

# LISC



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## FROM CRISIS TO CAPACITY:

Strategies for Inclusive Disaster Response and Digital Infrastructure

### About MDC

MDC catalyzes and accelerates economic mobility across the thirteen Southern states by activating changemakers, strengthening capacity, framing key issues, and cultivating networks—centering equity through it all.

### About NCIDR

The NCIDR is a collaborative of public, nonprofit, and faith-based organizations formed in 2016 following Hurricane Matthew. It was created to amplify community voice and ensure equitable access to recovery resources. The network supports stronger local leadership and works to build lasting infrastructure that distributes resources fairly across all communities.

### About the LISC BDO Network

The Business Development Organization (BDO) Network, supported by LISC, brings together rural-serving organizations that provide coaching, training, and resources to local small businesses. These BDOs seek peer learning and access to best practices. LISC supports them through a comprehensive strategy that strengthens housing, income, education, health, and economic growth in rural communities.



# DISCOVERY CONVERSATIONS IN WESTERN NORTH CAROLINA

In the spring of 2025, MDC convened and facilitated a series of conversations with members of LISC's Business Development Organization (BDO) Network to explore strategies for equitable small business recovery and digital transformation. Through NCIDR, we engaged these partners around shared challenges and opportunities.

## The discussion centered on the following objectives:

- 1** The impact of Hurricane Helene on small business digital transformation and long-term recovery.
- 2** Lessons learned by Western NC business development organizations navigating post-disaster recovery.
- 3** Community-level strategies and infrastructure that can better prepare businesses before disaster strikes.
- 4** Policy recommendations to support more effective small business development and recovery.

## WHAT WE LEARNED IN DISCUSSION

### What Did Work

#### LEVERAGING LOCAL

Local organizations with deep community ties responded quickly and effectively.

#### EXISTING NETWORKS

Communities with pre-existing relationships experienced more inclusive and efficient recovery efforts.

#### SUPPORT HUBS

The Western NC Women's Business Center, mutual aid networks, and mobile support hubs provided support faster than formal systems.

### What Did Not Work

#### BARRIERS FROM INSTITUTION

Most aid programs required collateral or formal business status, leaving out small and emerging businesses.

#### LANGUAGE JUSTICE

Emergency communications were often inaccessible and not multilingual.

#### DECENTRALIZED COLLABORATION

State and federal responses operated separately from local trust networks, weakening their impact.

### What We Might Consider

Recovery strategies should prioritize grants over loans, especially for businesses that lack formal credit access.

Place-based intermediaries and business development organizations already embedded in communities must be resourced and supported.

Investments should be made in digital infrastructure, broadband access, and multilingual emergency planning.

New and informal ventures need to be included from the beginning, not as an afterthought.



## INSIGHTS

### Access to Capital Was a Major Limiting Factor

Many recovery funding streams excluded informal or newly established businesses, leaving them without support.

This lack of capital access contributed to a decline in new business formation, indicating a rise in risk aversion and long-term economic instability in the aftermath of the disaster.

### Infrastructure and Digital Readiness Are Foundational to Recovery

Some communities experienced extreme infrastructure breakdowns, including water outages lasting up to 58 days.

Many local businesses lacked reliable electricity, internet connectivity, and backup power systems, leaving them unable to operate during and after the disaster.

Investments in broadband infrastructure, cloud-based data storage, and digital literacy training are essential to ensure communities can recover and remain functional during future disruptions.

### Equity and Trust Barriers Undermined Recovery Efforts

Latino and immigrant-owned businesses were disproportionately impacted due to language access issues and delayed availability of translated resources.

Historical mistrust across populations that have been under-served and under-connected complicated coordination and weakened regional collaboration efforts during the response phase.

### Community-Led Efforts Proved More Effective Than Top-Down Approaches

Mutual aid groups, including the Open Arms Network and other local hubs, mobilized quickly and provided direct, culturally relevant support—often outpacing formal government and agency-led responses.

Communities that had already developed strong networks of local trust and collaboration demonstrated significantly better recovery outcomes.



## RECOMMENDATIONS

### Strengthen Cross-Sector Coordination to Address Infrastructure Gaps

Ongoing coordination among Business Development Organizations (BDOs), state and local agencies, and philanthropic funders should be formalized to map rural infrastructure vulnerabilities, including broadband, power grids, and essential services. These partnerships should support data sharing, co-investment strategies, and long-term resilience planning tailored to local needs.

### Invest in Capacity Building Through a Rural Disaster Recovery Toolkit

**Equip rural communities and business development organizations with a comprehensive Disaster Recovery Toolkit that includes:**

Mobile technical assistance units to provide on-the-ground support during and after disasters.

Multilingual and culturally relevant communication strategies to ensure timely access to resources  
Digital readiness checklists for small businesses and nonprofits to assess their preparedness, including cloud storage, backup systems, and broadband connectivity.

### Implement Inclusive Policy Solutions to Support Recovery and Growth

State leaders should prioritize reviving the North Carolina Angel Tax Credit to incentivize early-stage investment in rural and under-served.

In addition, the development of flexible relief programs that explicitly account for informal, immigrant-owned, and emerging business ventures is essential. These enterprises are often excluded from traditional support channels and require tailored financial tools to stabilize and rebuild.

### Design Future Convenings Around Equity and Localized Solutions

**Future convenings should be intentionally designed to:**

Center equity and inclusion, ensuring the voices of historically excluded communities are prioritized.

Promote place-based collaboration frameworks that support local leadership and trust networks.

Surface community-led solutions and strategies that can scale or inform policy and funding priorities at the state level.

These gatherings should serve as learning labs, policy incubators, and platforms for shaping a more responsive and just disaster recovery ecosystem.