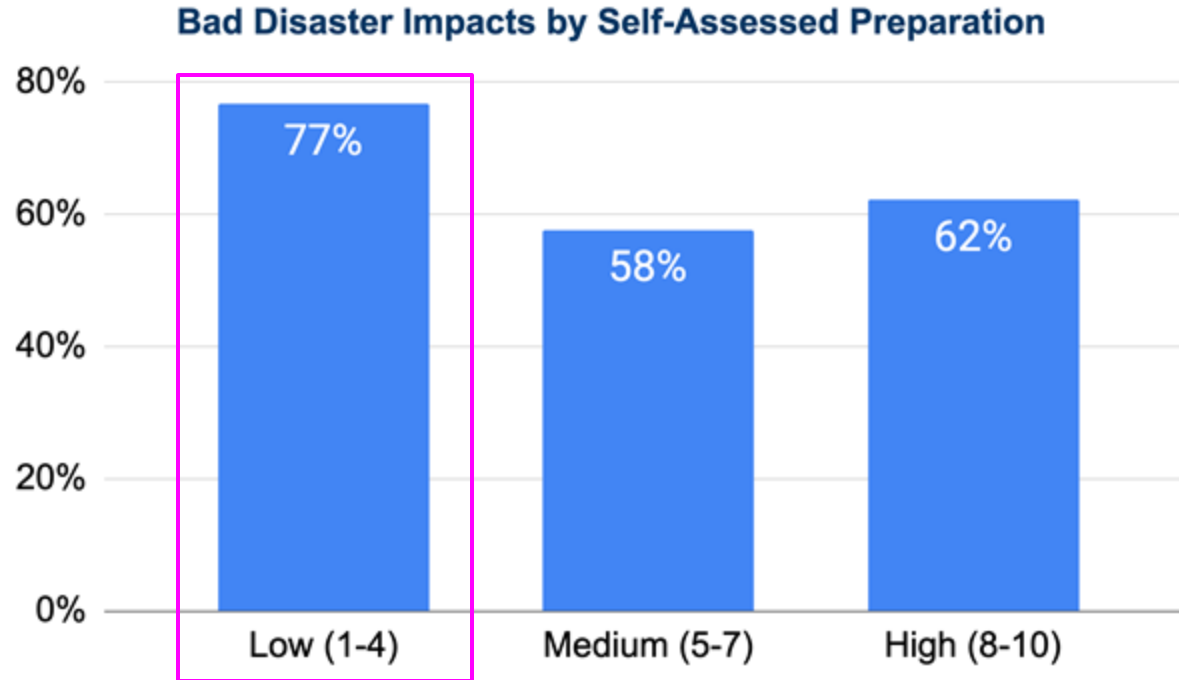
- SMB Leader, Florida, Black, Healthcare Industry



Disaster Impact for Business Owners Affected



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



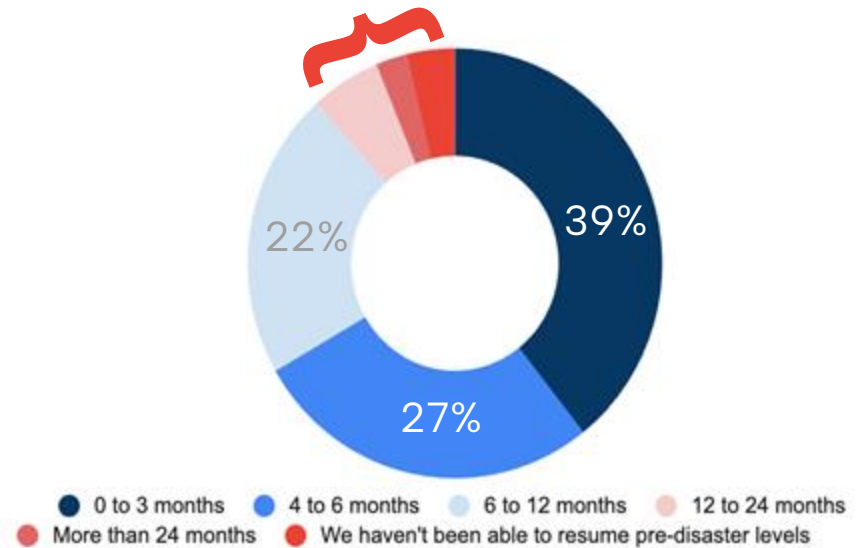
For one-third of SMB leaders who've been hit by disasters, it's taken 6+ months to recover. For one in ten, it's taken a year or more.

