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and/or resources to handle another natural disaster.

Oct. 23, 2013



NEW YORK – After about one year since the disaster of Super Hurricane Sandy on the East Coast, a new survey of New York City small businesses with 1-500 employees shows that most are not financially prepared for another disaster and about a third say they would have to make staffing cuts if another major storm were to strike.

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The storm also caused increase in commercial property rental costs, with 26 percent of respondents who were affected by the storm saying they experienced higher rent or saw it in their community. Of those who were not directly impacted by the storm, 5 percent said they saw their commercial rent costs increase. Of those businesses affected by the storm, 35 percent saw insurance premiums increase, vs. 21 percent of those who were not affected.

“Business owners have invested in fixing their infrastructure and in some cases provided for off-site back-up so they can keep working in the event of another disruption,” said Greg Wank, the Anchin partner who headed the study and chairs the firm's Food & Beverage Practice Group. “However, it's clear that not enough owners have built enough in cash reserves for disaster/backup funding or have arranged for contingency financing.”

Mr. Wank also noted that only three percent of respondents said they accessed additional financing since the storm. “Another event like this could create a scramble for capital, which will reward businesses that have already secured bank credit lines and built cash reserves,” Mr. Wank said. “Businesses need to prepare now.”

Only 15 percent of total respondents invested in technology and 10 percent invested in infrastructure. Among respondents negatively impacted by the storm, the numbers increased to only 19.1 percent for improved technology, and an identical 19.1 percent for improved infrastructure.

45.2 percent of respondents experienced some loss as a result of the storm, while 54.7 percent either experienced no impact or saw increased revenue/market share due to the storm.

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