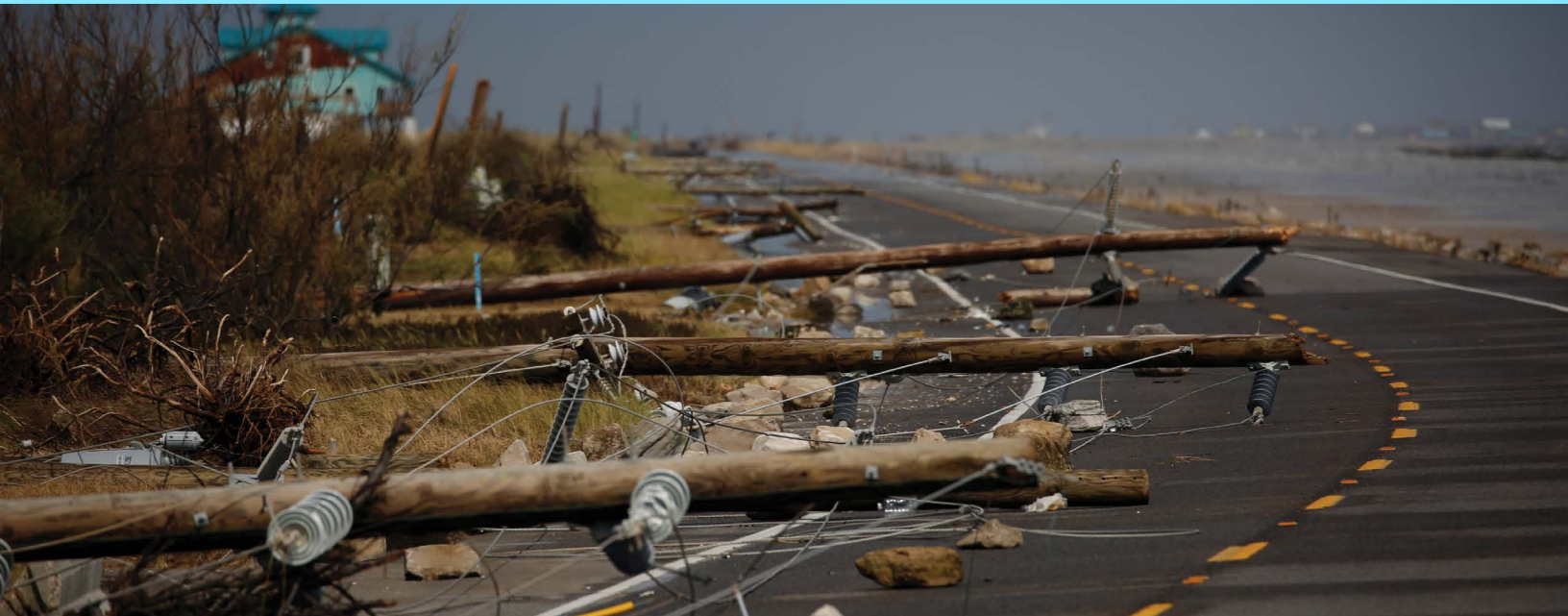


Beyond the Payoff: How Investments in Resilience and Disaster Preparedness Protect Communities

Resilience Report 2025

Produced by the U.S. Chamber of Commerce, Allstate,
and the U.S. Chamber of Commerce Foundation



U.S. Chamber of Commerce



Allstate



U.S. Chamber of Commerce
Foundation

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Introduction

More Disasters, Higher Costs, Uneven Community Preparedness

In 2024 alone, the U.S. experienced 27 separate billion-dollar disasters, totaling \$182.7 billion in damages. That marked the fifth consecutive year with 18 or more such events, underscoring a new normal for communities across the country.

Storms are becoming more frequent, more severe, and more expensive. While disasters are inevitable, their toll on people, property, and the economy is not. Strategic investments in resilience can reduce disruption, speed recovery, and protect lives and livelihoods.

In June 2024, the U.S. Chamber of Commerce, Allstate, and the U.S. Chamber of Commerce Foundation released *The Preparedness Payoff: The Economic Benefits of Investing in Climate Resilience*, which found that every \$1 invested in disaster preparedness saves \$13 in future losses. This follow-up report, *Beyond the Payoff*, builds on that research and shows that underinvestment today can cost communities even more tomorrow—up to \$33 in lost future economic activity for every dollar not invested in resilience before a disaster strikes.

This report also highlights how local, state, and federal leaders can take action. Resilience is a shared responsibility. By adopting a calibrated, risk-informed approach, communities can strengthen their adaptive capacity and reduce long-term costs.

Our goal is to help all Americans, including policymakers, business leaders, families, and individuals better understand the risks posed by severe weather and recognize the role we all play in building safer, stronger, and more resilient communities for generations to come.

Key Finding

Every dollar not invested in disaster resilience today can cost communities up to \$33 in lost future economic activity.

Nailed It

One Allstate Agent's Blueprint for Community Resilience

When Hurricane Ida tore the roof off Nicholas Hebert's home in Houma, Louisiana, he learned something he now repeats to every customer who will listen: the smallest choices in renovation materials can make a world of difference. One example he loves because it's simple—a ring shank nail. “With fortified construction, a ring shank nail has roughly double the holding power, and it costs only a fraction more,” he says.

After Ida, Hebert started showing people his own loss report to make the stakes real: “Without the upgrade, you could be replacing your sheetrock, your walls, your contents, and you might be out of your home for months; with it, you're often fixing shingles and moving on.”

“The home is the biggest investment you have,” says Hebert. “What can I do to make it safe for my family and myself to live? I believe a fundamental part of being an agent is to educate customers on things like fortified construction and fortified roofing. It could give them a safer home, help them with discounts to potentially lower premiums, and—maybe most importantly—provide them peace of mind.”

That's resilience at the community level—practical steps, taken early, that help families stay in their homes or return faster, while keeping local economies moving when severe weather strikes.



The home is the biggest investment you have. What can I do to make it safe for my family and myself to live?”

