TAKEAWAYS:  A recent survey revealed that the vast majority of businesses had reopened in Aransas County, despite the extent of property damage. Many businesses were facing the challenges of falling sales, a reduced customer base, and staffing needs. The majority of respondents expected full recovery to occur no sooner than 2021. They were also in need of a plan for the next hurricane.

One and half years after Harvey hit Aransas County, more than 85 percent of local businesses have reopened their doors. How well are they doing? What are their new challenges? A recent survey by the Rockport-Fulton Chamber of Commerce provides insights into these questions. This newsletter article summarizes the survey results.

The survey was conducted online between February and March of 2019. It generated a total of 145 returns. Given the size of the business community in Aransas County, the survey sample represents about 10 percent of the local business population.

Demographics
The respondents’ demographics are overall representative of the local community. More than 70 percent of them are located in the Rockport-Fulton areas. The vast majority of businesses are service-oriented as opposed to manufacturing, and about three-quarters of them are tied directly to tourism, such as hotels/motels, restaurants, retail shops, and recreational services like fishing guides.

Most businesses in Aransas County are small. The typical business in the survey sample hires 3 employees. Nearly one in four business owners, particularly those operate in a home office, is self-employed with no employees. Also reflecting the local business demographics is about 40 percent of businesses in the sample that are owned by women.

Impacts
According to the survey, Harvey caused an average of 43 percent in property damage to businesses. About one-tenth of business establishments in the survey were nearly destroyed, with at least 90 percent of damage.

The storm has also significantly impacted the staffing patterns of impacted businesses. While a typical business in the area has hired fewer employees since Harvey, some businesses, particularly larger ones, have actually hired more.
Business Return
According to the survey, 31 businesses reopened soon after Harvey made landfall. Businesses stayed closed for an average of 3.7 months.

While four businesses in the sample were closed permanently, 10 new businesses started only after Harvey.

Relief
The most popular way for business owners to finance their rebuilding efforts came from windstorm insurance payments, according to the survey. A large number of respondents also dipped into their own personal savings, or borrowing from friends and family.

It is also notable that respondents receiving relief from philanthropic organizations, notably Rebuild Texas Fund and Chambers of Commerce in the Coastal Bend, outnumber those receiving federal aid, such as FEMA grants and SBA disaster loans.

Performance
When asked about their performance before Harvey, slightly more than half (55%) of respondents indicated “excellent” conditions. Another 30 percent of them regarded their business as “good.”

More than one and half years after Harvey, different businesses faced varying experiences. While more than half of business owners indicated a loss of revenue since Harvey,
some businesses seemed to do better. About 17 percent of business owners had suffered 50 percent or more losses.

Businesses in the construction and real estate industries have tended to thrive due to ongoing rebuilding activities in the region. On the other hand, hotels and motels that are particularly vulnerable to windstorm damage have likely suffered as many hotel/motel rooms have been under repair.

**Challenges**

As tourism is a key economic driver of Aransas County, businesses that rely heavily on visitors, such as retail stores and restaurant in addition to hotels/motels, are bearing the brunt of post-Harvey economic impacts.

Despite varying post-Harvey outcomes, falling sales remain the top challenge facing the survey respondents. Other concerns including difficulties to finance property damage and other economic losses. Looking ahead, the specific needs of businesses owners include ways to expand the existing tourism-oriented customer base, to fill up the staffing needs, and to raise working capital.

**Outlook**

Despite the challenges facing the impacted businesses, 68 percent of them expected an improvement in their own business in 2019. Less than 10 percent expected a decline. Along with an overall positive outlook, 42 percent of respondents expressed in interest to hire more employees this year.

When asked about their perception about the area, over 63 percent felt the local economy had somewhat recovered, and nearly 20% saw significant recovery. About one in six respondents (17%) saw little or no recovery in the area.

When will the local economy be back to pre-Harvey levels? About one in three respondents expected full recovery to occur in 2020. Over 60 percent thought it would take at least two more years, but five respondents thought the area would be fully recovered within this year.

**Plans**

The last two survey questions concern business plans to prepare for disasters. More than 40 percent of respondents indicated they did not have any plan to guide them through Harvey.

More than half of them (56%) also expressed interest in receiving assistance from the Rockport-Fulton Chamber of Commerce to develop a business continuity plan.