

InSPIRe Program Evaluation

Midline 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.

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Executive Summary

In early 2026, Carolina Community Impact (CCI) implemented the Insurance Supplement Program for Inclusive Recovery (InSPIRe) for 44 small businesses impacted by Hurricane Helene in western North Carolina. The Family Economic Policy Lab (FEPL) at Appalachian State University is conducting an independent evaluation of whether and how the grants support business recovery, financial stability, and owner well-being. This memo summarizes the midline survey, administered approximately six months after grant disbursement (August 4 through September 2, 2026), and compares midline responses to the baseline survey collected before funds were distributed (February through April 2026).

Twenty grant recipients completed the midline survey. Nineteen of them also completed the baseline survey, and the before-and-after comparisons below are based on those 19 matched businesses. Findings on grant experience, grant use, and other assistance draw on all 20 midline respondents. Key midline findings include:

- No responding businesses have closed. Sixteen of 19 matched businesses are fully operational, up from 14 at baseline, and none moved backward.
- Closure risk fell sharply. Businesses reporting moderate risk of closure dropped from 9 (56%) to 4 (22%), and those reporting no risk rose from 7 (44%) to 14 (78%).
- Staffing has stabilized. At baseline, 12 of 19 businesses had cut employees or hours since the storm; at midline, only 1 reported a reduction in the past six months, while 9 reported adding employees or hours.
- Spillover into household finances eased. Owners saying business finances affected their household finances "a great deal" fell from 10 (53%) to 4 (21%).
- Grant experience was uniformly positive. Every respondent agreed that the application was easy, documentation reasonable, communication clear, and funds timely; all 20 would recommend the program to other business owners.
- Grants were used mainly to keep the doors open: operating expenses (17 of 19), salaries and wages (9), and inventory or supplies (8). Eleven businesses used the grant exactly as they had planned at baseline.
- Debt and savings positions improved modestly. Businesses with a bank loan fell from 8 to 5, and those with a business savings account rose from 8 to 13.
- Psychological distress did not improve. Positive screens for anxiety rose from 3 to 5 among the 16 owners with scores at both waves.
- Owners overwhelmingly favor small grants like InSPIRe as a future disaster recovery tool (18 of 20), and 6 would contribute regular payments to a shared resilience fund (12 are unsure).

Midline Survey Response

The midline survey was sent to the 30 businesses that consented to research follow-up at the baseline survey, plus additional awarded businesses reached through CCI. Twenty businesses completed the midline survey. Nineteen appear in both waves and form the matched panel used for all before-and-after comparisons in this memo; one midline respondent did not complete a baseline survey, and 11 baseline respondents had not yet completed the midline survey as of September 2.

Who did not respond: The 11 baseline-only businesses look similar to the matched panel on operational status and closure risk, but were somewhat less likely to have reported a "large negative effect" from Helene at baseline (7 of 11 versus 16 of 19). The one business that was temporarily closed at baseline did not respond at midline. The matched panel therefore leans slightly toward harder-hit businesses.

Business size: Midline respondents currently support a median of 5 full-time-equivalent employees (mean 7.2; range 1.5 to 30), or 144.5 FTE across the 20 businesses.

Source: survey data; midline n = 20; matched panel n = 19.

Business Recovery

Operational status: Two businesses moved from partial to full operation between baseline and midline. None moved backward, and no business has closed.

Please describe your business's current operational status.	Baseline n (%)	Midline n (%)
Fully operational	14 (74%)	16 (84%)
Partially operational (fewer hours, reduced services, or limited capacity)	5 (26%)	3 (16%)

Source: survey data; matched panel, n = 19 at both waves.

Closure risk: Closure risk shows the clearest improvement in the survey. Seven of the nine businesses that reported moderate risk of closure in the spring now report no risk. Two businesses moved in the other direction, from "not at risk" to "moderate risk," and one to "I don't know."

