Family Economic Policy Lab
APPALACHIAN STATE UNIVERSITY
BEAVER COLLEGE OF HEALTH SCIENCES

InSPIRe Grant Evaluation

Baseline Findings Summary

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The authors of this report are listed in alphabetical order, a decision made to reject traditional hierarchical models of authorship. This approach underscores our commitment to collaboration and equality, recognizing that each contributor's role is essential to producing this work. The authors would further like to express their gratitude to Carolina Community Impact and the Institute for Consumer Money Management for their partnership on this project.

Executive Summary

In early 2026, Carolina Community Impact (CCI) implemented the Insurance Supplement Program for Inclusive Recovery (InSPIRe) to 44 small businesses impacted by Hurricane Helene in western North Carolina. The InSPIRe program was designed to support business recovery and economic stabilization in communities affected by the disaster. The Family Economic Policy Lab (FEPL) at Appalachian State University is conducting an independent program evaluation to examine whether and how the grants support business recovery, financial stability, and owner well-being. Grantees were not required to participate in the evaluation. FEPL launched a baseline survey with recipients after award notification and before payments were distributed (between February 28 and April 15, 2026). The following report includes baseline data for 30 consenting awarded businesses, drawn from the ICMM Baseline Survey and CCI administrative records. Future data collection activities include follow-up surveys at 6 and 9 months and qualitative interviews with approximately 15 recipients to better understand their experiences. Key baseline findings include:

- Awarded businesses are concentrated in Buncombe County (43%) and span eight western NC counties.
- Over half (53%) operate in Accommodation and Food Services.
- Hurricane Helene's impact was severe and nearly universal: every survey respondent reported a negative business effect, 90% reported at least some physical damage to their business, and all who answered reported revenue losses attributable to the storm.
- Average monthly revenue declined approximately 30%, from $57,372 pre-Helene to $40,415 in 2025.
- Average full-time employees fell from 6.9 pre-Helene to 5.2 currently, a 25% reduction.
- Mean total estimated losses are $459,593 (median $150,000), with mean losses not covered by insurance of $384,277 (median $125,000).
- Through the InSPIRe program and other channels, businesses received total recovery grants averaging $39,576 (median $30,000) and recovery loans averaging $117,499 (median $22,500).
    - At least 10% of awarded businesses had received $0 in recovery funds from any source.
- Business recovery is affected by the gap between aid sought and aid received: among those who applied, only 45% of insurance claim filers, 17% of FEMA applicants, and 33% of state aid applicants reported receiving funds.
- For many owners, business financial strain spills over into their personal finances: 89% of respondents report business challenges affecting personal finances, and 73% reported feeling nervous or on edge for several days or more in the past two weeks.
- Top reported ongoing recovery needs are financial support (87%), increased customer demand (80%), inventory or equipment replacement (57%), and rebuilding (37%).

Business Profiles

The following comprises application data for consenting businesses and survey respondents (n=30). All have average annual revenue of $2.5 million or less.

Geography: Awarded businesses are distributed across eight western North Carolina counties. Buncombe and Rutherford counties together account for 60% of the sample.

County	n (%)
Buncombe	13 (43%)
Rutherford	5 (17%)
Watauga	3 (10%)
Ashe	2 (7%)
Henderson	2 (7%)
Madison	2 (7%)
Mitchell	2 (7%)
Haywood	1 (3%)

Source: application data, n = 30

Primary industry: Tourism-facing businesses dominate the awarded sample. Accommodation and Food Services represent more than half of all awarded businesses.

Industry	n (%)
Accommodation and Food Services	16 (53%)
Manufacturing	3 (10%)
Professional, Scientific, and Technical Services	2 (7%)
Wholesale Trade	2 (7%)
Agriculture, Forestry, Fishing, and Hunting	1 (3%)
Arts, Entertainment, and Recreation	1 (3%)
Educational Services	1 (3%)
Health Care and Social Assistance	1 (3%)
Other Services (except Public Administration)	1 (3%)
Industry not classified	2 (7%)

Source: application data, n = 30.

Customer base: Tourism- and visitor-driven revenue is essential to more than half of the participating businesses.