"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, Black, Apparel Industry



12% took 12 months or more of recovery



Most SMB leaders think disaster recovery would be minor, but those who are very concerned about disasters and who have been affected by them in the past know better.

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%

“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, White, 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 black SMB leaders (+10%).
- **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%).

Q25. 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? Q26. 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 understandably concerned about the immediate loss of power and damage to inventory, but haven't taken many steps to prepare. Those who aren't prepared say the risk isn't high enough, it's too expensive, or they aren't concerned enough.

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.”

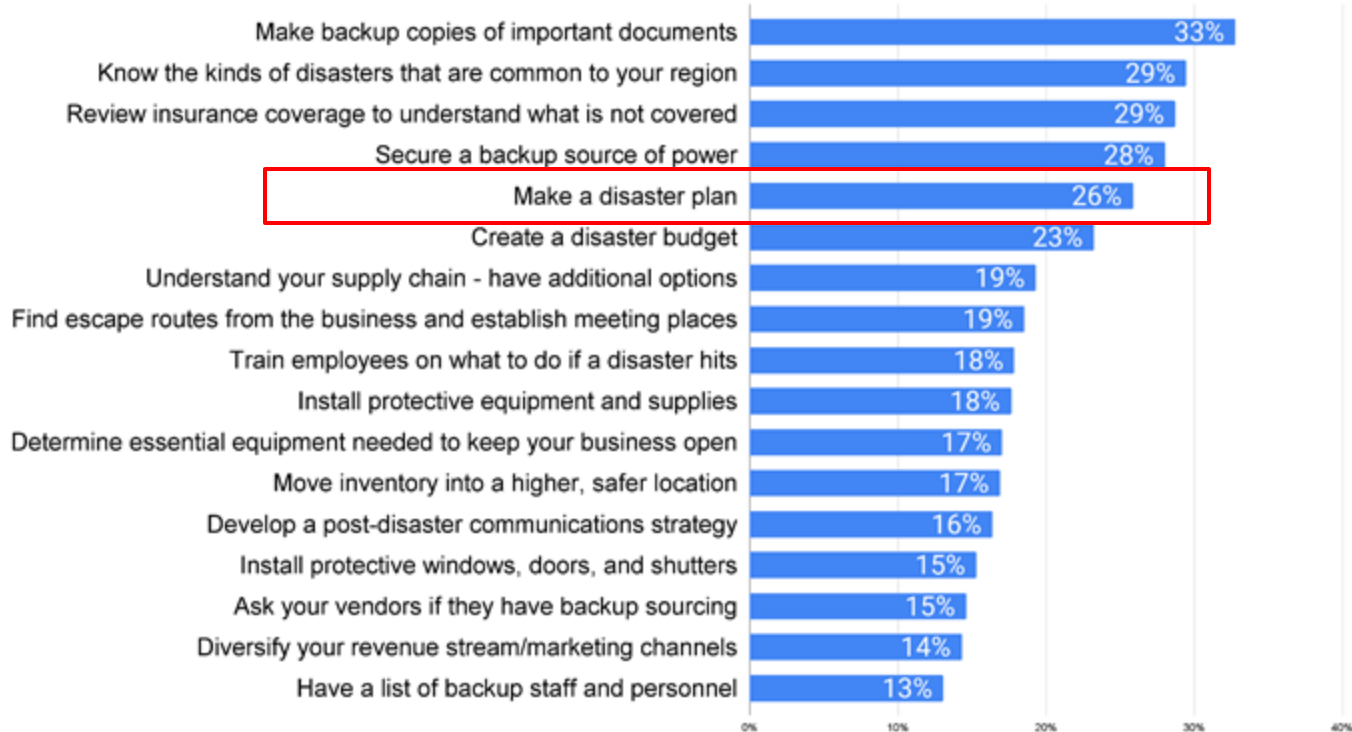
– SMB Leader, Louisiana, Black, Restaurant Industry



Q41. 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 plan for the event of a disaster.

