

SEPTEMBER 11



Highlights of [GAO-03-88](#), a report to the Committee on Small Business, House of Representatives.

# Small Business Assistance Provided in Lower Manhattan in Response to the Terrorist Attacks

## Why GAO Did This Study

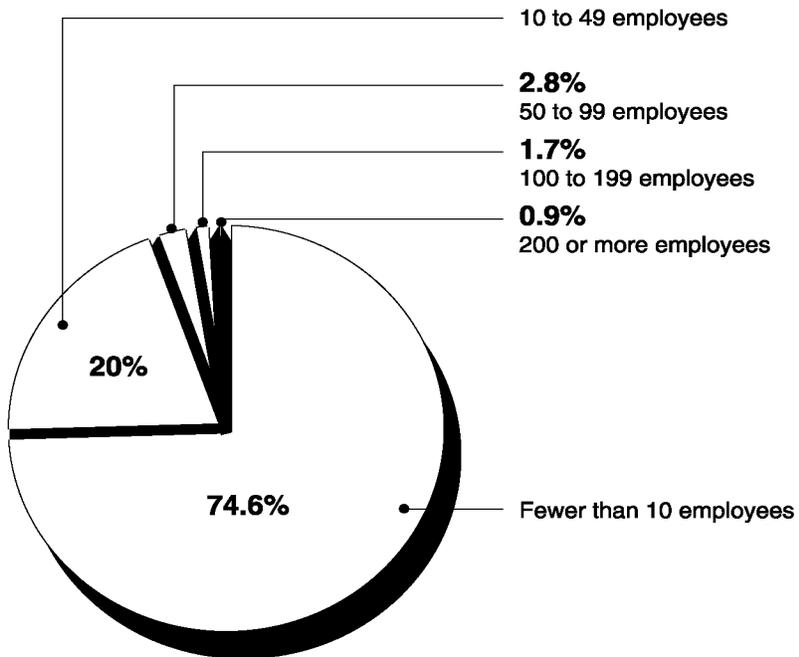
The attacks on the World Trade Center had a substantially negative impact on the New York City economy, severely affecting businesses. In the aftermath of the attacks, Congress, among other things, appropriated emergency supplemental funds to several federal agencies to aid and rebuild the affected areas. The Chairman of the House Committee on Small Business asked GAO to describe the assistance provided to small businesses that is funded from emergency supplemental appropriations of federal Community Development Block Grant funds and other sources.

## What GAO Found

To assist in New York City's recovery from the September 11, 2001, terrorist attacks, Congress appropriated \$3.5 billion in Community Development Block Grant funding of which Congress earmarked at least \$500 million to be used to compensate small businesses, nonprofit organizations, and individuals for their economic losses. One year after the attacks, these funds, administered in part by New York State's Empire State Development Corporation (Empire State), have provided \$266 million to about 9,000 small businesses, many with fewer than 10 employees (see fig. below). Such assistance has included grants to compensate businesses for part of their economic losses—for both physical and economic injuries—and payments to attract and retain small businesses in efforts to revitalize the affected areas. Hundreds of millions of dollars remain available through these and other programs to assist an estimated 18,000 affected businesses. Empire State has employed mailings, visits, walk-in centers, and mass media to inform businesses of assistance programs.

Other efforts by the Small Business Administration, New York City and State, banks, and nonprofit organizations have provided critical assistance to address the immediate and additional unmet needs of small businesses.

**Percentage of Small Business Recovery Grant Recipients, as of September 11, 2002, by Number of Employees**



Source: GAO analysis of Empire State database.

[www.gao.gov/cgi-bin/getrpt?GAO-03-88](http://www.gao.gov/cgi-bin/getrpt?GAO-03-88)

To view the full report, including the scope and methodology, click on the link above. For more information, contact William O. Jenkins, Jr. (202-512-8678) or [jenkinswo@gao.gov](mailto:jenkinswo@gao.gov).