



NASHVILLE'S ECONOMIC AND COMMUNAL RESILIENCE IN THE FACE OF MULTIPLE DISASTERS

QUICK FACTS

Founded in 1779; incorporated in 1809

526 square miles, located in the northern part of Tennessee, it is the second-largest city in the state of Tennessee and the 23rd most populous city in the US

Population around 689,447; over 63.5 percent White, 27.6 percent Black, 3.66 percent Asian, 17.2 percent of families below the poverty level

325,454 housing units, with 177,047 or 54.4 percent being owner-occupied

COMMUNITY PROFILE

In addition to being the state capitol, Nashville has historically served as a hub for economic growth and job creation. The regional economy includes 10 counties with a population of more than two million; making it the largest metro area in a five-state region.¹ Several well-known corporations are headquartered in Nashville, including Nissan North America, Bridgestone Americas, Mitsubishi Motors North America, Alliance Bernstein, and iHeartMedia.²

INTRODUCTION

The economic resiliency of the city has been tested over the last two years. On March 2 and 3 of 2020, a total of 10 tornadoes touched ground in much of the state, killing five people and causing over 158 miles of damage statewide. Two weeks later the first case of Coronavirus was reported, marking the beginning of economic hardships for the city's tourist-based businesses.³ In May, a derecho storm system hit the

state and high-speed winds caused power outages for more than 15,000 Nashville Electric Service customers.⁴ Months later, on Christmas day, a car bombing on the historic Second Avenue caused further economic disruptions to the area affecting 41 residential and commercial structures over several city blocks and directly impacting AT&T's communications system statewide.

CHALLENGES AND CONCERNS

None of these disasters are commonplace in Nashville and their concurrent presence proved to be a challenge for the area. Ralph Schulz, president and CEO of the Nashville Area Chamber of Commerce spoke of the region's resiliency, explaining, "Nashville has an economic history of rapid recovery from any kind of economic downturn."⁵ The area has a growth rate that is three times the national average, and Schulz expects it to return to that after COVID.⁶ While the economic prospects for Nashville are strong, exponential growth has also caused increased housing prices and increased workforce demand.

APPROACH

In responding to concurrent disasters, Nashville's approach included stakeholder involvement through private-public partnerships, crisis management through various communication platforms, and the significant role of nonprofits in sustaining the region. Additionally, a long-term goal of increased diversification has increased resiliency in the region.

PUBLIC-PRIVATE PARTNERSHIPS

Private-public partnerships have been crucial to the region, especially the Nashville Chamber of Commerce's Partnership 2030. The Partnership is built on two values: regional

collaboration and economic inclusion.⁷ The primary objectives of the Partnership are to stimulate job growth through job creation, business recruitment, expansion, and restoration. Nearly 250 corporate and community partners are involved as investors.

The Nashville Chamber of Commerce and the Partnership have increased diversity of industry in the region. Not only has the economic development organization (EDO) helped to create more than 530,000 jobs through the expansion and relocation of business in Nashville, but it has also attracted approximately 1,030 companies to the area and assisted with more than 2,000 company expansions.

IMMEDIATE RESPONSE

Voluntary Organizations Active in Disaster (VOAD), is the group that has significantly helped in the wake of disasters in the last few years in the Nashville region.⁸ The Downtown Nashville Partnership helped coordinate with the group locally to help victims of the Second Avenue explosion, the Community Foundation and Catholic Charities taking a leadership role.⁹ Weekly Zoom meetings were utilized to coordinate outreach to victims and disseminate resources, with the Nashville Downtown Partnership conducting outreach to specific populations, such as businesses and residents.¹⁰

Nashville Downtown Partnership also took a lead role in responding to COVID-19, helping corporations and businesses by distributing newsletters, weekly emails, and social media outreach.¹¹ One popular tactic was reallocating corporate sponsorship funds, typically used for annual conventions for the Nashville Downtown Partnership, towards community gift cards for small businesses in the downtown area.¹² Through this initiative, dubbed "Downtown Dollars Program," Visa gift cards could be used to help support businesses in the district, where nearly 75% of merchants are locally owned.¹³

STATE INITIATIVES

State level policies helped to mitigate the effects of Covid-19. The Tennessee Pledge program was developed by the Tennessee Economic Recovery Group for all businesses and organizations in the region, aiming to help businesses safely reopen after closures due to COVID-19. There have been ongoing revisions to the program to ensure proper updates and help to simplify guidelines in support of sustaining healthy communities and open businesses in Tennessee. The COVID Liability Protection Act, passed in 2020, provided consistency for businesses determining their Covid-19 response.¹⁴

FINANCIAL RESOURCES

State and Local Fiscal Recovery Funds were established through American Rescue Plan Act funding in March of 2021. These funds enabled the region to prioritize economic recovery and business recovery during the pandemic. Following the downtown car bombing, the federal government provided aid through the Economic Injury Disaster Loan program at the U.S. Small Business Administration.¹⁵ This federal financing has significantly aided the region in its recovery efforts.