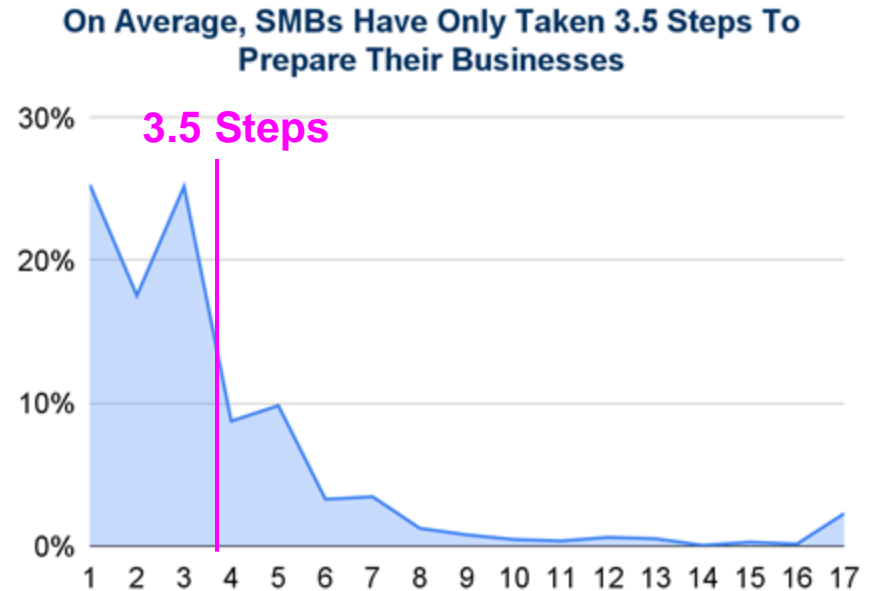
Disaster Preparation Steps



Q42. 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).



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

<i>Why haven't you completely prepared?</i>	
The risk isn't high enough to justify the expense of doing it	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, Black, Healthcare Industry



Q37. 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.

When presented with messaging for the positive benefits of disaster preparation, increased insurance coverage eligibility and business continuity are the most persuasive arguments. The threat of going out of business is the least persuasive.

Insurance protection and business survival are the most persuasive, but all of the arguments tested resonate with SMB leaders.

	Very	Very/Somewhat
Insurance and Financial Protection	47%	87%
Business Continuity and Survival	44%	87%
Maintaining Reputation and Customer Trust	43%	86%
Protecting Assets and Investments	42%	87%
Employee Safety and Welfare	41%	81%
Cost Efficiency and Long-term Savings	40%	84%
Legal and Regulatory Compliance	39%	82%
Reality Check	38%	82%

Q62–Q69. The following statements are about the potential benefits of preparing your business for a disaster. Please indicate for each statement how persuasive it is for you to make your business better prepared – very, somewhat, not very, or not at all.

All arguments are more persuasive for SMB leaders that have already taken more steps to prepare their businesses for disasters.

% Very Persuasive	Low Prep (1–2 steps)	Mid Prep (3–4 steps)	High Prep (5+ steps)
Insurance and Financial Protection	34%	51%	64%
Business Continuity and Survival	34%	47%	56%
Maintaining Reputation and Customer Trust	32%	48%	56%
Protecting Assets and Investments	32%	47%	56%
Employee Safety and Welfare	30%	44%	58%
Cost Efficiency and Long-term Savings	30%	44%	53%
Legal and Regulatory Compliance	33%	41%	48%
Reality Check	26%	41%	56%

Q62–Q69. The following statements are about the potential benefits of preparing your business for a disaster. Please indicate for each statement how persuasive it is for you to make your business better prepared – very, somewhat, not very, or not at all.

Those who've been affected by disasters in the past tend to be more convinced by the arguments.

