Business Impact Analysis for Moore, Oklahoma

On May 20, 2013, a mile-wide tornado ripped through parts of the Oklahoma City region, claiming 24 lives and damaging or destroying hundreds of schools, businesses, hospitals, and homes. President Barack Obama declared a federal disaster in five Oklahoma counties and marked the tornado as one of the most destructive in US history.\(^1\) Of the affected area, Moore, Oklahoma, was especially hard hit. Dun & Bradstreet, the world’s leader in business information and commercial insight, has prepared an analysis of the disaster’s potential business impact in Moore.

Analysis Methodology

D&B reviewed its database of more than 200 million businesses to conduct this analysis. Key highlights include the tornado’s impact on the number of businesses, employees, and industries.

Business Impact

The Oklahoma tornado potentially affected 6,133 businesses in Moore. Total annual sales volume within the affected area surpasses $1.4 billion. Approximately 30 percent of Moore businesses generate annual sales of $100,000 to $249,999, while 29 percent generate $50,000 to $99,999.

The tornado’s devastation was most acutely felt by the town’s small business sector. Of Moore’s 6,133 businesses, 4,601 – or 75 percent – are considered small businesses (defined as having 10 or fewer employees). These small businesses generate $947 million in annual sales volume. More than 70 percent of all businesses in Moore employ fewer than four people.

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Potential Impact on Jobs
Moore’s business community employs 22,223 individuals. Some 13,181 of those employees work in small businesses.

Potential Impact on Industries
Of the companies in Moore employing the most people, 43 percent belong to the services industry. Retail, Construction, and the Finance/Insurance/Real Estate segments also boast a significant presence, constituting 12 percent, 11 percent, and 8 percent of all Moore businesses, respectively.

Likelihood of Businesses to Have Severe Financial Difficulties
Among the businesses potentially impacted by the tornado, approximately 2,985 companies – nearly half of all businesses in Moore – were struggling financially prior to the disaster. D&B’s Financial Stress Score (FSS) forecasts the likelihood of a business ceasing operations within the next 12 months. FSS scores of 4 and 5 indicate a higher likelihood that businesses are struggling against financial problems. Because most businesses are small (with fewer than 10 employees), the majority of businesses facing severe financial difficulties in the tornado’s aftermath are also likely to be small businesses.

All told, more than 6,000 companies generate nearly $1.5 billion in annual sales volume in Moore, Oklahoma, and three-quarters of those companies constitute small businesses. Nearly half of Moore’s business community faced financially stressed conditions prior to the disaster. As a result, the May 20 tornado has paved a very difficult recovery and rebuilding road that will undoubtedly impact local business owners of all stripes for months to come.

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