RESEARCH BRIEF SERIES

MITIGATION MATTERS

AWARD RECIPIENTS

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AWARD AMOUNT:
$2,238

FEMA defines mitigation as the effort to reduce loss of life and property by lessening the impact of disasters. Effective mitigation requires that we all understand local risks and invest in long-term planning to reduce risks and enhance community well-being.

DOES POST-DISASTER RECOVERY FUNDING PROMOTE MITIGATION IN SMALL BUSINESSES?

SUMMARY

Small businesses play an important role in the local economy, but they can be highly vulnerable to disasters. Small business recovery programs can break the cycle of vulnerability in small businesses by promoting mitigation before the next disaster. The United States attempts to address some of this vulnerability by offering disaster aid through the Small Business Administration.

This research examined small business recovery programs offered after three recent disasters—Hurricane Sandy (2012), Hurricane Matthew (2016), and Hurricane Harvey (2017)—to assess the extent to which they promoted mitigation. Data was collected using archival analysis and in-depth interviews with key program officials in New York, New Jersey, North Carolina, and Texas and analyzed using thematic content analysis techniques. Results showed that most recovery programs (75%) did not list mitigation actions in their program guidelines. Small business recovery programs did not typically promote mitigation practices that increase the overall disaster resilience of small businesses.

While the importance of mitigation is recognized across the federal, state, and local level agencies, there are also challenges at each level that make pursuing mitigation during recovery difficult. Coordinating across disaster and business support programs in non-disaster times, as well as creating cross-sectoral partnerships, can provide ways to work around challenges and build business resilience to upcoming disasters.

KEY FINDINGS

- Small business recovery programs have the potential to help small businesses fund and implement mitigation practices aimed at the next disasters, but they rarely do.
- The main reasons for this oversight range from funding and policy constraints to differences in the extent to which mitigation is considered a part of recovery by program administrators.

- A key opportunity for increasing the focus on mitigation funding for small businesses during recovery would be coordination among disaster recovery programs and regular economic development programs that offer key resources for small business planning. This could improve business resilience overall.

POLICY IMPLICATIONS

- The findings of this research can be used to improve economic recovery programs, break the cycle of disaster vulnerability in small businesses, and build long-term disaster resilience.

- This work indicates that funding mitigation measures through recovery programs could help build long-term small business resilience.

- Both state and local officials emphasized the need to better coordinate messaging about the importance of mitigation-focused recovery between all levels of government, as well as the need to partner with nonprofits to find solutions to government aid restrictions.

Levels of Mitigation Focus in Recovery Programs

	Superstorm Sandy	Hurricane Matthew	Hurricane Harvey	Total	Percentage
Mitigation not mentioned	22	20	12	54	75
Mitigation suggested	7	6	1	14	19
Mitigation required	0	4	0	4	5

STAKEHOLDERS

This study indicates that federal, state, and local agencies would benefit from more communication about the importance of mitigation through recovery programs. Nonprofit leaders that work with small businesses after disasters will also find this work useful.

Full report: Kim, S. & Chandrasekhar, D. (2022). Does Post-Disaster Recovery Funding Promote Mitigation in Small Businesses? Natural Hazards Center Mitigation Matters Grant Report Series, 14. Boulder, CO: Natural Hazards Center, University of Colorado Boulder. Available at: https://hazards.colorado.edu/mitigation-matters-report/does-post-disaster-recovery-funding-promote-mitigation-in-small-businesses

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