% Very Persuasive	Not Affected by Past Disaster	Affected by Past Disaster	Net Difference
Legal and Regulatory Compliance	34%	45%	+11%
Business Continuity and Survival	40%	48%	+8%
Employee Safety and Welfare	38%	46%	+8%
Cost Efficiency and Long-term Savings	37%	44%	+7%

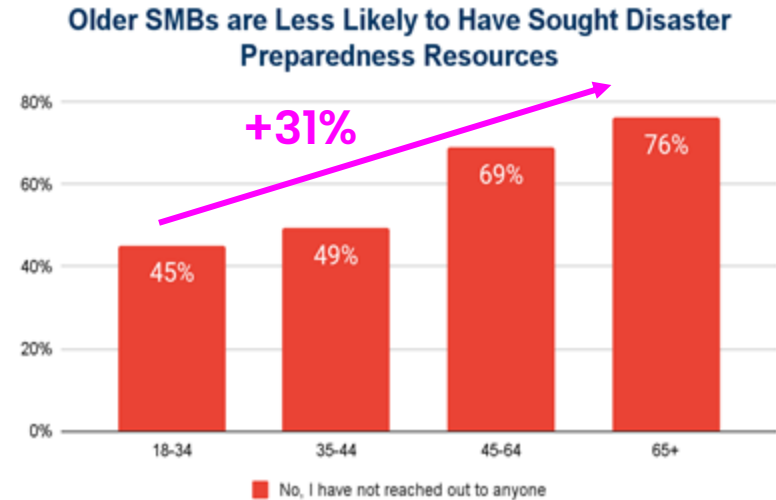
Q62-Q69. The following statements are about the potential benefits of preparing your business for a disaster. Please indicate for each statement how persuasive it is for you to make your business better prepared – very, somewhat, not very, or not at all.

Many SMB leaders haven't looked for information about disaster preparation. After going through the survey, SMB leaders are more likely to consider taking preparation measures.

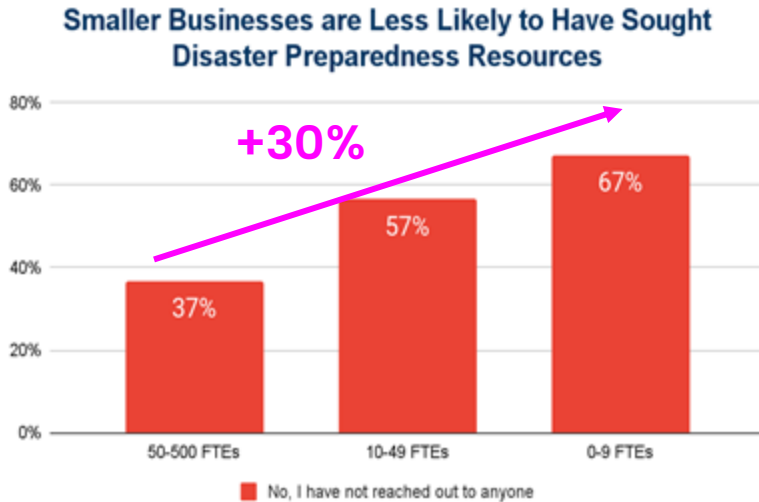
The oldest SMBs are less likely to have leaders who have sought information about disaster resources.

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%).



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



“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.”

