

Wildfire and COVID-19 in the Sierra Nevada Region of California:

A Snapshot of Business Impacts, Response, & Recovery



Impacts of Wildfire and the COVID-19 Pandemic on Businesses

In 2020, the Sierra Nevada Region of California experienced the largest wildfire season in recorded state history and the early stages of the COVID-19 pandemic. In a survey of 202 small and medium-size businesses across the Sierra Nevada,¹ 98 reported that they were impacted by wildfire,² 190 by the pandemic, and 94 by both. The types of impacts from wildfire and the pandemic were varied, but three of the four primary impacts were the same:

- Decreased revenue
- Decreased demand for services or products
- Decreased hours of operation

Many of the businesses (115) also experienced public safety power shutoffs related to wildfire. The primary impacts from power shutoffs were:

- Decreased hours of operation
- Decreased revenue
- Closed to the public

Business Responses to the Impacts

Business responses to the impacts of wildfire and the pandemic were varied, but three of the four primary responses were the same:

- Implemented a business emergency preparedness plan
- Changed marketing strategies
- Decreased the number of services or products offered

There were 160 businesses that received one or more types of government financial support in response to the impacts of the pandemic, primarily:

- SBA Paycheck Protection Program Rounds 1 and 2, and Loan Forgiveness
- California Relief Grant
- County or local government loan or relief programs

Many of the businesses (103) also utilized one or more types of personal or nongovernment financial support in response to the impacts of the pandemic, primarily:

- Personal liquidity
- Family or friend loan
- Deferred payment on rent or mortgage

Only a small number of businesses received any kind of financial support related to wildfire. The primary types of support were county or local government loan or relief programs, SBA Economic Injury Disaster Loan, personal liquidity, and family or friend loan.

Prior and Future Business Preparedness

There were 113 businesses that had prepared for disruptive events prior to 2020. The most common forms of preparedness were:

- Maintained data backups (offsite or in the cloud)
- Increased social media presence to communicate changes to the public
- Developed relationships with business support organizations (e.g., Chamber of Commerce)

¹ The survey was conducted during spring/summer 2021 to capture information about (1) the impacts of wildfire and the early stages of the COVID-19 pandemic on businesses in 2020, and (2) the response and recovery of businesses over the following 12 months.

² Here, "wildfire" includes direct wildfire, threat of wildfire, and/or wildfire smoke.



However, at the time of the survey, only 72 businesses reported that they felt prepared for future disruptive events. Another 31 businesses indicated that they were in the process of better preparing. The most common types of assistance that businesses indicated would help them prepare were access to capital in the form of grants, marketing and branding, and business and cash flow planning.

Supporting Businesses Now and into the Future

A major concern of businesses is future wildfire because of its potential to: (1) impact the business physically, operationally, and financially, (2) prompt power outages, (3) result in increased insurance, and (4) cause long-term damage to certain industries (e.g., outdoor recreation) and the communities that rely on them. Another common concern is the potential for the pandemic and future disruptive events to prompt further mandatory shutdowns.

Given these concerns, sharing lessons learned from the impacts of wildfire and the pandemic, and how businesses are preparing for future disruptive events, could be beneficial for individual businesses and business sectors. Informal sharing may already be taking place, for example through existing business relationships. However, formal sharing can also be facilitated, for example through workshops conducted by business support organizations. Formal sharing may be especially critical for ensuring information equity, which is important as historically underrepresented businesses tend to be more vulnerable to disruptive events.

Sharing information related specifically to wildfire and power outage preparedness may be particularly beneficial in the Sierra Nevada Region. The recurrence of wildfire impacts on Sierra Nevada businesses is likely, and the types of government and nongovernment support related to wildfire are far fewer in comparison to those related to the pandemic. Businesses indicated county or local governments as the most trusted sources of information related to both wildfire and the pandemic. Therefore, there may be an important role for those governments to play as hosts (e.g., on websites) of the information shared.

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