

DATA FOR ACTION

BRIEF 1

IMPACTS OF THE JANUARY 2025 WILDFIRES ON BUSINESSES: THE LOCAL BUSINESS LANDSCAPE IN ALTADENA AND PACIFIC PALISADES BEFORE THE WILDFIRES

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About This Data Brief



This brief is the first in a three-part series that examines the impact of the January 2025 wildfires on small businesses in Altadena and Pacific Palisades. Using multiple data sources (see Technical Appendix), it establishes a baseline of the local business landscape before the fires. The analysis shows that microbusinesses comprise the vast majority of businesses. This finding has significant policy implications, as microbusinesses often face barriers such as limited access to aid, capital, and disaster preparedness resources. Given their prominence in both communities, the following briefs in this series examine how damages (Data Brief 2) and short-term outcomes (Data Brief 3) differ between microbusinesses and non-microbusinesses.





Introduction

California is home to one of the largest and most diverse small business sectors in the nation,¹ with more than 4.3 million establishments providing over 7.6 million jobs and accounting for nearly half of the state's private workforce.² Over 1.3 million small businesses operate in Los Angeles County, accounting for roughly one-third of the state's total, and it hosts more women- and minority-owned businesses than any other county in the nation.³

Despite their importance to the L.A. economy, small businesses often lack the financial safety nets and institutional support needed to withstand major economic disruptions. The COVID-19 pandemic in 2020 exposed these weaknesses: many small businesses struggled to keep their doors open,⁴ and studies have shown uneven access to government relief such as the Paycheck Protection Program (PPP),⁵ which often failed to reach communities with the greatest need.^{6, 7}

The January 2025 wildfires that swept through Southern California once again underscored these challenges. According to CalFire's 2025 incident archives and demographic profiles, ten fires burned more than 50,000 acres in Los Angeles County, destroyed over 12,000 structures, and forced evacuation orders for nearly 200,000 residents.⁸ Businesses were not spared, as many were directly damaged while others were affected by evacuation

orders and a sharp loss in customers. CalFire data show that more than 9,500 businesses were located within fire perimeters across Los Angeles County.

This data brief is the first in a series examining the impact of the January 2025 wildfires on small businesses in the Altadena (ZIP code 91001) and Pacific Palisades (ZIP Code 90272) areas of these Eaton and Palisades fire areas. The Palisades and Eaton Fires were the most devastating of the January fires, burning more than 23,000 acres in Pacific Palisades and Malibu,⁹ and more than 14,000 acres in Altadena and Pasadena,¹⁰ respectively. Across the two burn areas, the fires destroyed more than 16,000 structures, damaged over 2,000 more, and tragically directly claimed at least 30 civilian lives.

This brief provides a baseline overview of the business landscape in these communities before the wildfires. It highlights the prevalence of microbusiness, which make up the overwhelming majority of businesses, as well as the types of industries represented, employment and revenue patterns, and the share of home-based operations. These business characteristics have important policy implications. Microbusinesses in particular often face unique structural disadvantages when disasters strike, including limited access to recovery aid, capital, and disaster preparedness resources.¹¹