Nicholas Hebert, Allstate Agent



Executive Summary

Disaster Resilience Is a High-Return Investment

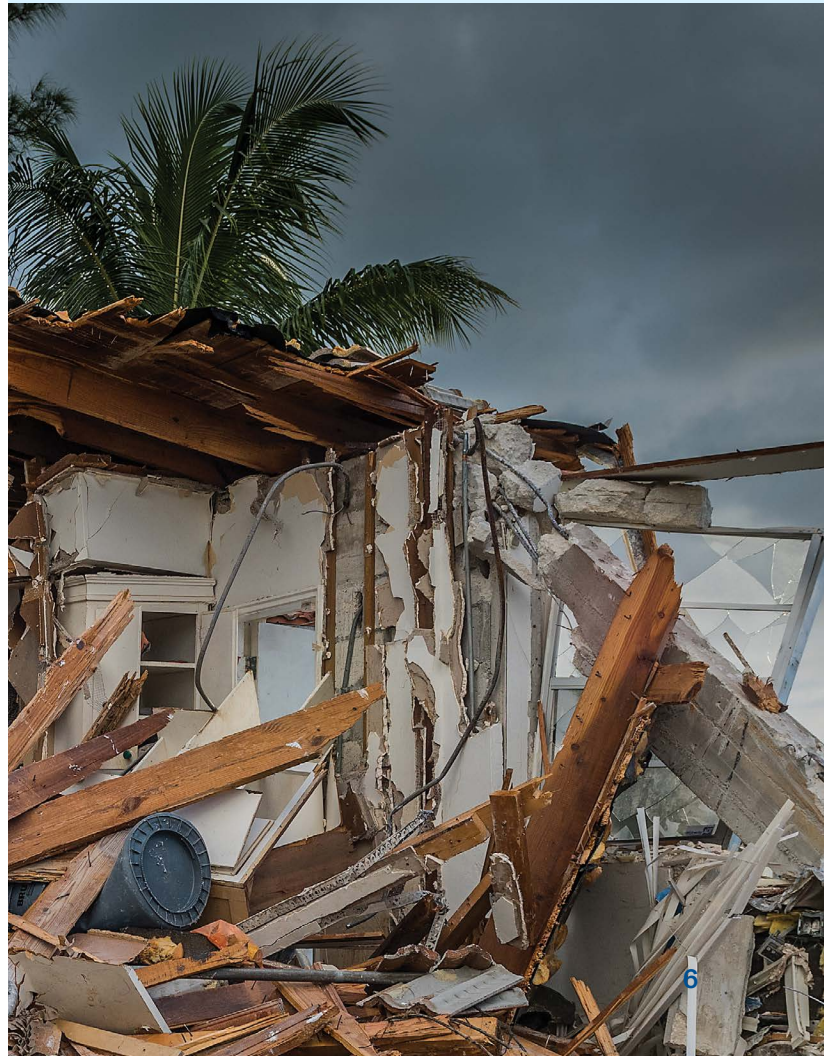
This study models four disaster preparedness investment scenarios to show how different funding levels can shape the future economic health of a community. Each scenario assumes a disaster occurs 10 years from now, in 2035.

The findings are clear:

- Every dollar not invested in disaster resilience today results in an average of \$22.60 in lost future economic activity after a disaster strikes.¹
- In some cases, the cost of not investing climbs even higher. Over the next decade, communities could lose more than \$30 for every dollar not spent on preparedness (see Droughts in the Southwest/Plains, Scenario 4).
- Resilience funding protects jobs. For example, in hurricane scenarios, our study finds that limited investment (Scenario 4) could lead to the loss of up to 131,000 jobs.
- Preparedness is not just a safety measure. It's a local economic development strategy.
- High investment in resilience cuts GDP losses by billions. For example, in tornado-prone areas, high investment cuts GDP losses by \$1.3 billion.
- Across all scenarios, lower funding leads to significantly higher long-term costs.

¹. On average, across all types of disasters analyzed and using investment scenario 4.

Investing in disaster preparedness, resilience, and mitigation is a smart, cost-saving strategy that protects both communities and economies, no matter when or where severe weather strikes.





Perspectives from the Field

In addition to economic modeling, Allstate, the U.S. Chamber and the U.S. Chamber Foundation surveyed emergency managers, engineers, planners, and other resilience professionals.¹ Their insights, detailed in Appendix 2 reveal widespread agreement on the need for better coordination and more efficient use of resources. Key takeaways include:

- Coordination between public and private sectors needs improvement. Half of respondents say current efforts are poorly coordinated, while another 46% say there's room for improvement.
- Fifty-nine percent say clearer processes and better resource allocation would have the greatest impact on improving partnerships.
- Federal financial assistance is essential. Most respondents (58%) say it is the most needed form of support during a disaster.

Few experts believe that any level of government is fully prepared for weather-related disasters. These findings underscore the need for smarter investment, stronger collaboration, and a shared commitment to building resilience across sectors and communities.

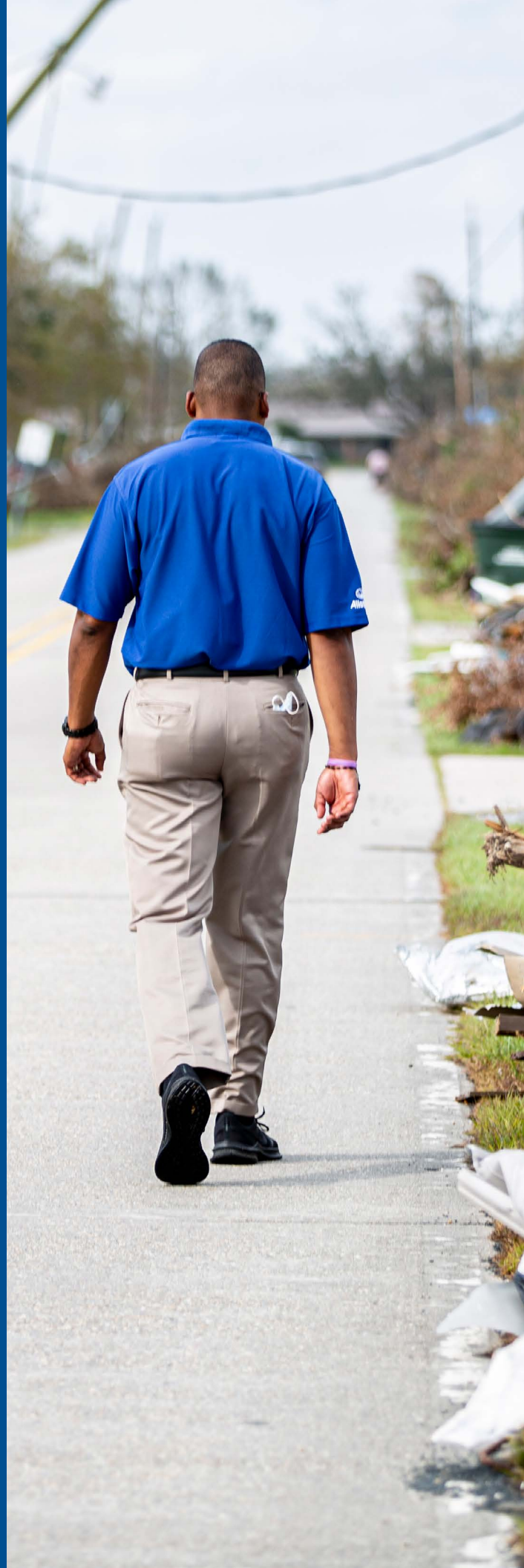
1. Respondents needed to be an emergency manager, community planning and development officer, financial controller, chief resilience officer, risk and resilience officer, or management-level professional at a disaster-related organization in the U.S.

The Path Forward: Building Stronger American Communities

There are many tools that communities can use to reduce risk and strengthen their ability to recover faster from disasters. Knowing where and how to focus efforts is key to achieving resilient outcomes, and this can be done by investing across six key “Levers of Resilience,” outlined near the end of this report:

- Risk-Informed Design
- Infrastructure and Predisaster Mitigation
- Economic Continuity and Diversification
- Governance and Cross-Sector Leadership
- Civic Engagement
- Performance Measurement and Accountability

Simply put, proactive investments in disaster preparedness and resilience both protect communities and yield long term economic benefits.



