

2011 Impact Report of Southern Tornado Outbreak

Preliminary Business Impact Analysis for States Affected by Tornadoes



Decide with Confidence

The extreme tornado outbreaks which occurred in April 2011 in the central and southern states have caused widespread damage across the region. The direct and indirect economic impacts on the states most impacted by the tornado outbreaks are not yet fully known. The states hit the hardest by the tornadoes are Alabama, Georgia, Mississippi, and Tennessee. Dun and Bradstreet, the world's leader in business information and commercial insight, has prepared a preliminary analysis of the potential business impact.

Analysis Methodology

D&B reviewed its database of over 195 million businesses to perform this preliminary analysis. We analyzed the impact to businesses, jobs, and sales volume as well as the financial stability of those businesses in the four states, along with key industries.

Business & Socio-Economic Impacts

This tornado season has the potential to impact **323,860 businesses** throughout AL, GA, MS, and TN, affecting **1,547,652 employees** and **\$168 billion in sales volume**.

Of the 323,860 businesses, **307,921 or 95% are small business with less than 10 employees**.

Potential Business Impact by State

Of the **323,860 businesses** impacted in the four tornado outbreak states, about **37% are located in Alabama**. Tuscaloosa, AL was hit by a F5 ranked, mile-wide tornado on April 27. About **120,011 businesses** are located in Alabama, with **16,379 located in Tuscaloosa**.

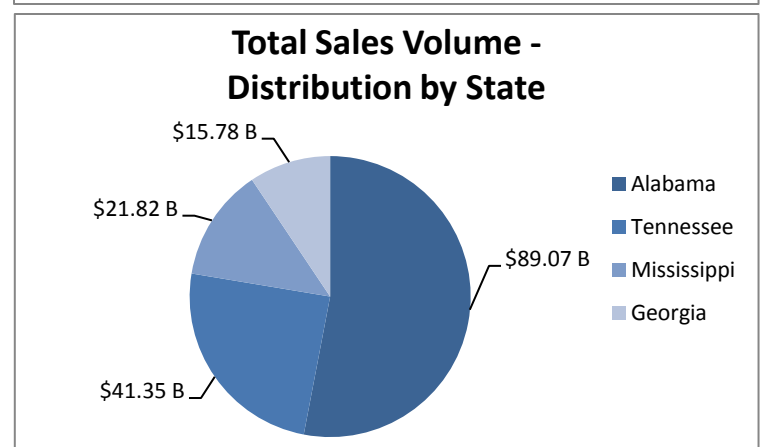
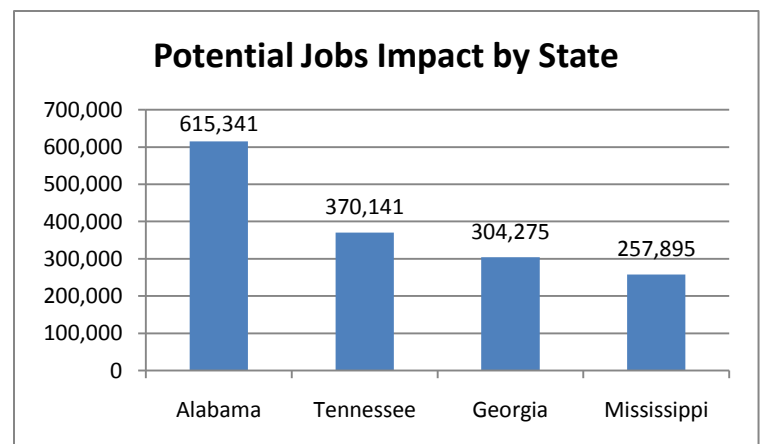
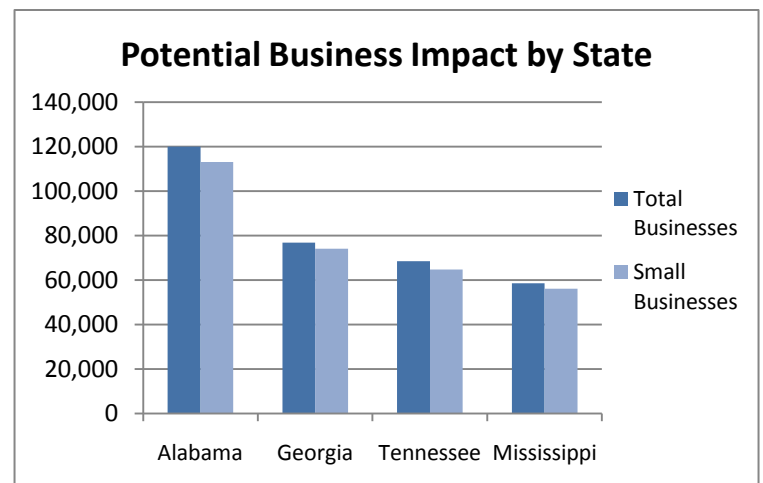
About 94% or **113,008 businesses** in Alabama are small businesses with less than 10 employees. **74,020 businesses** (96%) in Georgia are classified as small, **64,759 businesses** (95%) in Tennessee, and **56,134 businesses** (96%) in Mississippi are also considered small.