How much does your business rely on travelers or visitors from outside your immediate region to sustain its revenue and operations (e.g., for leisure, work, or other purposes)?	n (%)
Essential to our business	15 (52%)
Strong impact on our business	6 (21%)
Some impact	6 (21%)
No impact	2 (7%)

Source: survey data; n = 29

Owner demographics: More than half of businesses are female-owned, one is Black-owned, and two are veteran-owned. Primary applicant household income averages $99,514 (median $95,000), with a 25th- to 75th-percentile range of $60,000 to $130,000.

Gender	**n (%)**
Female	14 (52%)
Male	13 (48%)
Race	**n (%)**
White, non-Hispanic	24 (92%)
Biracial (Black or African American & White)	1 (4%)
Hispanic or Latino	1 (4%)
Veteran Status	**n (%)**
Veteran	2 (7%)
Household Income	**n (%)**
Less than $30,000	3 (10%)
$30,000–$59,999	5 (17%)
$60,000–$99,999	8 (27%)
$100,000–$149,999	7 (23%)
$150,000 or more	7 (23%)

Source: application data; gender, n = 30; race, n = 26; veteran status, n = 27; household income, n = 30.

Business size: Pre-Helene FTE employment averaged 6.9 (median 4.5; range 1 to 32). Current FTE employment averages 5.2 (median 3.0; range 1 to 19), reflecting a 25% decline at the mean.

Number of Employees	n (%)
0 employees (owner-only)	1 (4%)
1–2 employees	8 (29%)
3–10 employees	10 (36%)
11–20 employees	6 (21%)
21–30 employees	2 (7%)
51–100 employees	1 (4%)

Source: survey data; n = 28

Revenue: Verified annual revenue averages $596,080 (median $394,442). Average monthly revenue dropped from $57,372 pre-Helene to $40,415 in 2025, a 30% decline on average.

Revenue Period	Mean	Median
2024 average monthly revenue (pre-Helene)	$57,372	$40,403
2025 average monthly revenue, mean	$40,415	$24,885
Annual revenue	$596,080	$394,442

Source: application data; n = 30

Hurricane Helene Impact

Overall business effect: Every respondent reported a negative effect from Hurricane Helene; no businesses reported a neutral or positive effect.

How would you describe the overall effect of Hurricane Helene on your business?	n (%)
Large negative effect	23 (77%)
Moderate negative effect	7 (23%)

Source: survey data; n = 30

Operational status and closure risk: While most businesses are currently operational, more than half report at least a moderate risk of closure.

Please describe your business's current operational status.	n (%)
Fully operational	22 (73%)
Partially operational	7 (23%)
Temporarily closed	1 (3%)

Source: survey data; n = 30

Is your business currently at risk of closure?	n (%)
Not at risk of closure	11 (41%)
Moderate risk	15 (56%)
Currently closed	1 (4%)

Source: survey data; n = 27

Estimated losses: Awarded businesses report substantial total losses, with the median falling well below the mean, indicating that most businesses experienced moderate losses while a small number experienced extremely large losses.

Total estimated losses	
Mean	$459,593
Median	$150,000
Maximum	$2,500,000
Estimated losses not covered by insurance	
Mean	$384,277
Median	$125,000

Source: application data; n = 30

Physical and revenue losses: Physical damage was widespread and often severe. Only 10% reported no damage. All respondents reported that Helene impacted their revenue projections.

About what portion of your business's physical assets (e.g., building, land, equipment, inventory) was damaged by Hurricane Helene?	**n (%)**
No damage	3 (10%)
Less than 25% damaged	7 (23%)
26–50% damaged	7 (23%)
51–75% damaged	5 (17%)
76–99% damaged	4 (13%)
100% complete loss	4 (13%)

Source: survey data; n = 30

Which of the following best describes how your estimated revenue projections were impacted?	n (%)
Decrease of less than 25%	8 (29%)
Decrease of 26–50%	10 (36%)
Decrease of 51–75%	3 (11%)
Decrease of 76–99%	2 (7%)
100% loss of revenue	5 (18%)

Source: survey data; n = 28 (all reported revenue impact)

Recovery challenges: The most commonly cited recovery challenges were physical and financial.

What challenges are affecting your business's ability to recover lost revenue as a result of Hurricane Helene? Select all that apply.	n (%)
Physical damage to building or land	19 (63%)
Repair/replacement of inventory or equipment	19 (63%)
Denial of funds or claims applied for	18 (60%)
Decreased customer demand	17 (57%)
Increased operational costs	17 (57%)
Awarded funds not sufficient	14 (47%)

Source: survey data; n = 28; Less frequently cited challenges included water/sewer damage (33%), power/electricity issues (30%), supply chain disruptions (27%), and road/bridge damage (27%).