Disaster Scenarios and Their Impacts



The following disaster scenarios demonstrate that investing in preparedness before a disaster strikes is a smart, cost-saving strategy. As preparedness funding increases, communities could also see job creation and growth, population gains, and rising income and productivity.

Some disasters—such as floods, extreme heat, severe wind, and rainstorms—can happen almost anywhere. Others, like earthquakes and hurricanes, tend to affect specific regions. For example, Florida has experienced more hurricane landfalls than any other state. Texas ranks second, but every Gulf Coast and Atlantic-bordering state, along with U.S. island territories, faces significant hurricane risk.

To assess the potential economic and practical outcomes for different preparedness approaches, the study modeled five types of large-scale disasters across four disaster investment scenarios. Each scenario was applied to locales where the corresponding disasters are most likely to occur. The disasters are assumed to take place in 2035, allowing for a 10-year investment window.

Scenario 1

High Resilience Investment

Sustained support from government funding, private investment, community involvement, and strong operations and data-driven planning. Assumes communities adopt strict zoning and building codes, make investments in infrastructure, and enact property tax rebates for installing flood-, wind-, or fire-proofing measures, with the objective of cutting future damages in half.

Scenario 2

Calibrated Investment

Focuses on infrastructure and risk-management strategies along with other initiatives that are above the Low Investment scenario but not as high as the High Resilience one, with investment levels sufficient to reduce damage by 25%.

Scenario 3

Low Investment

Reflects the current state in many communities, emphasizing community-based resilience strategies like household preparedness and early warning systems. Investment and damage levels remain unchanged.

Scenario 4

Limited Investment

Represents a minimal investment approach, similar to spending levels before most federal resilience programs were developed and when resilience was just entering the national consciousness. Investment declines and damages increase compared to current conditions.

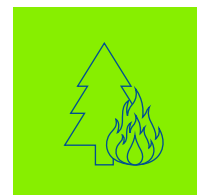
The disaster types include:



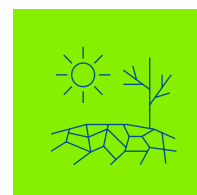
Hurricanes
Gulf/Atlantic regions



Tornadoes
Midwest/Southeast



Wildfires
Western U.S.



Drought
Southwest/Plains



Flooding
River/Coastal areas

Hurricanes in the Gulf/ Atlantic Regions

Hurricanes are the most damaging disaster type analyzed in this report. In Scenario 1, where investment is high enough to cut damages from a \$100 billion storm occurring in 2035 by half, the affected community would experience the following impacts:

- More than 59,000 lost jobs
- Nearly 28,000 people leave the area permanently
- Local GDP declines by almost \$11 billion.

These losses are substantial due to the destructive nature of hurricanes. Conversely, in Scenario 4, where preparedness investment falls by \$1 billion over 10 years (or \$100 million annually), the economic toll more than doubles:

- Job losses exceed 131,000
- Over 84,000 people relocate permanently
- Local GDP declines by more than \$24 billion and \$3.3 billion, respectively.

Higher investments reduce the damage from a \$100 billion hurricane

	Scenario 1: High Resilience Investment Investing enough to halve damage	Scenario 2: Calibrated Investment Investing enough to cut damage 25%	Scenario 3: Low Investment Current funding levels	Scenario 4: Limited Investment Reduction in funding
Amount invested or cut Over 10 years	\$8.3B	\$4.2B	No change	-\$1B
Jobs lost	-59,458	-83,740	-118,012	-131,082
Population lost	-27,696	-48,435	-74,764	-84,153
GDP lost	-\$10,940,000,000	-\$15,490,000,000	-\$21,732,000,000	-\$24,110,000,000
Ratio of savings relative to investment vs. scenario 1	NA	\$7.09	\$7.30	\$7.84
Job gains from investment or losses from decreased investment Average over 10 years	4,464	2,323	NA	-557
GDP gains from investments or losses from decreased investment Average over 10 years	\$689,000,000	\$358,000,000	NA	-\$86,000,000

\$1 → \$7

Every dollar not invested in hurricane preparedness could result in more than \$7 in lost future economic activity



Compared to Scenario 1, this means an additional 72,000 jobs lost, 56,000 more people permanently displaced, and \$13.2 billion in added GDP losses. These figures include the billions of dollars in infrastructure damage and cleanup costs that also follow a major hurricane.

Hurricanes can disrupt community services and critical infrastructure for months or even years. Impacts often include long-term disruptions to drinking water, electricity, waste removal, and other essential services. Housing, schools, and household stability are also affected—[sometimes with lasting consequences for student learning outcomes](#). In some cases, a severe hurricane can effectively wipe out a coastal community's travel and hospitality sector, eliminating thousands of jobs.

For example, Hurricane Helene in 2024 was the strongest hurricane on record to strike the Big Bend region of Florida and caused billions of dollars in damage to Georgia's agriculture sector. Helene's most severe impacts were from the historic rainfall (over 30 inches) and record-breaking flooding across much of western North Carolina. Asheville and many surrounding cities and communities were [heavily impacted](#), as were southwestern Virginia and eastern Tennessee.

Helene was the deadliest Atlantic hurricane to strike the U.S. mainland since Katrina (2005), to date. Helene's total costs were \$78.7 billion. North Carolina—with federal government support—[has worked](#) to repair or rebuild over 1,000 roads, restore power/water access to thousands of residences, and reopen state parks and cultural sites.

Scenarios 2 and 3, which model moderate and current investment levels, also reduce long-term economic losses, but not as significantly as scenario 1. These comparisons are seen in the table on the previous page.

See the Methodology section for a detailed breakdown of this calculation.

Overall, the data shows that a community could incur a cost of \$7.84 for every dollar not invested in disaster resilience.

Tornadoes in the Midwest/Southeast

In Scenario 1, where investment is high enough to reduce damages from a \$1 billion storm occurring in 2035 by half, the affected community would experience the following impacts:

- More than 6,000 lost jobs
- Over 1,800 people leave the area permanently
- GDP declines by \$940 million.

These are substantial impacts. However, in Scenario 4—where investment falls by \$1 million over 10 years (or \$100,000 annually)—the economic toll more than doubles:

- Job losses exceed 14,500
- More than 4,400 people relocate permanently
- Local GDP drops by more than \$2.2 billion

Higher investments reduce the damage from a \$1 billion tornado

	Scenario 1: High Resilience Investment Investing enough to halve damage	Scenario 2: Calibrated Investment Investing enough to cut damage 25%	Scenario 3: Low Investment Current funding levels	Scenario 4: Limited Investment Reduction in funding
Amount invested or cut Over 10 years	\$102M	\$50M	No change	-\$1M
Jobs lost	-6,512	-9,751	-12,244	-14,551
Population lost	-1,826	-2,957	-3,749	-4,458
GDP lost	-\$940,000,000	-\$1,490,000,000	-\$1,870,000,000	\$2,230,000,000
Ratio of savings relative to investment vs. scenario 1	NA	\$16.35	\$15.10	\$25.15
Job gains from investment or losses from decreased investment Average over 10 years	67	33	NA	-1
GDP gains from investments or losses from decreased investment Average over 10 years	\$10,000,000	\$4,000,000	NA	\$100,000

\$1 → \$25

Every dollar not invested in tornado preparedness could result in more than \$25 of lost future economic activity

Compared to Scenario 1, this means an additional 8,400 jobs lost, 2,600 more people displaced, and \$1.3 billion in added GDP losses.

