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**NEW YORK CITY'S SMALL AND MEDIUM SIZE COMPANIES
ARE POORLY PREPARED FOR EMERGENCIES AND DISASTERS**

**SURVEY: ONLY ONE IN FOUR BUSINESSES HAVE A FORMAL PLAN;
LACK OF INCENTIVES, INFORMATION AND TRAINING CITED**

New York – October 4, 2006 – Small and mid-size businesses in New York City are poorly prepared for emergencies and the major obstacles cited by businesses include the lack of compelling incentives and the lack of information and training necessary to prepare. The new survey by the American Red Cross in Greater New York (ARC/GNY) and New York University's Center for Catastrophe Preparedness and Response (CCPR) finds that less than one quarter of surveyed businesses have a formal preparedness plan and only four in 10 businesses report providing any preparedness information or training to their employees.

“Emergencies affecting commercial and residential areas of our city strike quickly at any time,” said Theresa A. Bischoff, CEO, American Red Cross in Greater New York. “Being prepared is vitally important to business so it can safeguard employees and ensure the survival of the business.”

“Businesses need the answer to two basic questions when it comes to preparedness, not only ‘what to do’ but also ‘why to do it,’ ” according to Bill Raisch, Director of the International Center for Enterprise Preparedness at NYU. “Businesses, especially small and mid-size businesses, have limited time, money and other resources. Without a compelling business case for preparedness, they are not going to make the effort – we need a clearly understood ‘why’ including bottom-line incentives for business to prepare. Additionally, the ‘what to do’ needs to be simple and doable with basic training and other resources easily accessible,” stresses Raisch.

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Among the key findings of the study of 200 small and medium sized business in New York City:

- Only 23 percent of businesses have a formal written program for emergencies;
- Only 24 percent are “very prepared” for a disease pandemic;
- For hurricanes and other severe weather, just 38 percent consider themselves “very prepared”;
- More than half, 54 percent, said they are not prepared for terrorism;
- Preparedness information or training for employees is provided by only 40 percent of businesses.

Businesses were asked about both motivators and obstacles to undertaking preparedness efforts:

- Businesses that did not take any steps to prepare cited obstacles including not enough information (46 percent), lack of financial / staff resources (41 percent), not enough expertise (32 percent).
- Those businesses that did take some steps to prepare did so for basic business reasons including risk to employees or business operations (69 percent), legal liability (61 percent), risk to business reputation (49 percent), regulatory requirements (46 percent) and insurance requirements (37 percent).

The findings suggest:

- Need to increase awareness and accessibility of existing preparedness resources and augment them with additional information where necessary.
- Need to increase availability of training to establish the necessary expertise to develop and implement preparedness programs as well as to enable basic preparedness and emergency response activities by employees.
- Need to motivate businesses to prepare, including the need to clarify and widely communicate the existing business rationale for preparedness, expand existing incentives for preparedness and develop new incentives where appropriate.

“This survey clearly shows that small and medium size businesses are particularly vulnerable to emergencies of all kinds – yet it is in these businesses that the majority of us work,” said Mr. Raisch. “It is these businesses that form the backbone of both our local and national economy.”

Based on the key findings of this report, both ARC/GNY, which helps nine million people in New York City and Orange, Putnam, Rockland and Sullivan Counties prevent, prepare for and respond to emergencies, and NYU, which focuses on enabling business preparedness, have committed to providing greater assistance to businesses of all sizes to help them employ emergency preparedness planning as a significant component of the corporate structure.

“In response to this survey, the Red Cross in New York will ensure that information will continue to become more widely available,” added Ms. Bischoff. “We will help companies develop effective preparedness plans for their organizations and help them determine how to expand safety training to their employees.

For more detailed information about this survey and the complete report, visit www.nyredcross.org/research or www.nyu.edu/ccpr .

The American Red Cross in Greater New York (ARC/GNY) is a humanitarian partner and a key participant in New York’s plans and programs to help the nine million people in New York City and Orange, Putnam, Rockland and Sullivan Counties prevent, prepare for and respond to emergencies. The largest Red Cross Chapter in the U.S., ARC/GNY provides immediate aid to more than 100,000 people affected by more than 3,000 emergencies a year, including fires, floods, building collapses and blackouts. The chapter continually works with partner agencies to plan and prepare for major natural and man-made disasters. It helps New York residents and businesses prepare for emergencies by offering hundreds of courses in first aid, CPR and aquatics and free emergency preparedness training programs and resources. ARC/GNY is not a governmental organization and relies on individual and corporate gifts, special events and grants from foundations and local, state and federal government to fund its essential programs and services. For more information, call 1-877- REDCROSS (1-877-733-2767), or visit www.nyredcross.org.

The International Center for Enterprise Preparedness (InterCEP) of New York University is the world’s first academic center dedicated to private sector emergency preparedness, response and recovery. InterCEP is a funded program of the university-wide Center for Catastrophe Preparedness & Response (CCPR). Information is available at 212-998-2000 or at www.nyu.edu/intercep.

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