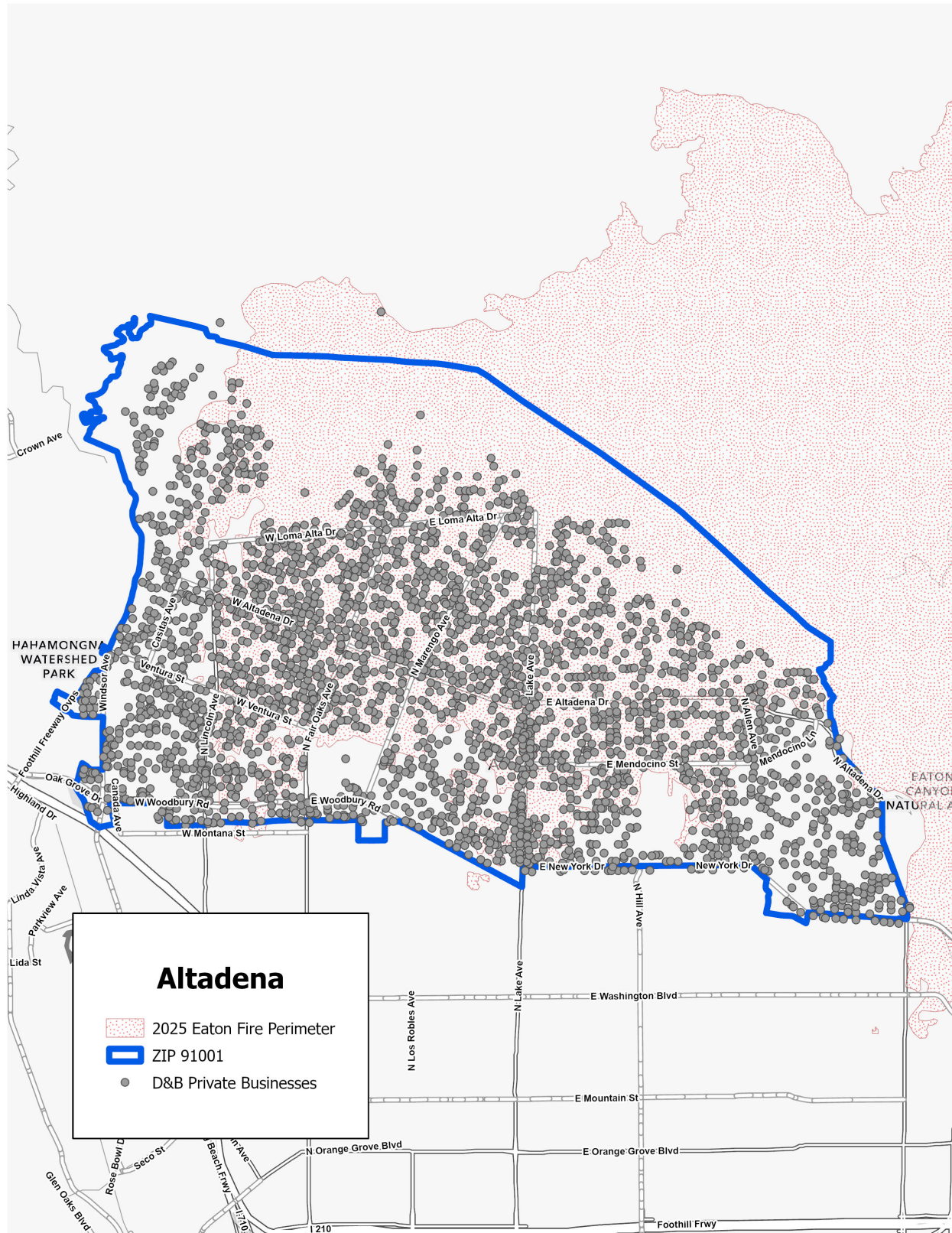
Data and Methods



No single data source provides a complete or entirely consistent picture of the local businesses landscape. To address this, we draw on three business directories, each capturing different segments of the business landscape: AtoZdatabases (AtoZ), Data Axle, and Dun & Bradstreet (D&B). For instance, Dun & Bradstreet identifies a broader range of businesses, including the most extensive coverage of home-based and microbusinesses. AtoZ tends to capture a narrower set of higher-revenue businesses, with Data Axle falling in between. Because each dataset covers different types of businesses, we use all three to identify consistent patterns. This approach provides a fuller and more reliable picture of the business base before the wildfires, rather than relying on a single source. Our emphasis is on qualitative patterns across datasets rather than exact point estimates.