Workforce changes: More than half of respondents experienced a reduction in workforce hours or headcount since the storm.

How does your current number of employees compare to pre-hurricane levels?	n (%)
Number of employees increased	3 (10%)
Same employees, hours increased	1 (3%)
No change in employees or hours	10 (33%)
Same employees, hours decreased	7 (23%)
Number of employees decreased	9 (30%)

Source: survey data; n = 30

Among those whose staffing declined, the most common barriers to restoring staffing were decreased customer demand (40% of n = 30) and financial challenges facing the business (37%). Workforce hiring/retention challenges and repair/rebuild needs were each cited by 17%.

Most urgent recovery needs: Financial support and customer demand were by far the most urgent needs.

What are your business's most urgent needs to stabilize or recover from the impacts of Hurricane Helene right now? Select up to 5.	n (%)
Financial support	26 (87%)
Increased customer demand	24 (80%)
Inventory or equipment replacement	17 (57%)
Repair or rebuild of building/land	11 (37%)
Road/bridge repair	5 (17%)

Source: survey data; n = 30

Financial Support Sought and Received

Every respondent applied for at least one form of financial support outside the InSPIRe grant. Insurance claims and nonprofit/community grants were the most commonly pursued sources. The gap between applying and receiving support was substantial for several channels.

Source	Applied / Sought (% of total sample)	Received to Date (% of total sample)	Approval Rate (% of Applications)
Insurance claims	22 (73%)	10 (33%)	45%
Non-profit/community grants	21 (70%)	21 (70%)	100%
SBA loans or grants	17 (57%)	12 (40%)	70%
Local government aid	8 (27%)	5 (17%)	62%
FEMA aid	6 (20%)	1 (3%)	17%
State government aid	6 (20%)	2 (7%)	33%
Other	3 (10%)	3 (10%)	100%

Source: survey data; n = 30 for all items.

> *"Trauma lingers. We've been in crisis mode since the storm. And hadn't fully recovered from Covid19. SBA loans were an unviable option. We maxed out our payback capacity trying to survive the previous crisis."*
> InSPIRe Recipient

Total recovery dollars received: Across all sources, awarded businesses had received a mean of $39,576 in grants and $117,499 in loans.

Recovery Type	Mean	Median	Maxium
Grants (n = 30)	$39,576	$30,000	$165,000
Loans (n = 24)	$117,499	$22,500	$723,587

Source: application data

Insurance adequacy: Most respondents felt their pre-Helene insurance was sufficient, though a notable minority did not.

Before Hurricane Helene, did you feel that your business had sufficient insurance?	n (%)
Yes	24 (83%)
No	5 (17%)

Source: survey data; n = 29

Among the 5 respondents who provided reasons for insufficient coverage (respondents could select multiple), the most cited were that the business did not believe it was at high risk (2 of 5) and that coverage limits were too low (2 of 5); each of premium cost, coverage not worth cost, loss type excluded from policy, lack of understanding of coverage, and being denied coverage was cited by 1 of 5.

> *"Insurance coverage was fully denied because of flood/mudslide, even though the property was not in a floodplain. Insurance was useless in the only event I have ever needed it."*
> InSPIRe Recipient

Institutional trust: About half of respondents (50%) agreed or somewhat agreed that financial institutions act honestly and ethically, while 27% disagreed or somewhat disagreed. Confidence in regulatory protections was somewhat lower; 46% agreed or somewhat agreed that existing policies protect financial services customers, while 31% disagreed or somewhat disagreed.

Response	"I generally trust financial institutions to act honestly and ethically." n (%)	"I am confident that existing policies and regulations protect customers of financial services institutions." n (%)
Strongly agree	2 (8%)	0 (0%)
Agree	5 (19%)	5 (19%)
Somewhat agree	6 (23%)	7 (27%)
Neither agree nor disagree	6 (23%)	5 (19%)
Somewhat disagree	2 (8%)	3 (12%)
Disagree	4 (15%)	5 (19%)
Strongly disagree	1 (4%)	2 (8%)
Total	26 (100%)	26 (100%)

Source: survey data; n = 26

Planned Use of InSPIRe Grant

Operating expenses and salaries/wages were the most commonly planned uses, reflecting the immediate cash flow pressures businesses face. Respondents could select up to three options.