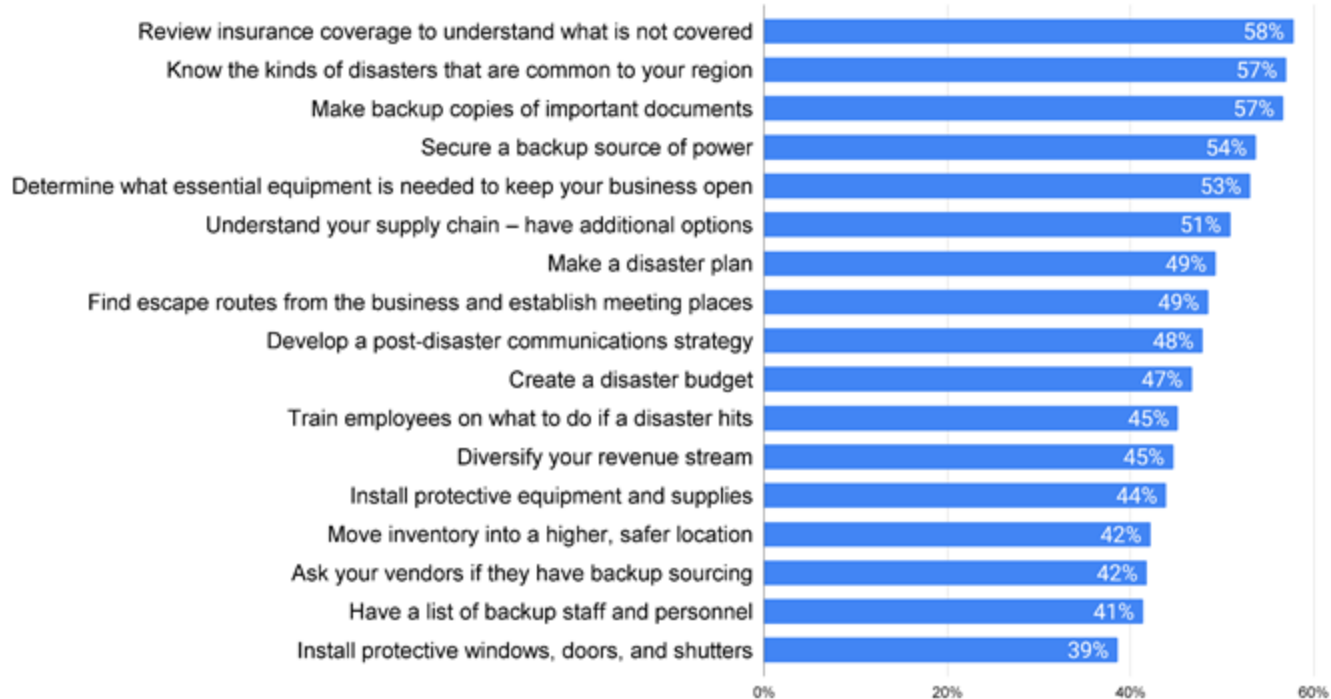
– SMB Leader, Florida, Black, Apparel Industry



Q39. And have you ever reached out to someone to find information about being better prepared?

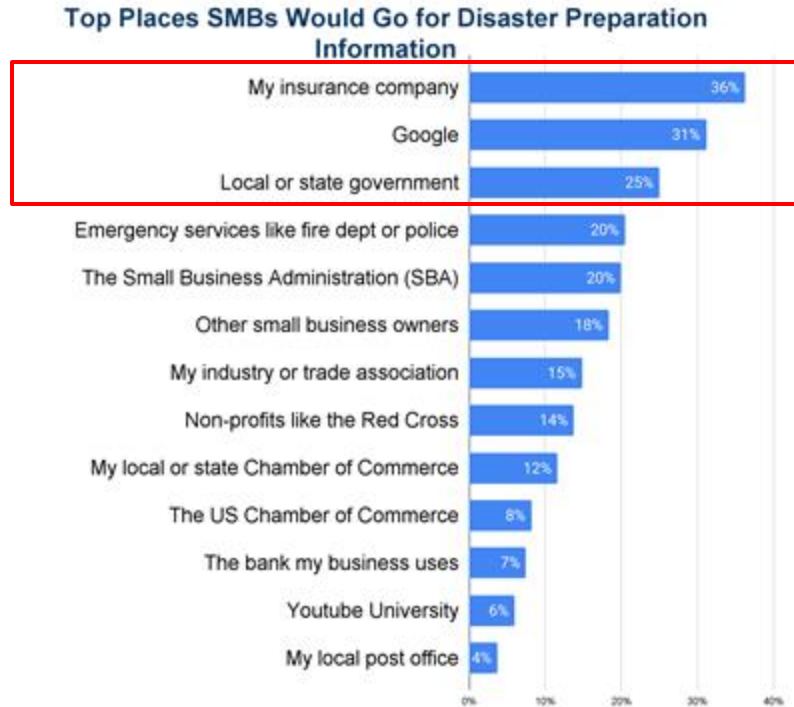
After going through the survey, many more SMB leaders say it's likely they will take additional steps to prepare.