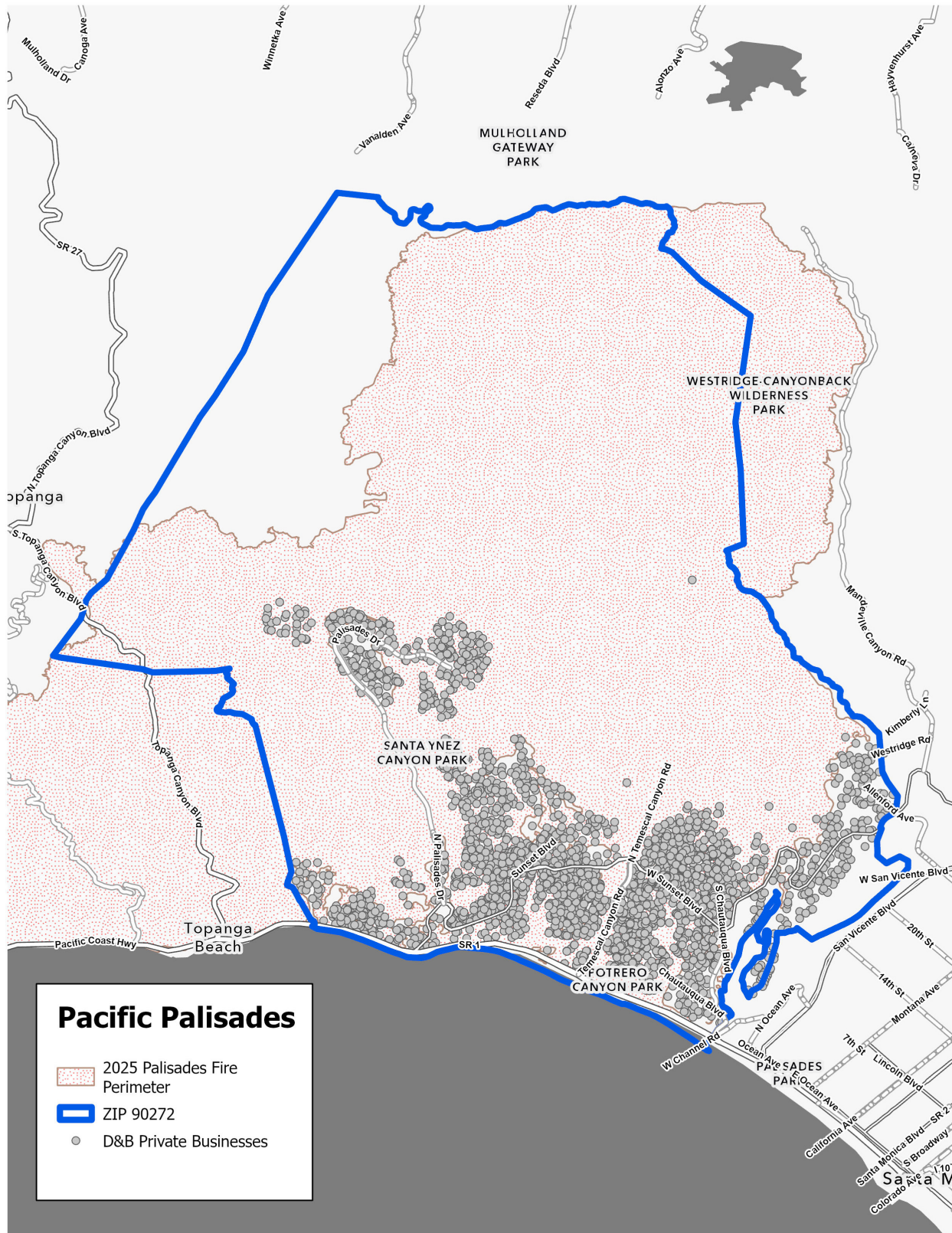
Using ZIP codes reported in the directories, we identified businesses located in Pacific Palisades (90272) and Altadena (91001). Maps 1 and 2 show the location of private businesses in Dun & Bradstreet directories. Although the Eaton and Palisades Fires extended beyond these ZIP codes, we focus the analysis here because the areas align most closely with the fire perimeters and encompass the majority of damaged structures. For this analysis, we focus on private businesses and exclude nonprofits, schools, religious institutions, and certain government offices that appear in business directories, as they comprise only a small fraction of the records. The data represent conditions as of approximately December 2024, prior to the January 2025 wildfires. Refer to the Technical Appendix for additional details.