Which of the following best describes how you currently plan to use the InSPIRe grant for your business?	n (%)
Operating expenses	22 (73%)
Salaries/wages	15 (50%)
Inventory/supplies	14 (47%)
Debt repayment	7 (23%)
Equipment	6 (20%)
Property improvements	5 (17%)
Technology	1 (3%)
Other	1 (3%)

Source: survey data; n = 30

> *"The hurricane showed us how many people in the community cared about our business. It was their support that encouraged us to continue and rebuild."*
> InSPIRe Recipient

Business Financial Health

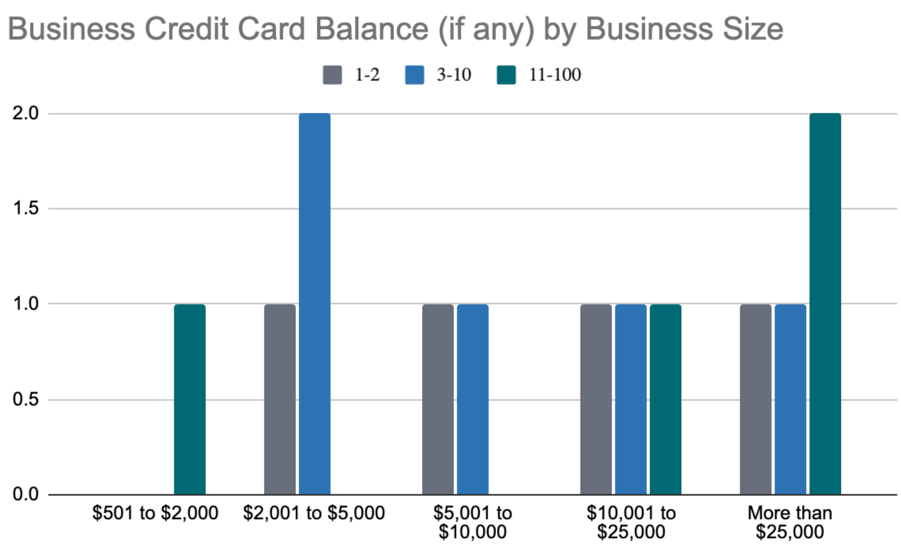
Credit and debt

Most respondents carry business credit cards or lines of credit, and a majority carry unpaid balances:

How many business credit cards or lines of credit do you have? This could include credit cards/lines in your name or in the name of the business, so long as they are used for business expenses.	n (%)
3 or more	12 (46%)
2	9 (35%)
1	4 (15%)
No credit cards or lines of credit	1 (4%)