Is your business currently at risk of closure?	Baseline n (%)	Midline n (%)
Not at risk	7 (44%)	14 (78%)
Moderate risk	9 (56%)	4 (22%)

Source: survey data; matched panel; baseline n = 16, midline n = 18. Excludes 3 baseline and 1 midline respondents who answered, "I don't know."

Workforce changes: At baseline, 12 of 19 businesses had reduced employees or hours since Hurricane Helene. At midline, only one business reported a reduction in the past six months, while nine reported adding employees or hours. Of the seven businesses that had cut headcount at baseline, five have since added employees or hours. The two questions use different reference points (pre-hurricane at baseline;

the past six months at midline), so the table shows direction of change rather than a return to pre-storm levels.

How does your current number of employees compare to [pre-hurricane levels / six months ago]?	Baseline n (%)	Midline n (%)
Number of employees increased	1 (5%)	5 (26%)
Same number of employees, but hours have increased	0 (0%)	4 (21%)
No change in employees or hours worked	6 (32%)	9 (47%)
Same number of employees, but hours have decreased	5 (26%)	0 (0%)
Number of employees decreased	7 (37%)	1 (5%)

Source: survey data; matched panel, $n = 19$ at both waves.

InSPIRe's contribution to staffing growth: The 10 midline respondents who reported adding employees or hours were asked how much the InSPIRe grant contributed to that change. Half said a moderate amount or a great deal.

You said your number of employees or hours has increased in the past 6 months. How much did the InSPIRe grant contribute to that change?	n (%)
A great deal	1 (10%)
A moderate amount	4 (40%)
A little	3 (30%)
Not at all	2 (20%)

Source: survey data; $n = 10$ (asked only of respondents reporting an increase).

"We reopened from Helene in the fall, but our busy season is typically the spring and summer. We used the InSPIRe grant to supplement our operating income during the off-season until we could have our first profitable tourist season."

InSPIRe Recipient

InSPIRe Grant Experience and Use

Grant process: Ratings of the grant process were uniformly positive. No respondent gave a neutral or negative rating on any of the five process items.

Thinking specifically about your experience with the InSPIRe grant process, how much do you agree or disagree with the following statements?	Strongly agree	Agree
The application process was easy to understand	14 (70%)	6 (30%)
The documentation required was reasonable	13 (65%)	7 (35%)
Communication about the grant was clear	16 (80%)	4 (20%)
Funds were delivered quickly enough to be useful	11 (55%)	9 (45%)
I trusted this program to support my business	13 (65%)	7 (35%)

Source: survey data; n = 20. No respondent selected neutral or disagree.

Perceived impact: All 20 respondents agreed the grant made things easier financially and increased their confidence in meeting business needs, and all 20 would recommend the program. Ratings on rehiring and retaining employees were more mixed; neutral responses (35% for rehiring and 10% for retention) came primarily from businesses that reported no staffing change, suggesting the item did not apply rather than dissatisfaction.

How much do you agree or disagree with the following statements? The InSPIRe grant...	Strongly agree	Somewhat agree
Made things easier financially for my business	12 (60%)	8 (40%)
Allowed me to feel more confident in my ability to meet my business needs	11 (55%)	9 (45%)
Allowed me to rehire employees	4 (20%)	7 (35%)
Allowed me to retain employees	8 (40%)	9 (45%)
I would recommend the InSPIRe grant to other business owners	15 (75%)	5 (25%)

Source: survey data; n = 20.

Planned versus actual use: At baseline, respondents were asked how they planned to use the grant; at midline, how they actually used it. Operating expenses dominate at both waves, and 11 of 19 businesses used the grant exactly as planned. Where use shifted, it shifted toward operating expenses and payroll and away from capital items such as equipment and technology.

Which of the following best describes how you [plan to use/used] the InSPIRe grant? Select up to three.	Planned (baseline) n (%)	Actual (midline) n (%)
Operating Expenses	15 (79%)	17 (89%)
Salaries/Wages	11 (58%)	9 (47%)
Inventory/Supplies	11 (58%)	8 (42%)
Equipment	4 (21%)	3 (16%)
Debt repayment	3 (16%)	2 (11%)
Property Improvements	1 (5%)	1 (5%)
Technology	1 (5%)	0 (0%)

Source: survey data; matched panel, n = 19. Categories are not mutually exclusive.