Map 1. Private Businesses in Altadena's Eaton Wildfire Area, Dun & Bradstreet Directory, 2024



Sources: Dun & Bradstreet (2024); CalFire fire incident boundaries (2025); ESRI, United States ZIP Code Boundaries (2022).

Map 1. Private Businesses in Palisades Wildfire Area, Dun & Bradstreet Directory, 2024



Sources: Dun & Bradstreet (2024); CalFire fire incident boundaries (2025); ESRI, United States ZIP Code Boundaries (2022)

Key Finding 1: Microbusinesses Are the Backbone of the Local Business Landscape in Altadena and the Pacific Palisades

Across the three business directories we examined, the total number of businesses in the Pacific Palisades and Altadena ranges from about 1,300 to nearly 5,000 private businesses, depending on the data source (See Figure 1). In Altadena, the count of private businesses ranges from about 1,097 to 4,348. In the Pacific Palisades, the number of private businesses is slightly higher, ranging from 1,308 to 4,959.

Despite differences in business counts across the three datasets, a consistent pattern emerges: microbusinesses, defined as firms with one to nine employees, comprise the majority of businesses in both areas. In Altadena, between 71% and 97% of establishments are microbusinesses. In Pacific Palisades, the share ranges from 69% to 97%. These findings underscore that very small firms are not only prevalent but form the structural backbone of the local business landscape in fire-affected areas.

Figure 1. Estimated Private Businesses and Microbusinesses in Altadena and Pacific Palisades

Dataset	Altadena (ZIP 91001)			Pacific Palisades (ZIP 90272)		
	Total Private	Micro	% Micro	Total Private	Micro	% Micro
AtoZ	1,385	980	71%	1,395	1,078	77%
Data Axle	1,097	823	75%	1,308	901	69%
D&B	4,348	4,233	97%	4,959	4,790	97%

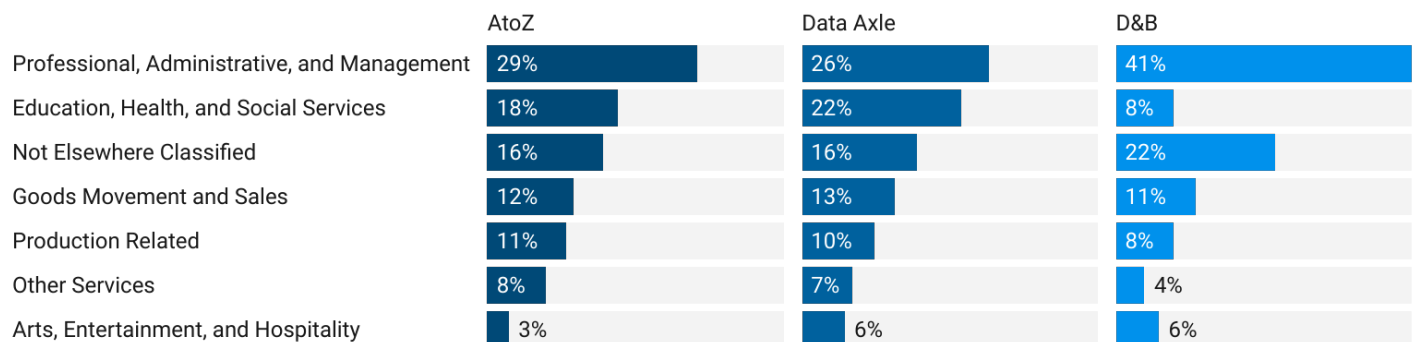
Source: Author’s analysis of Data Axle, Dun & Bradstreet, and AtoZdatabases (2024).