Businesses in the Nashville region also received support through federal loan programs, such as those created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Tennessee businesses received approximately \$6.8 billion, which is about \$39,500 per establishment, from the Paycheck Protection Program (PPP), recovery grants, and other federal targeted aid.¹⁶ Expanded unemployment benefits were also central to the economic resilience of Nashville in 2020, with over \$7.5 billion in state- and federally-funded benefits, as well as billions more from rounds of direct stimulus and recovery payments.¹⁷

SUCCESS FACTORS

Public-private partnerships like the 2030 Partnership positively impacted the recovery in the Nashville region. This organization created relationships that helped to build trust between different sectors of the economy when multiple disasters struck the region. The prioritization of public and private partnerships has been critical to the sustainable development of Nashville, with each stakeholder in the region working together towards improving the city for its residents, its businesses, and the attraction of new corporations and employees.¹⁸

The communication between organizations throughout this region is an important thread running through recovery and resilience efforts whether during planning and mitigation stages or times of crisis. The Nashville Chamber of Commerce as well as the Tennessee Chamber of Commerce led the effort in prioritizing the diversification of Nashville's economy and looping in the nonprofit sector to help where their expertise was needed. Furthermore, they have contributed to ongoing resilience via communication on projects, business opportunities, safety standards, business support, and advocacy for community members.

TAKEAWAYS

An ongoing effort toward diversification of the economy, as well as a steady stream of newly relocated people and companies, has created a resilient environment in Nashville. Public-private partnerships were central to the recovery efforts, as well as unified communication between sectors of the Nashville economy and the involvement of EDOs.

SUMMARY

Back-to-back disasters can batter businesses and lower morale. The coordination exhibited by Nashville's EDOs and non-profit community is an example for other communities to model. After the last two years, investing in disaster preparedness and management is at the forefront of the agenda for Tennessee economic developers.

ENDNOTES

- ¹ Nashville Area Chamber of Commerce. (2022, January 31). *Nashville Area Chamber of Commerce 2022 Regional Economic Development Guide*. Nashville Chamber. Retrieved March 10, 2022, from https://issuu.com/nashchamber/docs/2021_economic_development_guide_lores
- ² Ibid.
- ³ Ibid.
- ⁴ Farmer, B. (2020, May 5). *First A 'Derecho,' Then A 'Wake Low' – How Back-To-Back Tennessee Storms May Have Been Connected*. WPLN News. Retrieved April 13, 2022, from <https://wpln.org/post/first-a-derecho-then-a-wake-low-how-back-to-back-tennessee-storms-may-have-been-connected/>
- ⁵ Francis, E. (2021, July 28). Report: Nashville takes top spot as city with most economic growth in 2021. WKRN. Retrieved April 13, 2022, from <https://www.wkrn.com/news/report-nashville-takes-top-spot-as-city-with-most-economic-growth-in-2021/>
- ⁶ Ibid.
- ⁷ Williams, D. (2021, August 3). Nashville Chamber of Commerce Partnership 2030. *NewsBreak*.
- ⁸ Tamara Dickson Interview, Nashville Downtown Partnership, May 13th 2022.
- ⁹ Ibid.
- ¹⁰ Ibid.
- ¹¹ Ibid.
- ¹² Ibid.
- ¹³ Ibid.
- ¹⁴ Bradley Jackson Interview, Tennessee Chamber of Commerce, May 10th 2022.
- ¹⁵ Office of the Governor. (2021, January 5). *Federal Support Granted for Nashville Following Christmas Day Bombing*. TN.gov. Retrieved April 13, 2022, from <https://www.tn.gov/governor/news/2021/1/5/federal-support-granted-for-nashville-following-christmas-day-bombing.html>
- ¹⁶ Tuggle, B. (2021, July 28). *Covid Recession: Tracking Tennessee's Economic Recovery To Date*. The Sycamore Institute. Retrieved April 13, 2022, from <https://www.sycamoreinstituten.org/tennessee-covid-economic-recovery/>
- ¹⁷ Ibid.
- ¹⁸ Ibid.