In their own words: Seventeen of 20 respondents described how the grant affected their business. Common themes were bridging the slow off-season while revenue remains below pre-storm levels, keeping staff paid without layoffs, rebuilding inventory, avoiding additional debt, and the emotional value of feeling seen after being excluded from other disaster funding. Several noted that the amount was modest relative to their losses.

*"At a time after Helene when many of us felt invisible and unheard, the InSPIRe grant became available and we felt not only financial support, but an important psychological lift."
InSPIRe Recipient*

*"Since Hurricane Helene, business levels have not returned to pre-Helene levels, so this grant was critical to supporting operating expenses without taking on more debt."
InSPIRe Recipient*

*"Our Inspire grant allowed us to almost pay our business rent for one month. That was ~\$2k that we didn't need to account for when doing restoration work. Every little bit helps. I hate that \$2k seems like a "little bit" ...but it is only 1/4 of our \$8k monthly overhead."
InSPIRe Recipient*

Other Assistance and Future Recovery Solutions

Other financial support received: Nonprofit and community grants remain the most common source of assistance other than InSPIRe. Four respondents reported receiving no other financial support. The baseline asked about support sought and received since the storm; the midline asked only about support received, so the two waves are not directly comparable on this item.

As a result of Hurricane Helene's impacts, have you received any financial support for your business, excluding the InSPIRe grant? Select all that apply.	n (%)
Non-profit or community organization loans or grants	14 (70%)
SBA loans or grants	7 (35%)
Insurance claims	4 (20%)
Local government aid	1 (5%)
Other (Chimney Rock grant, Lowe's grant, crowdfunding)	3 (15%)
None reported	4 (20%)

Source: survey data; n = 20. Categories are not mutually exclusive. Two respondents who selected "Other" and wrote "none" are counted as "None reported."

InSPIRe compared with other assistance: Among the 19 respondents who answered, most found InSPIRe easier to use, more flexible, and preferable to other forms of assistance. No respondent disagreed with any of the three statements.

When comparing your experience with other types of assistance after Helene (insurance, business loans, grants, etc.), how much do you agree or disagree with the following statements?	Strongly agree	Agree	Neither
It was easier to use the InSPIRe grant than other forms of assistance	8 (42%)	7 (37%)	4 (21%)
The InSPIRe grant gave me more flexibility than other forms of assistance	6 (32%)	8 (42%)	5 (26%)
I preferred the InSPIRe grant to other forms of assistance	7 (37%)	7 (37%)	5 (26%)

Source: survey data; n = 19.

Future disaster recovery solutions: Nearly all respondents would support small grants similar to InSPIRe. Interest in insurance supplements and membership-based resilience funds was more limited. When asked directly whether they would contribute a small regular payment to a shared disaster recovery fund, 6 said yes, 12 were unsure, and 2 said no.

Which of the following future disaster recovery financial solutions would you support? Select all that apply.	n (%)
Small grants similar to InSPIRe	18 (90%)
A low-cost insurance supplement tied to existing coverage	6 (30%)
A voluntary membership or subscription-based resilience fund	5 (25%)
Other	2 (10%)
Not sure	2 (10%)

Source: survey data; n = 20. Categories are not mutually exclusive. "Other" responses: discounted resilience solutions (solar, generators) and state-level advocacy for small businesses in insurance disputes.

Would you consider contributing a small, regular payment (for example, monthly or annually) to a shared disaster recovery fund if it reduced future risk for your business?	n (%)
Yes	6 (30%)
Maybe / Not sure	12 (60%)
No	2 (10%)

Source: survey data; n = 20.