Tornadoes strike with little warning, often leaving communities devastated. In the case of a tornado, emergency responses include providing shelter and food; distributing cleanup supplies like shovels, rakes, tarps, and gloves; assessing home damage; offering mental health support; and reuniting separated families. Recovery efforts involve rebuilding, reinforcing infrastructure, and repairing early warning systems.

Tornadoes costing \$1 billion or more are not uncommon. The Joplin tornado of 2011, with winds estimated at more than 200 miles per hour, killed 161, injured over 1,000, and wrecked more than 8,000 buildings, including a major hospital and other critical facilities. The high number of fatalities made it the deadliest single tornado in the U.S. since the National Weather Service (NWS) began

official record keeping in 1950. Additionally, the \$2.8 billion in damages made it the costliest.

Scenarios 2 and 3, which model moderate and current investment levels, also reduce long-term economic losses, but not as significantly as Scenario 1. These comparisons are shown in the table on the previous page.

See the Methodology section for a detailed breakdown of this calculation.

Overall, the data shows that a community could incur a cost of \$25.15 for every dollar not invested in disaster resilience.

See Appendix 1 for the Wildfire, Drought and Flooding Disaster Scenarios.



Levers of Resilience: Building Stronger American Communities



The research in this report, along with its 2024 companion report, *[The Preparedness Payoff](#)*, reinforces what many resilience practitioners already know: Communities that invest in preparedness and mitigation see long-term economic, social, and safety benefits. As disaster costs continue to rise, the case for strategically calibrated, long-term investment becomes even stronger. These investments reduce risk and strengthen recovery capacity.

Achieving resilient outcomes depends on knowing where and how to focus. This can be guided by six key “Levers of Resilience,” which outline where communities should invest to maximize impact. These levers support targeted, risk-informed decisions and provide a structured approach for aligning local actions with national resilience goals, ensuring that resources are effectively deployed.

1. Risk-Informed Design

Integrate hazard mitigation into the built environment through modern building codes, zoning, hazard mapping, and land use planning—ideally driven by community priorities.

- **Key Actions:** Adopt and enforce hazard-resistant building codes, improve access to risk data, and incentivize compliance
- **Strategic Value:** Reduces structural vulnerability and long-term recovery costs
- **Indicators:** Code adoption rates, reduction in insured losses, and alignment of design standards with localized risk profiles

Studies from [FEMA](#), [McKinsey & Company](#), and [IBHS](#) explore how risk-informed design strengthens resilience.

2. Infrastructure and Predisaster Mitigation

Ensure that critical lifeline infrastructure systems—such as power, water, transportation, and communications—can withstand disruption, recover quickly, and adapt to future hazards.

- **Key Actions:**
 - Modernize infrastructure using resilient design principles and nature-based solutions
 - Integrate resilience into capital improvement planning
 - Leverage public-private partnerships
- **Strategic Value:** Minimizes service disruptions, enhances continuity of essential systems, and reduces high response costs
- **Indicators:** Utility downtime metrics, tracking progress related to integrating infrastructure resilience into investment portfolios

The [Urban Index for Critical Infrastructure](#) and the National Institute of Building Sciences (NIBS) research show that every \$1 invested in mitigation can save an average of \$6 in future disaster costs.

3. Economic Continuity and Diversification

Strengthen the economic fabric of communities to withstand and recover from disruptions while maintaining economic vitality before, during and after disasters. Chambers of commerce, along with local and state governments, can play a key role in helping communities prepare and respond.

- **Key Actions:** Support small business resilience and contingency planning, expand insurance coverage, invest in workforce development, and strengthen supply chains
- **Strategic Value:** Enhances economic stability and accelerates recovery
- **Indicators:** Business survival rates, job retention, insurance coverage, and supply chain resilience

A 2022 report from the National Academies of Sciences emphasizes small business continuity as a critical factor in community recovery.

4. Governance and Cross-Sector Leadership

Foster coordinated leadership and governance structures that span sectors and levels of government.

- **Key Actions:** Establish mutual aid agreements, streamline interagency coordination, and align resilience strategies with local priorities
- **Strategic Value:** Improves operational efficiency and ensures cohesive disaster response and recovery
- **Indicators:** Effectiveness of coordination mechanisms, resource allocation, resource-sharing metrics, and stakeholder engagement levels

The Journal of Leadership Education explores these dynamics in its 2018 study *Establishing Behavioral Norms for the Emergence of Collective Leadership*.

5. Civic Engagement

Build a culture of preparedness through inclusive engagement and transparent communication. Community foundations and corporate social responsibility programs are natural allies for achieving resilience goals.

- **Key Actions:** Launch public awareness campaigns, engage community-based organizations, and promote household-level preparedness
- **Strategic Value:** Builds trust, strengthens social cohesion, and empowers communities to act
- **Indicators:** Participation in preparedness activities, insurance uptake, and public understanding of risk and response protocols

Recent work from the RAND Corporation and the U.S. Chamber of Commerce Foundation emphasizes the importance of community preparedness.

6. Performance Measurement and Accountability

Use data-driven tools to evaluate resilience outcomes and guide continuous improvement. Whether a resilience scorecard or a roadmap for a community or organization, tracking progress is essential to reducing risk and achieving desired outcomes.

- **Key Actions:** Implement resilience scorecards, conduct risk modeling, and integrate performance metrics into planning and budgeting
- **Strategic Value:** Supports evidence-based decision making and demonstrates return on investment
- **Indicators:** Accuracy of risk assessments, use of decision-support tools, and alignment with federal performance mandates

The National Research Council's study, *Disaster Resilience: A National Imperative*, stresses the importance of performance measurement and accountability.

A Calibrated Path Forward

While this framework does not prescribe specific funding levels for each lever, it emphasizes the importance of establishing baseline metrics, setting measurable goals, and aligning investments with community-specific risks. The funding level for each lever is community dependent, meaning that it would not make sense to prescribe a funding level given the unique needs of each community; therefore, levels of investment should vary. However, by adopting a calibrated, risk-informed approach, communities can strengthen their adaptive capacity and contribute to a more resilient nation.

Recommendations for Communities to Build Resilience

Here are some actionable and scalable recommendations for communities seeking more resilient outcomes and disaster preparation:

- **Strengthen Local Planning for Hazard Mitigation:** Proactively update local plans, zoning ordinances, and building codes to incorporate specific hazard mitigation requirements.
- **Fortify Critical Infrastructure:** Adapt and harden critical infrastructure, such as installing microgrids, reinforcing bridges, and burying cable.
- **Empower Small Business Resilience:** Support small business preparedness, continuity, access to capital, and appropriate insurance solutions, such as business interruption insurance.
- **Build Regional Resilience Through Partnership:** Form multi-jurisdictional partnerships to facilitate mutual aid and resource-sharing agreements that go beyond just emergency response to optimize resilience-building capabilities.
- **Mobilize Community Preparedness:** Ensure that communities, neighborhoods, and families know about disaster risks, how to reduce them, and are organized to prepare for disasters.
- **Use Risk Data to Drive Decisions:** Improve access to risk data for informing planning and implementing resilience scorecards and dashboards to track risk reduction.
- **Create a Dedicated Fund for Mitigation:** Create a non-lapsing local fund for predisaster mitigation to ensure consistent investment in risk reduction without waiting for federal disaster declarations.
- **Align Funding with Community Priorities:** Advance a resilience strategy that aligns funding streams from government, philanthropy, and the private sector with community-defined priorities that are able to be tracked, and demonstrate return on resilience.