Potential Jobs Impact by State

Of the **1.55M employees** in the four states, Alabama has nearly **615,341 employees**, or 40% of the total employees potentially impacted. Tennessee has about **370,141 employees**, Georgia has **304,275**, and Mississippi has **257,895 employees**.

Potential Sales Volume Impact by State

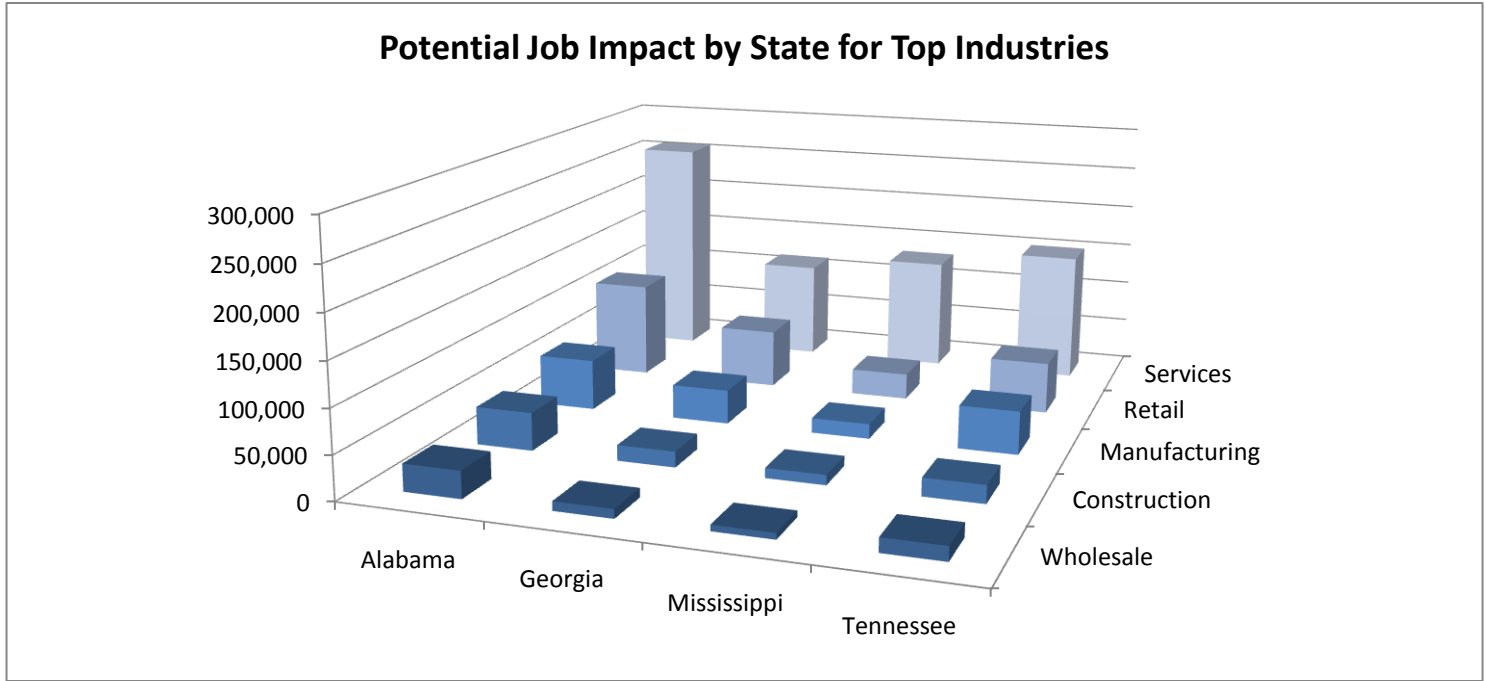
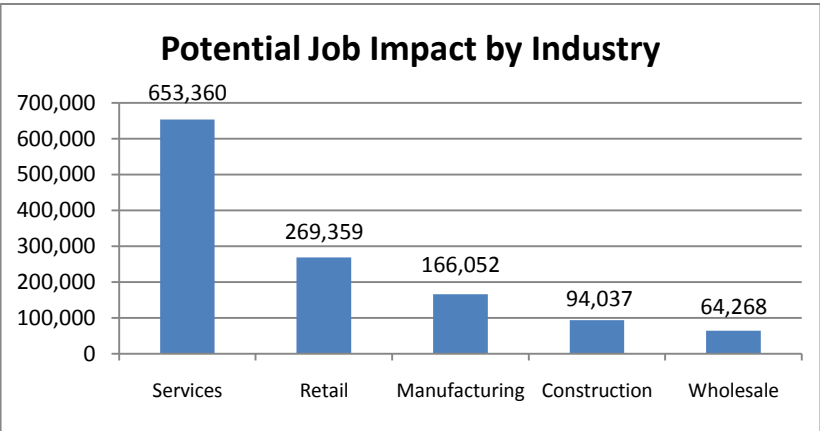
D&B found **53% (\$89.07 Billion)** of the total sales volume across all industries occurred in Alabama, and about 25% occurred in Tennessee.