"There are so few resources for small businesses following a natural disaster other than taking on more debt, such as an SBA disaster loan. We fought for every penny that we received from insurance. Need someone to advocate for small businesses that are fighting the insurance industry at the state level."
InSPIRe Recipient

Business Financial Health

Business debt: The share of businesses carrying a bank or credit union loan declined between waves, while other debt types were stable. Of the six businesses that owed more than \$50,000 on bank loans at baseline, three still do, one has reduced the balance to \$25,001 to \$50,000, and two no longer report a bank loan. One business took on an online-lender loan and one a merchant cash advance or factoring arrangement since baseline.

Does your business currently have this kind of debt?	Baseline n (%)	Midline n (%)
Bank or credit union business loan	8 (47%)	5 (26%)
Auto or commercial vehicle loan	5 (29%)	5 (28%)
Online lender (e.g., Lending Club, OnDeck, PayPal)	0 (0%)	1 (5%)
"Buy now, pay later" loan	1 (6%)	1 (5%)
Merchant cash advance, invoice factoring, or revenue-based financing	0 (0%)	1 (5%)
Business credit cards or lines of credit	—	12 (67%)
Commercial real estate loan	—	3 (17%)

Source: survey data; matched panel. Denominators vary by item due to non-response (baseline n = 16–17; midline n = 18–19). Credit card and commercial real estate items were added at midline (matched panel, n = 18; one 'prefer not to say' excluded on the credit card item).

Credit cards: Among businesses with credit cards at both waves, balances were essentially unchanged: all three businesses owing more than \$25,000 at baseline still do. One business reported being behind on card payments at midline; none did at baseline.

Credit card status	Baseline n (%)	Midline n (%)
Carries an unpaid balance after last payment	10 (67%)	8 (67%)
Behind on payments or in collections	0 (0%)	1 (8%)

Source: survey data; matched panel; baseline n = 15, midline n = 12 (asked only of cardholders).

Savings and assets: Five more businesses reported holding a business savings account at midline than at baseline; no business that had one at baseline reported closing it. Reported savings amounts moved in both directions: three businesses moved up from the \$10,001 to \$25,000 band to \$25,001 to \$50,000, two moved down from \$25,001 to \$50,000 to \$10,001 to \$25,000, and one reported drawing reserves down from \$75,001 to \$100,000 to \$0. All respondents hold a business checking account, and use of alternative financial services (payday, auto title, or pawn loans) remains essentially nil at both waves.

Does your business currently have a savings account or money market account?	Baseline n (%)	Midline n (%)
Yes	8 (50%)	13 (76%)
No	8 (50%)	4 (24%)

Source: survey data; matched panel; baseline n = 16, midline n = 17. Excludes 1 baseline and 2 midline respondents who answered "Prefer not to say"; 2 baseline respondents skipped the item.

*"Allowed us to rebuild our inventory and reduce the transactional cost of running super lean."
InSPIRe Recipient*

Household Spillover and Well-being

Financial spillover to households: Business financial strain continues to reach owners' household finances, but less intensely than at baseline. Seven of the 10 owners who said business changes affected their household finances "a great deal" at baseline now say "somewhat." The recall window changed from "since Hurricane Helene" at baseline to "in the past 6 months" at midline, which may account for part of the shift.

How much have changes in your business's financial situation affected your personal or household finances?	Baseline n (%)	Midline n (%)
A great deal	10 (53%)	4 (21%)
Somewhat	7 (37%)	10 (53%)
A little	2 (11%)	5 (26%)
Not at all	0 (0%)	0 (0%)

Source: survey data; matched panel, $n = 19$ at both waves.

Health insurance and care access: Health insurance status was stable between waves; the same two owners are uninsured at both waves. Cost-related delays in care remain uncommon.

In the past 3 months, have you or someone in your household...	Baseline n (%)	Midline n (%)
Delayed or skipped a doctor's visit because of cost	2 (12%)	3 (16%)
Delayed or skipped filling a prescription because of cost	1 (6%)	0 (0%)
Delayed or skipped mental health care because of cost	2 (12%)	2 (11%)

Source: survey data; matched panel; baseline $n = 17$, midline $n = 19$.