Conclusion



Our modeling found that every dollar not invested in disaster preparedness today could multiply costs 10 years from now by a factor of seven or more. For every dollar not invested in disaster resilience, communities can expect to lose between \$7 and \$33 in future economic activity.

The long-term costs for a community skyrocket if disaster preparedness funding is reduced. But with strategic, calibrated investments, these losses can be substantially reduced.

Today, government budgets at all levels are at risk of reduced funding. Now is the time to engage in a national dialogue and explore how best to invest in sensible disaster preparedness and resilience programs and policies before disaster strikes. Investing in preparedness—such as building smart, modern, and resilient infrastructure—ensures that communities and the people living there will enjoy a safer, more prosperous, and secure

Methodology

To determine the level of investment needed to cut disaster damage in half, this study used the same approach was used as in [*The Preparedness Payoff: The Economic Benefits of Investing in Climate Resilience*](#). The research partners (Allstate, the U.S. Chamber and the U.S. Chamber Foundation) relied on research from NIBS, which shows that every \$1 invested in disaster preparedness reduces damage by \$6. Using this figure, the research partners set a goal of cutting disaster damage in half and divided that amount by six to calculate the necessary investment. Tornadoes and droughts are not included in the NIBS calculation, so the \$6 figure was used as a rough approximation in the absence of more specific data.

For example, to reduce \$100 billion damage in hurricane damage to \$50 billion, the research partners divided \$50 billion by six, resulting in an investment target of \$8.3 billion. Spread over 10 years, this equals \$833 million annually from 2025 to 2034 to prepare for a hurricane in 2035.

For the other four disasters, each assumed to be \$1.2 billion disasters, the same method was applied. This resulted in a total investment of \$102 million over 10 years—\$10.2 million annually—to prepare for each disaster by 2035. The same calculations were used to model a 25 percent reduction in damage.

In the no-change-in-investment scenario, the full cost of damages was used. In the reduced-investment scenario, the damages were assumed to increase due to a \$1 million reduction in investment spread evenly over the 10-year period.

Economic damage was estimated based on direct destruction and cleanup costs using the REMI PI+ model, which analyzed changes in jobs, population, and GDP under all scenarios.

Estimated jobs losses are expressed in full-time equivalents, representing hours of work lost during the immediate aftermath and recovery period—many of which are permanently lost. (For further details, see *The Preparedness Payoff*, 2024.)

The savings ratio was calculated by adding lost GDP and damage costs, then dividing by the total investment needed to cut damage in half plus the amount of reduced investment. This ration reflects what a community could have saved for every \$1 not invested in disaster resilience.

For example, in the hurricane scenario, the additional cost of reduced investment (\$7.84) was calculated as follows: \$13.2 billion in additional lost GDP plus \$60 billion in additional damage costs, divided by the \$9.3 billion of reduced investment. The reduced investment is the \$8.3 billion needed to halve damage and the \$1 billion in investment cuts in scenario 4.

Formula: $(\text{Lost GDP} + \text{Damage Costs}) / \text{Reduced Investment} = \$7.84 \text{ saved per dollar of reduced investment}$.

It was assumed that a hurricane causing \$80 billion of damage in 2025 dollars—similar to Hurricane Helene in 2024—would result in a \$102 billion event by 2035. For the other disasters, each was modeled as a \$1 billion event in 2025 dollars, increasing to \$1.2 billion by 2035.

Appendix 1: Wildfire, Drought, and Flooding Disaster Scenarios



Wildfires in the West

In Scenario 1, where investment is high enough to reduce damages from a \$1 billion wildfire occurring in 2035 by half, the affected community would experience the following impacts:

- More than 4,100 lost jobs
- Almost 1,300 people leave the area permanently
- Local GDP declines by more than \$700 million

However, in Scenario 4—where investment falls by \$1 million over 10 years (or \$100,000 annually)—the economic toll more than doubles:

- Job losses approach 9,800
- More than 3,100 people relocate permanently
- Local GDP drops by approximately \$1.7 billion

Higher investments reduce the damage from a \$1 billion wildfire

	Scenario 1: High Resilience Investment Investing enough to halve damage	Scenario 2: Calibrated Investment Investing enough to cut damage 25%	Scenario 3: Low Investment Current funding levels	Scenario 4: Limited Investment Reduction in funding
Amount invested or cut Over 10 years	\$102M	\$50M	No change	-\$1M
Jobs lost	-4,138	-6,563	-8,233	-9,775
Population lost	-1,285	-2,086	-2,646	-3,141
GDP lost	-\$710,000,000	-\$1,120,000,000	-\$1,400,000,000	\$1,663,000,000
Ratio of savings relative to investment vs. scenario 1	NA	\$13.65	\$12.75	\$21.87
Job gains from investment or losses from decreased investment Average over 10 years	47	23	NA	-0.5
GDP gains from investments or losses from decreased investment Average over 10 years	\$10,000,000	\$2,000,000	NA	-\$1,000,000

\$1 → \$22

Every dollar not invested in wildfire preparedness could result in more than \$22 of lost future economic activity

Compared to Scenario 1, this means an additional 5,700 jobs lost, 1,800 more people displaced, and \$950 million in added GDP losses. These figures do not include the billions of dollars in infrastructure damages and cleanup costs that also follow a major wildfire.

Wildfires can have devastating short- and long-term effects on communities. For example, the 2018 Camp Fire in Paradise, California, caused at least 85 fatalities and destroyed more than 18,000 structures. Its long-term impacts included severe damage to the local education and healthcare systems, widespread mental health challenges, and premature deaths from smoke exposure. One estimate suggests that three-quarters of Paradise's residents never returned.

Scenarios 2 and 3, which model moderate and current investment levels, also reduce long-term economic losses, but not as significantly as Scenario 1. These comparisons are shown in the table on the previous page.

Overall, the data shows that a community could incur a cost of \$21.87 for every dollar not invested in disaster resilience.

See the Methodology section for a detailed breakdown of this calculation.