100% or Very Likely Will Take Disaster Preparation Steps



Q44-60. 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, White, Construction Industry



Q38. Where do you think you are most likely to find information about how to prepare your business for a disaster?

[Appendix: Where SMB leaders have gone for information in the past](#)

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.”

SMALL BUSINESS
FIGHTING FOR
SURVIVAL



Final Thoughts

1. SMB leaders feel the pressure of inflation and perceive the country heading in the wrong direction, but maintain optimism about their businesses.
1. That sense of optimism probably contributes to the fact that SMB leaders aren't too concerned by natural and weather-related disasters and most think they'd recover. That being said, most haven't actually had to recover from one or taken steps to prepare.
1. SMB leaders who are less prepared are also the ones more concerned about disasters.
1. Those who've actually experienced disasters are more realistic about what recovery takes – it's difficult and costs money.
1. Awareness is an issue, but once SMB leaders (especially younger and newer ones) know where to find information and what to do, there would be a positive impact on preparation.

Appendix

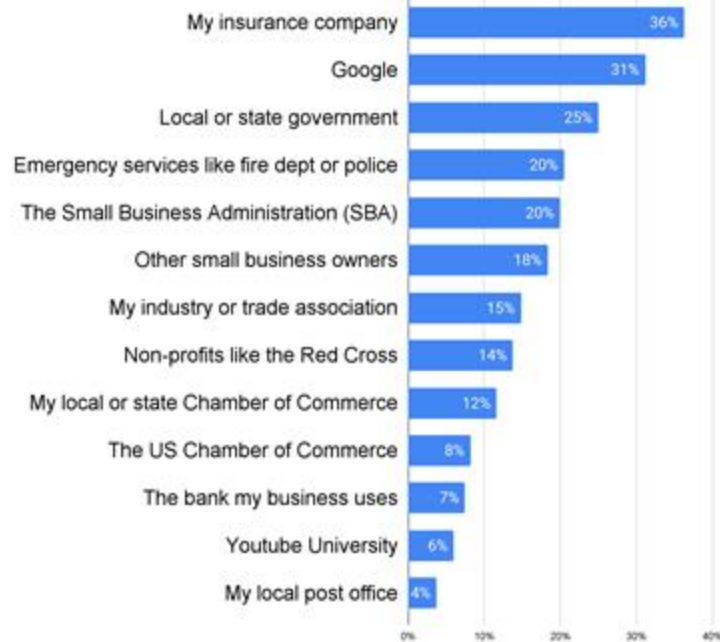
Full Text – Disaster Preparation Arguments

	Very	Very/Sm
Insurance and Financial Protection: Being prepared increases your eligibility for insurance coverage against disasters. This financial protection can cover property damage, business interruption costs, and liability claims, thereby easing the financial burden on your business.	47%	87%
Business Continuity and Survival: Effective disaster preparedness ensures that your business can continue operating during and after a disaster. This reduces downtime, minimizes financial losses, and helps retain customers and employees who rely on your products or services.	44%	87%
Maintaining Reputation and Customer Trust: Businesses that are resilient during disasters demonstrate reliability and commitment to customers. This enhances your reputation and builds trust, potentially attracting more customers and retaining existing ones.	43%	86%
Protecting Assets and Investments: Investing in disaster preparation helps safeguard physical assets such as equipment, inventory, and facilities. This can prevent costly damage or loss, reducing the need for extensive repairs or replacements.	42%	87%
Employee Safety and Welfare: Preparedness measures ensure the safety and well-being of your employees during emergencies. This fosters loyalty and a positive work environment, enhancing employee retention and productivity.'	41%	81%
Cost Efficiency and Long-term Savings: While initial investments in disaster preparedness may seem significant, they often result in long-term cost savings. Minimizing damage and disruption reduces recovery costs and enables a quicker return to normal operations.	40%	84%
Legal and Regulatory Compliance: Compliance with disaster preparedness regulations and standards can mitigate legal risks and potential liabilities. It demonstrates your commitment to safety and responsibility, which can be beneficial in regulatory inspections or legal proceedings.	39%	82%
Reality Check: 40% of small businesses fail and do not return after a disaster. A small investment today could mean the difference between surviving and going out of business.	38%	82%