Psychological distress (PHQ-4): The PHQ-4 combines two anxiety items (GAD-2) and two depression items (PHQ-2), each scored 0 to 6. Among the 16 owners with complete scores at both waves, the mean total score rose slightly from 2.5 to 2.8. Four owners improved, six were unchanged, and six worsened. Positive screens for anxiety increased from 3 to 5, while positive screens for depression fell from 1 to 0. Anxiety, rather than low mood, remains the more common symptom. This is consistent with other literature reporting that small business owners often face substantial stressors—especially workload, financial uncertainty, administrative burden, isolation, and work–family conflict—and many studies report moderate to high stress, strain, or related distress in sizable subgroups,¹ especially among microbusinesses, women, younger owners, and certain rural or small-team contexts.²

¹ Lee, S. H., Patel, P. C., & Phan, P. H. (2023). Are the self-employed more stressed? New evidence on an old question. *Journal of Small Business Management*, 61(2), 513–539.
<https://doi.org/10.1080/00472778.2020.1796467>.

² Newlin, A. M. B. (2020). More Specific than “Small”: Identifying Key Factors to Account for the Heterogeneity in Stress Findings among Small Businesses. In P. L. Perrewé, P. D. Harms, & C.-H. Chang (Eds.), *Entrepreneurial and*

PHQ-4 score category	Baseline n (%)	Midline n (%)
Normal (0–2)	10 (63%)	8 (50%)
Mild (3–5)	3 (19%)	6 (38%)
Moderate (6–8)	3 (19%)	2 (13%)
Severe (9–12)	0 (0%)	0 (0%)

Positive screen (subscale score ≥ 3)	Baseline n (%)	Midline n (%)
GAD-2 (anxiety, items 1–2)	3 (19%)	5 (31%)
PHQ-2 (depression, items 3–4)	1 (6%)	0 (0%)

Source: survey data; matched panel with complete PHQ-4 at both waves, $n = 16$.

Institutional trust: Trust in financial institutions was unchanged and remains divided. Confidence that existing policies and regulations protect customers of financial institutions rose.

Statement	Baseline agree n (%)	Midline agree n (%)
"I generally trust financial institutions to act honestly and ethically."	10 (59%)	11 (58%)
"I am confident that existing policies and regulations protect customers of financial services institutions."	8 (47%)	14 (74%)

Source: survey data; matched panel; baseline $n = 17$, midline $n = 19$. Disagreement with the first statement: 3 at baseline, 5 at midline; with the second: 5 at baseline, 3 at midline.

"Post-Helene, finances has been a challenge - the InSPIRe grant relieved our small business from finances stressors so we could focus on being open with the right amount of staff, equipment and facilities."
InSPIRe Recipient

Small Business Stressors, Experienced Stress, and Well-Being (Vol. 18). Emerald Publishing Limited.
<https://doi.org/10.1108/S1479-355520200000018005>.

Data Notes and Limitations

- **Sample size.** With 19 matched businesses, individual responses move percentages by roughly 5 points. Differences of one or two respondents should not be over-interpreted.
- **No comparison group.** Regional recovery and seasonal tourism were working in the same direction as the grant during this period, so before-and-after changes cannot be attributed to InSPIRe alone.
- **Question wording changes.** The staffing question changed its reference point (pre-hurricane at baseline; past six months at midline) and the household spillover question changed its recall window (since Helene; past six months). Both are shown as direction of change only.
- **Denominators.** Card-related items were asked of all respondents at baseline but only of cardholders at midline. Item-level non-response also varies. Percentages exclude respondents who answered 'I don't know' or 'prefer not to say' and those who skipped the item. The denominator for each table is reported in its source line. This matches the convention used in the baseline report.
- **Wellbeing.** Three matched respondents skipped the PHQ-4 at baseline; PHQ-4 comparisons use the 16 with complete scores at both waves.