Droughts in the Southwest/Plains

In Scenario 1, where investment is high enough to reduce damages from a \$1 billion drought occurring in 2035 by half, the affected community would experience the following impacts:

- More than 8,100 lost jobs
- Over 2,700 people leave the area permanently
- Local GDP declines by \$1.5 billion

However, in Scenario 4—where investment falls by just \$1 million over 10 years (or just \$100,000 annually)—the economic toll more than doubles:

- Job losses exceed 19,200
- More than 6,500 people relocate permanently
- Local GDP drops by approximately \$3.6 billion

Higher investments reduce the damage from a \$1 billion drought

	Scenario 1: High Resilience Investment Investing enough to halve damage	Scenario 2: Calibrated Investment Investing enough to cut damage 25%	Scenario 3: Low Investment Current funding levels	Scenario 4: Limited Investment Reduction in funding
Amount invested or cut Over 10 years	\$102M	\$50M	No change	-\$1M
Jobs lost	-8,116	-12,890	-16,160	-19,249
Population lost	-2,707	-4,358	-5,498	-6,553
GDP lost	-\$1,500,000,000	-\$2,390,000,000	-\$3,000,000,000	-\$3,570,000,000
Ratio of savings relative to investment vs. scenario 1	NA	\$22.88	\$20.69	\$32.72
Job gains from investment or losses from decreased investment Average over 10 years	70	34	NA	-0.7
GDP gains from investments or losses from decreased investment Average over 10 years	\$12,000,000	\$6,000,000	NA	-\$100,000

\$1 → \$33

Every dollar not invested in drought preparedness could result in more than \$33 of lost future economic activity

Compared to Scenario 1, this means an additional 11,100 jobs lost, 3,800 more people displaced, and \$2.1 billion in added GDP losses.

Droughts affect nearly every aspect of life because water is essential to human health, agriculture, and industry. Long-term impacts include the following:

- Farmers losing crops and income
- Increased costs for irrigation and well drilling
- Ranchers spending more to feed and water livestock
- Businesses tied to agriculture, such as equipment manufacturers, losing revenue
- Power companies relying less on hydroelectricity and more on costly alternatives
- Water-dependent industries, including advanced manufacturing and data centers, facing higher costs and greater risks
- Barges and ships struggling to navigate rivers and canals due to low water levels

Droughts can have a devastating impact on agriculture and associated industries. The drought and associated heat wave of 1988 that, at its peak, covered 36% of the U.S. resulted in \$78.8 billion in damages.

Scenarios 2 and 3, which model moderate and current investment levels, also reduce long-term economic losses, but not as significantly as Scenario 1. These comparisons are shown in the table. Overall, the data shows that a community could incur a cost of \$32.72 for every dollar not invested in disaster resilience.

Overall, the data shows that a community could incur a cost of \$32.72 for every dollar not invested in disaster resilience.

See the Methodology section for a detailed breakdown of this calculation.

Flooding in River and Coastal Regions

In Scenario 1, where investment is high enough to reduce the damages from a \$1 billion flood occurring in 2035 by half, the affected community would experience the following impacts:

- More than 5,700 lost jobs
- Over 2,000 people leave the area permanently
- Local GDP declines by \$950 million.

However, in Scenario 4—where investment falls by just \$1 million over 10 years (or \$100,000 annually)—the economic toll more than doubles:

- Job losses exceed 13,700
- Nearly 5,000 people relocate permanently
- Local GDP drops by approximately \$2.3 billion

Higher investments reduce the damage from a \$1 billion flood

	Scenario 1: High Resilience Investment Investing enough to halve damage	Scenario 2: Calibrated Investment Investing enough to cut damage 25%	Scenario 3: Low Investment Current funding levels	Scenario 4: Limited Investment Reduction in funding
Amount invested or cut Over 10 years	\$102M	\$50M	No change	-\$1M
Jobs lost	-5,749	-9,205	-11,428	-13,748
Population lost	-2,027	-3,310	-4,147	-4,990
GDP lost	-950,000,000	-1,520,000,000	-1,890,000,000	-2,270,000,000
Ratio of savings relative to investment vs. scenario 1	NA	\$16.73	\$15.20	\$25.44
Job gains from investment or losses from decreased investment Average over 10 years	72	35	NA	-0.7
GDP gains from investments or losses from decreased investment Average over 10 years	\$10,000,000	\$6,000,000	NA	-\$100,000

\$1 → \$25

Every dollar not invested in flood preparedness could result in more than \$25 of lost future economic activity



Compared to Scenario 1, this means an additional 8,000 jobs lost, 3,000 more people displaced, and \$1.3 billion in added GDP losses. These figures do not include the billions of dollars in infrastructure damages and cleanup costs that also follow a major flood.

Flooding can have devastating effects on communities. Immediate risks include drowning, injury, and exposure to household or industrial chemicals, waterborne pathogens, and contaminated drinking water. Over the long term, flooding has been linked to increased death rates from cardiovascular disease, infectious and parasitic illnesses, injuries, and respiratory conditions.

The June 2016 floods in West Virginia, that resulted in 23 deaths, are just one example of the devastating impact of flooding. A State of Emergency was declared in 44 of 55 West Virginia counties, and 12 counties received a Presidential Disaster Declaration. An estimated half a million people were initially without power, and thousands of buildings across the state were either damaged or destroyed, leaving many displaced. The damage total was an estimated \$1.2 billion.

Scenarios 2 and 3, which model moderate and current investment levels, also reduce long-term economic losses, but not as significantly as Scenario 1. These comparisons are seen in the table on the previous page.

Overall, the data shows that a community could incur a cost of \$25.44 for every dollar not invested in disaster resilience.

See the Methodology section for a detailed breakdown of this calculation.

Appendix 2: Perspectives From the Field



Survey of Disaster Resilience Stakeholders

In this survey, practitioners and stakeholders in the disaster resilience field, including emergency managers, risk professionals in financial services, state and local government officials, professional engineers, and community planners, were surveyed regarding disaster preparedness and response.

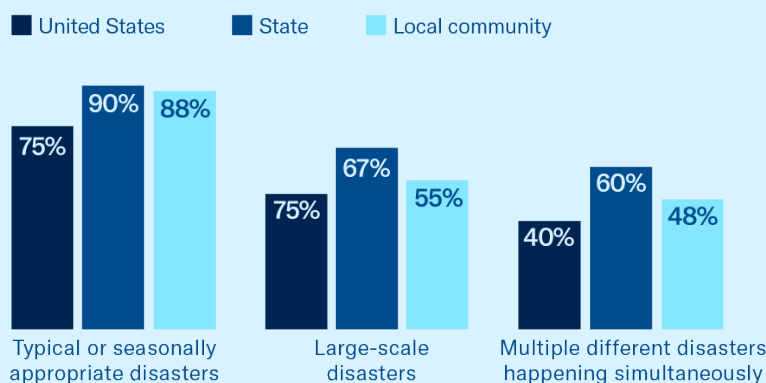
The survey's results indicate that resilience stakeholders believe there is room for improvement in disaster response and recovery, from the distribution of federal government funds to better collaboration between the public and private sectors. They also believe it's important for all levels of government to play a major role in disaster response, recovery, and building resiliency—but especially look to state/local governments to play lead roles.

Resilience Stakeholders View States as Being More Prepared for Disasters

Resilience stakeholders say state governments are the best prepared to deal with natural disasters compared to local and federal authorities. However, there is a clear sense that all government levels—federal, state, and local—are less prepared for large-scale or multiple simultaneous disasters.

How prepared is _____ to manage the following?