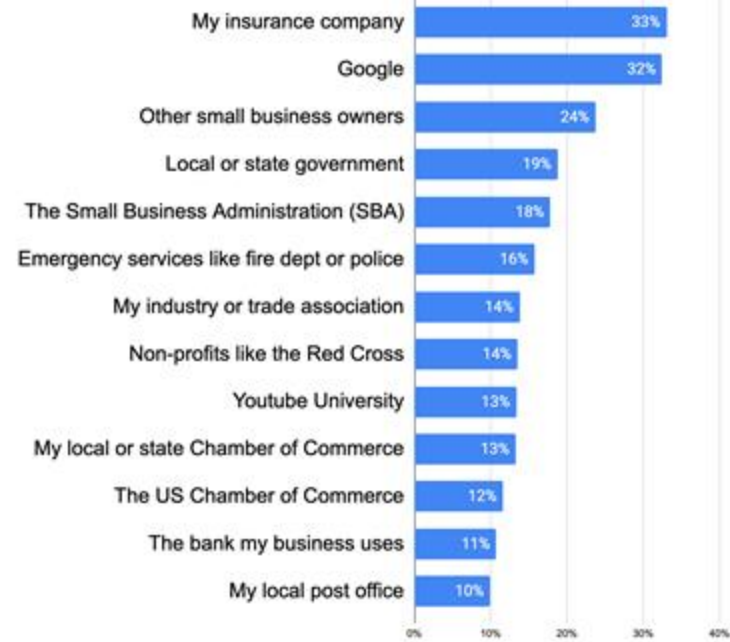
Q62–Q69. The following statements are about the potential benefits of preparing your business for a disaster. Please indicate for each statement how persuasive it is for you to make your business better prepared – very, somewhat, not very, or not at all.

Sources of disaster preparation information are much the same for where SMB leaders would go and have gone.

Top Places SMBs Would Go for Disaster Preparation Information



Top Places SMBs Have Gone for Disaster Preparation Information



Q38. Where do you think you are most likely to find information about how to prepare your business for a disaster?

Demographic Profile of SMB Preparation

Age	Low Prep (1-2 steps)	Mid Prep (3-4 steps)	High Prep (5+ steps)
18-24	9%	12%	5%
25-34	22%	18%	17%
35-44	22%	22%	28%
45-64	35%	34%	40%
65+	12%	14%	11%

Gender	Low Prep (1-2 steps)	Mid Prep (3-4 steps)	High Prep (5+ steps)
Male	52%	48%	46%
Female	48%	52%	54%

Region	Low Prep (1-2 steps)	Mid Prep (3-4 steps)	High Prep (5+ steps)
Northeast	20%	16%	15%
Midwest	23%	20%	18%
South	37%	38%	42%
West	21%	27%	25%

Area	Low Prep (1-2 steps)	Mid Prep (3-4 steps)	High Prep (5+ steps)
Urban	38%	37%	35%
Suburban	42%	46%	39%
Rural	20%	18%	26%

Race	Low Prep (1-2 steps)	Mid Prep (3-4 steps)	High Prep (5+ steps)
White	62%	63%	71%
Black	16%	15%	9%
Hispanic	19%	18%	15%

Education	Low Prep (1-2 steps)	Mid Prep (3-4 steps)	High Prep (5+ steps)
< College	68%	62%	58%
College +	32%	38%	42%

Biz Size	Low Prep (1-2 steps)	Mid Prep (3-4 steps)	High Prep (5+ steps)
0-9 FTEs	66%	53%	61%
10-49 FTEs	15%	20%	15%
50+ FTEs	20%	27%	24%

Q42. 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.



CHANGE THE EQUATION.

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