



# Economic Impact on Small Businesses

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# Overview

- Impact of Natural Disasters & Flooding on Small Businesses
- Challenges facing Small Businesses
- Food for Thought
  - Rhode Island Study
  - Other ideas

# Impact on Small Businesses

- Rebuilding after a natural disaster can be a long and difficult journey
- Recent events highlight the impact on small businesses



**25%**

of businesses  
don't open again  
after a disaster.

# Challenges Facing Small Businesses

- Small Businesses are especially hit hard
- Business Continuity is biggest issue
  - Getting business open as soon as possible
  - Lost sales/revenue
  - Making payroll
  - Vandalism

# Rhode Island Study Recommendations

- 2016 Final Report from Rhode Island Study on Economic Risk Due to Flooding and Sea Level Rise
- **Recommendation 4:** Increase support for business continuity following natural disasters:
  - The Commission recommends a comprehensive review of state resources available to businesses following a natural disaster

- **Recommendation 5:** Utilize risk assessment tools to understand statewide risk:
  - The Commission believes it is clear that Rhode Island needs to more fully understand the economic implications of sea level rise.

# Other Ideas

- Preparation is Key to Recovery
  - Increasing awareness among small businesses & providing information
- Allow qualifying businesses to rehabilitate without going through the typical “development plan and review process.”
  - Encourage municipalities to adapt an expedited emergency permitting process
  - Reduce permitting fees for disaster recovery



- Strengthen laws against looting disaster sites
- Offer tax incentives for homes and businesses to raise their height or move inland.
- Waive sales tax on equipment replacement purchases
- Provide marketing and tourism support for

- Establish a rapid response emergency grant program where a town endorsed 501©3 nonprofit could apply for up to \$20,000 in seed money to develop a business recovery campaign and leverage funds to aid recovery, save/restore jobs and get business generating taxes again
  - Potential funding mechanisms:
    - Allocate money from the hotel/meal taxes generated by the disaster area to assist back into the region to fund recovery efforts
    - Department of Labor and Training - Justifiable as a Jobs Restoration Program

- Consider an Emergency Bridge Loan program for immediate financial needs until insurance or FEMA/SBA loans kick in
  - Example: Florida Emergency Bridge Loan provides interest-free loans to small businesses struggling to reopen after natural disaster