Percent Very/Somewhat Prepared



When it comes to typical, or seasonally appropriate natural disasters, respondents generally believe that these levels of government are ready to handle them. While states are generally seen as more prepared to handle natural disasters, not many believe that the U.S., state, or local government are very prepared. About a third of respondents believe that their state (32%) or local government (31%) is very prepared to manage typical disasters. This is even lower for the federal government: Just 15% say the U.S. government is very prepared to manage a typical disaster.

15%

say that the U.S. is very prepared to manage a typical disaster

Fed Government Viewed as Effective at Disaster Response, Less at Building Long-Term Resilience

Less than one in five resilience stakeholders believe that the federal government is very effective in any of these areas (Disaster response—16%, Disaster preparedness—10%, Disaster recovery—8%, Building resilience—4%).

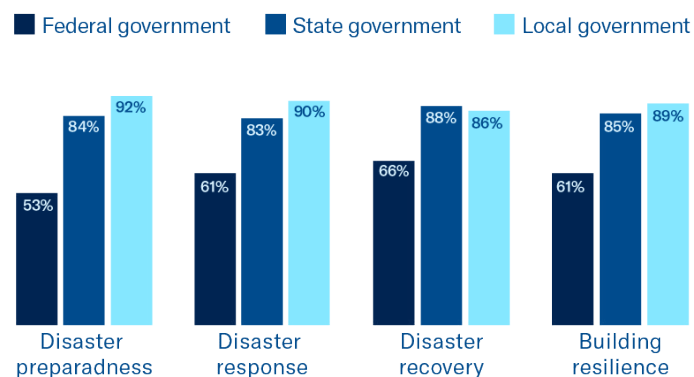
Resilience stakeholders that believe the federal government is at least somewhat effective when it comes to:



Majority Believe That All Levels of Government Should Play Major Roles in Disasters

At least four in five respondents believe that, in each disaster phase, local and state governments should play a major role. Respondents are less likely to say that the federal government should play a major role in these phases, with more saying that state and local governments should play a major role. However, whether it's disaster preparedness, disaster response, disaster recovery, or building resilience—at least 50% of stakeholders think government should play a major role. In fact, a majority of stakeholders say that the federal government should play a major role in all phases.

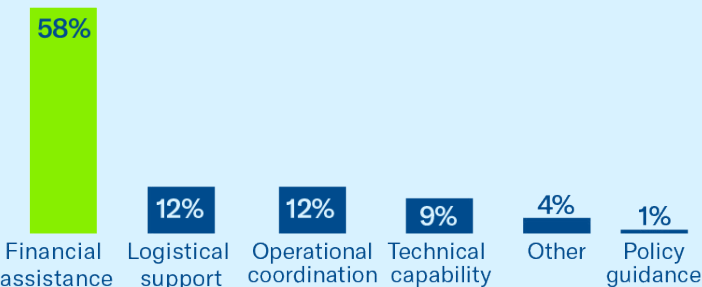
How much of a role should the following play in...



Financial Assistance Is Most Needed Form of Federal Support

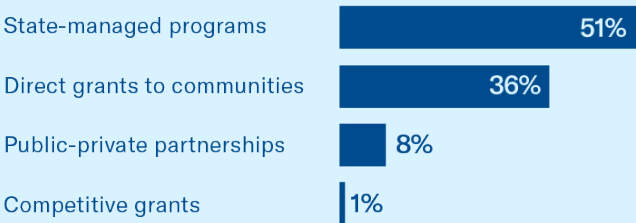
Resilience stakeholders say that the federal government’s key role is to provide financial assistance during a disaster. Other forms of federal government support, such as logistical support and operational coordination, are a distant second.

Which type of support is most needed from the federal government during disaster?



Despite the stated importance of federal financial assistance, there is room to improve how efficiently federal grants and other funds are issued, stakeholders say. Around half say that funds are distributed efficiently for disaster response (53%) and preparedness (49%). Slightly fewer say the same for building resilience for future disasters (45%), direct services and financial assistance in communities (43%), and disaster recovery (40%). Notably, while there is a division over whether funds are distributed efficiently, few believe that they are distributed very efficiently. Just 1 in 10 respondents or fewer report that funds are issued very efficiently. Resilience stakeholders prefer certain ways of distributing federal funds after a disaster—and state-managed programs are their favorite method.

Most effective ways to distribute federal funds:



10%

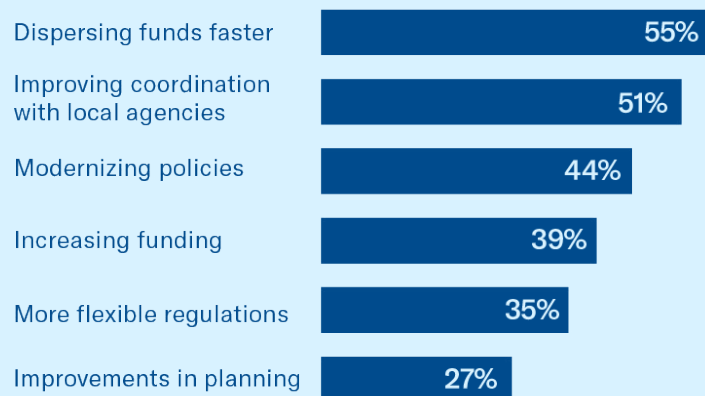
say that federal grants and other funds are distributed very efficiently for disaster response.

Majority Say Disaster Recovery Funds Could Be Dispersed Faster

Resilience stakeholders say that more can be done to distribute disaster funding more efficiently.

A majority of respondents suggest that disbursing funds faster and improving coordination with local agencies should be improvements that federal disaster recovery programs prioritize.

Ways to distribute disaster recovery funding more efficiently



Funding takes too long and causes citizens to lose property and fall into foreclosures and bankruptcy.”

Resilience stakeholder
with 15 years of experience

46%

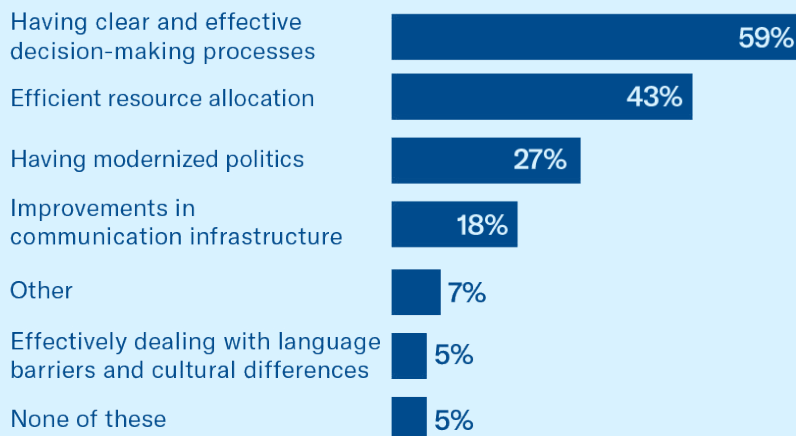
say that public-private efforts are well coordinated, but there is room for improvement

Room for Improvement on Public-Private Sector Collaboration

Nearly all resilience stakeholders report that there is improvement needed when it comes to coordinating private and public sector efforts on disaster response.

None of the respondents view these efforts as very well coordinated. A majority (59%) believe that clear and effective decision-making processes and efficient resource allocation would have the biggest impact in improving these public-private partnerships.