Potential Impacted Industries

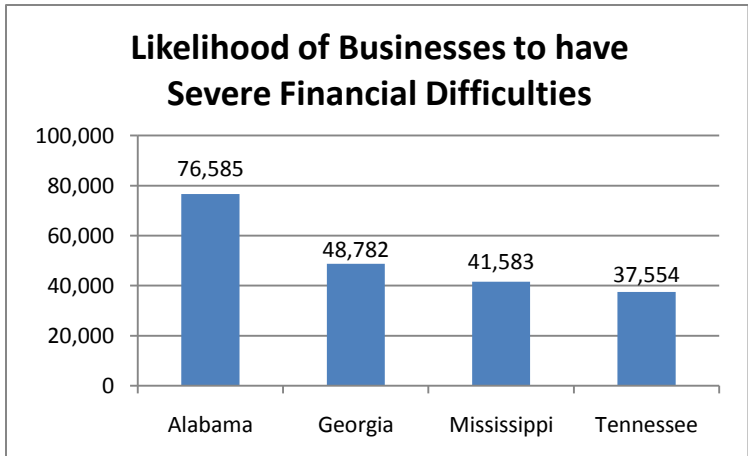
The top five industries within the four states with the largest number of jobs that can potentially be impacted by the outbreak in tornados are **Services, Retail, Manufacturing, Construction and Wholesale.**

These industries have the highest representation in terms of the number of jobs. In these five lines of business alone, nearly **217,620 businesses, 1,247,076 employees, and \$91.92 billion in sales volume** may be impacted by the tornadoes.



Likelihood of Businesses to have Severe Financial Difficulties

The D&B Financial Stress Score predicts the likelihood that a business will cease operations within the next 12 months. D&B found **204,504 businesses** within the four states were struggling prior to the tornadoes, making it increasingly difficult to recover from the tornado outbreaks. Because 95% of the total businesses are considered a small business with less than 10 employees, the majority of the 204,504 businesses with severe financial difficulties are also likely to be small businesses.



As the world's leading information provider for 170 years, D&B works with 95% of the Fortune 1000 companies. For over 30 years, D&B has worked with most Federal and state governments to help achieve their agency missions. For a more in-depth impact analysis on the outbreak of tornadoes, D&B can provide demographic analysis of affected entities (businesses & individuals), conduct geo-impact of the crisis (by State, Region, County, City, etc.), and model knock-on effects.