



Superstorm Sandy: Update from Businesses in Affected Areas **Federal Reserve Bank of New York**

As part of our ongoing efforts to understand the concerns of communities in our region, the New York Fed's Outreach Team recently reached out to businesses in areas affected by Superstorm Sandy. We asked them about the storm's impact and progress with their recovery efforts.

In total, we heard from 950 firms located in FEMA-declared disaster areas in New Jersey, New York City, the Hudson Valley, and coastal counties in Connecticut. Of these firms, 40 percent reported being financially affected by the storm, either positively or negatively.

The key takeaways for the affected firms include:

- About a third of the affected firms incurred financial losses.
- Half of the firms covered storm-related financing needs with personal resources while others increased debt levels.
- A third of the affected firms had no insurance, and only a few had business disruption or flood insurance.
- One year later, 9 in 10 of the affected firms report persisting financing needs, mostly of \$100k or less, to cover operating expenses or to reposition their business.

Firm responses were collected online between October 10, 2013 and December 31, 2013. Please note that these results likely underrepresent the storm's impact and cannot be said to be statistically representative since the experiences of firms that were closed as a result of the storm could not be captured.

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