Which of the following would have the biggest impact on improving public-private partnerships in disaster preparedness and resilience?



50%

say that public-private efforts are not well coordinated, and a lot of improvement is needed

Survey Methodology

These findings are based on an Ipsos poll conducted between April 10-May 16, 2025. The survey included 146 professionals in disaster-related organizations across the continental U.S., Alaska, and Hawaii. Respondents were interviewed online in English. To qualify, respondents had to be emergency managers, community planning and development officers, financial controllers, chief resilience officers, risk and resilience officers, or management-level professional at a disaster-related organizations. These professionals were contacted by the U.S. Chamber of Commerce Foundation and its partners. In-person follow-ups were conducted at the 2025 Building Resilience Conference, where attendees were invited to complete the survey.

No post-hoc weights were applied to the data, and the findings reflect the opinions of the respondents.

Appendix 3: Budget Policy Recommendations from the U.S. Chamber

The president's fiscal year [2026 federal budget request](#) prioritizes resilience, while proposing streamlining and reducing duplication. In the budget request, FEMA's role is refocused toward traditional emergency management and shifting more responsibility to the states.

The request also includes increased funding for the Disaster Relief Fund (DRF), Hazard Mitigation, and Preparedness Grants, but sunsets the primary predisaster and preparedness funding through the Building Resilient Infrastructure and Communities (BRIC) program. The DRF maintains funding methodology for disaster assistance but does not significantly expand resilience investments and directs more funding to response.

Other programs, such as HUD's Community Development Block Grants (CDBG) and NOAA's Office of Atmospheric Research, are proposed for elimination. Broader budget cuts also suggest constrained funding for issues such as flood control and water infrastructure at the U.S. Army Corps of Engineers. Meanwhile, Congress has proposed resilience funding, for instance, by [encouraging that BRIC is retained](#) and preserving many of FEMA's other grant programs. CDBG funding is also maintained while rescinding its unobligated balances.

The administration is also driving its resilience policy through executive orders on the Council to Assess FEMA, state, and local preparedness, respectively. These efforts offer opportunities for stakeholder engagement.

The Chamber has proposed the following list of recommendations related to fiscal year 2026 budgeting:

1. Fund predisaster mitigation

We urge any modified or similar Building Resilient Infrastructure and Community Program that may be included in a broader block grant approach to states provide the dedicated predisaster mitigation funding, called for under Section 203 of the Stafford Act. It is also vital that states be encouraged to prioritize projects focusing on predisaster mitigation and resilience results (including the highest risk communities) to reduce future losses.

2. Permanently authorize and fund the Community Development Block Grant—Disaster Recovery funds

Communities need this flexible tool to address risks to various energy, housing, and water infrastructure and recover from disasters.

3. Fund the PROTECT program

We support the House funding for this important DOT program to protect surface transportation assets critical to business and associated value chains.

4. Support restoration of NOAA data and information capabilities

Business relies on NOAA weather data to make investment and operations decisions critical to the movement of commerce.

More detail on possible policy recommendations:

- [Our 2025 resilience policy priorities](#)
- [A blog outlining additional resilience policy approaches](#)

In addition, representative resilience programs include:

Agency	Program	Description	FY 25 Actuals	President's FY 26 Budget Request	FY 26 House Appropriations Committee Report Proposal
FEMA	Disaster Relief Fund (DRF)	Primary source of federal disaster funding for response and recovery under the Stafford Act	\$22.7B base + \$3.9B supplemental	\$26.5B total	\$26.47B allocation adjustment
	Emergency Management Performance Grants	State, local, tribal, and territorial emergency management capabilities	\$355M	Level	Level
	Building Resilient Infrastructure and Communities	Competitive grants for predisaster mitigation projects	\$1B	Sunset	Urges reforms without sacrificing disaster preparedness investments.
	Hazard Mitigation Grant Program	Postdisaster grants to reduce future disaster losses through mitigation projects like elevation, retrofitting, and acquisition	\$3.5B COVID-related + disaster declarations	Maintained under DRF	Maintained under DRF
	Flood Hazard Mapping and Risk Analysis	Provides updated flood maps and risk data	\$ 281M	+\$51M increase	\$312M
	Preparedness Grants Portfolio	Includes Homeland Security, Nonprofit Security, and other readiness grants	~\$646M	Elimination of some programs	Some reductions
	National Domestic Preparedness Consortium	Delivers specialized training to emergency responders	~\$91M	Elimination duplication with state funding	~\$101M
DOT	PROTECT	Designed to make surface transportation infrastructure more resilient to disasters	~\$274M	Eliminated	~\$198M
EDA	Planning and Local Technical Assistance programs		\$48.5M	Eliminated	~\$35.5M Does not specify funding for Local Technical Assistance
EPA	Resilience programs		\$844.6M	\$100M	\$2.25M for Mid-Size and Large Drinking Water System resilience
HUD	CDBG-DR	Provides flexible grants to help communities recover from Presidentially declared disasters	\$12.7B under disaster supplemental	\$0	\$0
NOAA	CZM Grants	State-led coastal planning and resource management		Eliminated	
	National Coastal Resilience Fund	Flood mitigation, nature-based infrastructure, and community adaptation			
	Regional Climate Data and Information	Supports regional climate centers, data services, and decision-support tools used by communities, businesses, and governments to prepare for climate variability and extremes	\$47.9M	Eliminated	Restored
USACOE	Flood and Storm Damage Reduction	Reduce vulnerability to flood and storm hazards through structural and nonstructural measures	\$1.97B	~\$1.29B	~\$1.97B
	Aquatic Ecosystem Restoration				
	Flood Control and Coastal Emergencies	The Corps is authorized to undertake disaster preparedness measures, among other efforts for rehabilitation or protection of flood control or provision of water due to drought or contamination	~\$40M	~\$40M	\$40M
	Mississippi River and Tributaries	A comprehensive approach to managing flood risk, navigation, and ecosystem health	~\$490M	~\$490M	~\$490M

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Allstate Corporation is investing in stronger, more resilient communities to create lasting, positive change where hopes and dreams can thrive.

The Allstate Corporation (NYSE: ALL) protects people from life's uncertainties with a wide array of protection for autos, homes, electronic devices, and identities. Products are available through a broad distribution network including Allstate agents, independent agents, major retailers, and online.

About the U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business organization representing companies of all sizes across every sector of the economy. Our members range from the small businesses and local chambers of commerce that line the Main Streets of America to leading industry associations and large corporations.

They all share one thing: They count on the Chamber to be their voice in Washington, across the country, and around the world. For more than 100 years, we have advocated for pro-business policies that help businesses create jobs and grow our economy.

About the U.S. Chamber of Commerce Foundation

The U.S. Chamber of Commerce Foundation harnesses the power of business to create solutions for the good of America and the world. We anticipate, develop, and deploy solutions to challenges facing communities—today and tomorrow.

About Ipsos

Ipsos is one of the largest market research and polling companies globally, operating in 90 markets and employing nearly 20,000 people.

Our passionately curious research professionals, analysts and scientists have built unique multi-specialist capabilities that provide true understanding and powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees.



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