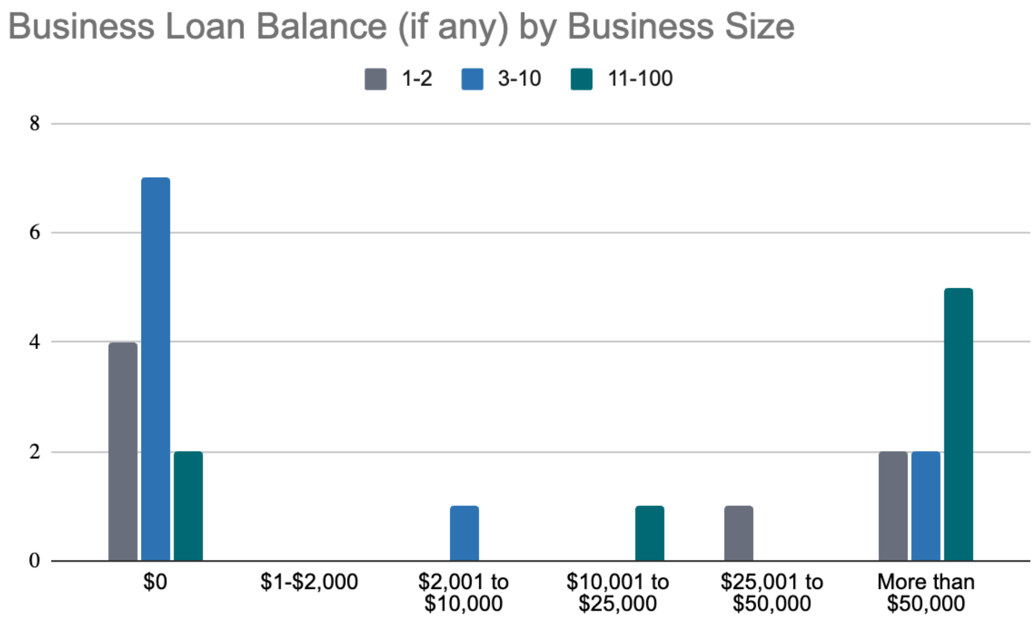
Source: survey data; n = 26

Among those with credit cards, 56% (14 of 25) carry an unpaid balance. Of those carrying and reporting their balance (n = 13), amounts were substantial: 31% owe more than \$25,000, 23% owe \$10,001–\$25,000, 15% owe \$5,001–\$10,000, 23% owe \$2,001–\$5,000, and 8% owe \$501–\$2,000. Only 4% (1 of 25) are behind on payments or in collections.



Half of respondents hold business loans from a bank or credit union (13 of 26, 50%), and among those with known balances (n = 12), 75% owe more than \$50,000. Other debt types were uncommon: auto loans, 30% (8 of 27); BNPL, 8% (2 of 25); online lender loans, 4% (1 of 24). No respondents reported MCA, invoice factoring, or revenue-based financing.

> *"There are very few funding options for businesses other than taking on more debt, which many businesses cannot afford to do. And most of the funding we have received has required a lot of time and energy. The grants we have received have required less and are most appreciated as it is that much less debt we have had to take on."*



Business savings and banking: All respondents hold a business checking account (100% of n = 26), and most hold a savings or money market account (68% of 25). Other investments are rare (9% of 23). Among the broader sample, 90% (27 of 30) use traditional bank or credit union checking; no branchless accounts, prepaid cards, check-cashing services, or cash-at-home were reported. Mobile payment services (e.g., Cash App, Venmo) were used by 13% (4 of 30).

Business savings levels varied widely (n = 21): 14% report $0 in savings, while 33% report more than $25,000. The middle of the distribution falls mostly in the $5,001–$50,000 range.

Household Spillover and Well-being

Financial spillover to households: Business financial strain is heavily affecting personal and household finances.

Since Hurricane Helene, how much have changes in your business's financial situation affected your personal or household finances (for example, your ability to pay bills, cover expenses, or save)?	n (%)
Business changes affected household finances a great deal	14 (48%)
Somewhat	12 (41%)
A little	3 (10%)

Source: survey data; n = 29

Alternative Financial Service usage: Personal use of alternative financial services among business owners in the past 6 months was minimal: no respondents took out auto title or payday loans; one respondent used a pawnshop (4% of 26).

Health insurance status: Among 25 respondents, 12% lack health insurance. The most common coverage type is individually purchased insurance (40%).

Skipped medical care: More than one quarter had delayed health care due to cost in the past three months.

In the past 3 months, have you or someone in your household…	n (%)
Delayed/skipped a doctor visit due to cost	7 (26%)
Delayed/skipped mental health care due to cost	3 (11%)
Delayed/skipped a prescription due to cost	2 (7%)

Source: survey data; n = 27

Psychological well-being: Among the 25 respondents with complete data, more than half (56%) reported low levels of psychological distress in the two weeks prior to the survey, while 24% reported moderate distress and 20% reported mild distress. No respondents fell in the severe range. When looking at specific symptoms, anxiety was more common than depression: 28% screened positive for anxiety symptoms compared to 12% for depression symptoms.

PHQ-4 Score Category	n (%)
Normal (0–2)	14 (56%)
Mild (3–5)	5 (20%)
Moderate (6–8)	6 (24%)
Severe (9–12)	0 (0%)

Source: survey data; n = 25; Note: One respondent excluded due to item-level missing data (PHQ4_3). Percentages may not sum to 100% due to rounding.

Subscale	Positive Screen (Score ≥3), n (%)
GAD-2 (Anxiety, items 1–2)	7 (28%)
PHQ-2 (Depression, items 3–4)	3 (12%)

Note: GAD-2 = Generalized Anxiety Disorder 2-item scale (PHQ-4 items 1–2); PHQ-2 = Patient Health Questionnaire 2-item depression scale (PHQ-4 items 3–4). Positive screen threshold ≥3 for each subscale.