Service-oriented sectors make up the majority of private businesses in both Altadena and Pacific Palisades (see Figure 2). Professional, Administrative, and Management Services (NAICS 51-56) account for the largest share, ranging from 26% to 41% of all private businesses in Altadena and from 35% to 51% in Pacific Palisades. The second most common cluster of businesses is those in the Educational, Health, and Social Services (NAICS 61-62), which represents 8% to 22% of businesses in Altadena and between 8% to 21% in Pacific Palisades. These data highlight how both communities rely on professional and service-oriented businesses to meet everyday needs. As established in Key Finding 1, most of these businesses are microbusinesses, meaning that many of the service-oriented establishments in these communities are very small in scale.

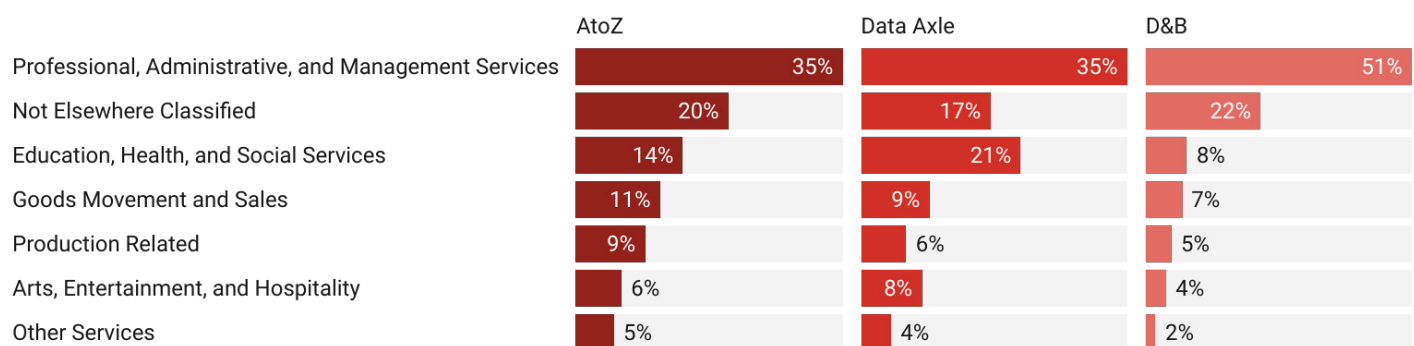
Key Finding 2: The Local Small Business Landscape is Dominated by Service- Oriented Businesses

Figure 2. Industry Composition of Private Businesses in Altadena and Pacific Palisades

Altadena (ZIP 91001)



Pacific Palisades (90272)



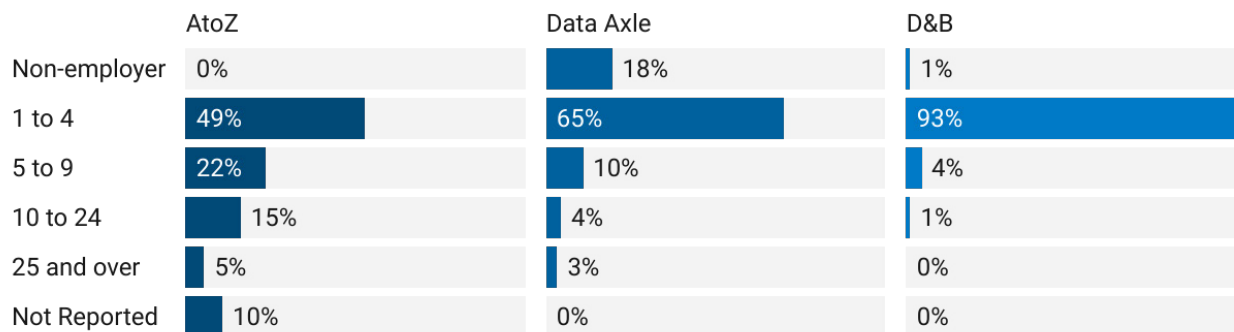
Source: Author's analysis of Data Axle, Dun & Bradstreet, and AtoZdatabases (2024).

Key Finding 3: Most Private Businesses Employ Fewer Than Five Workers

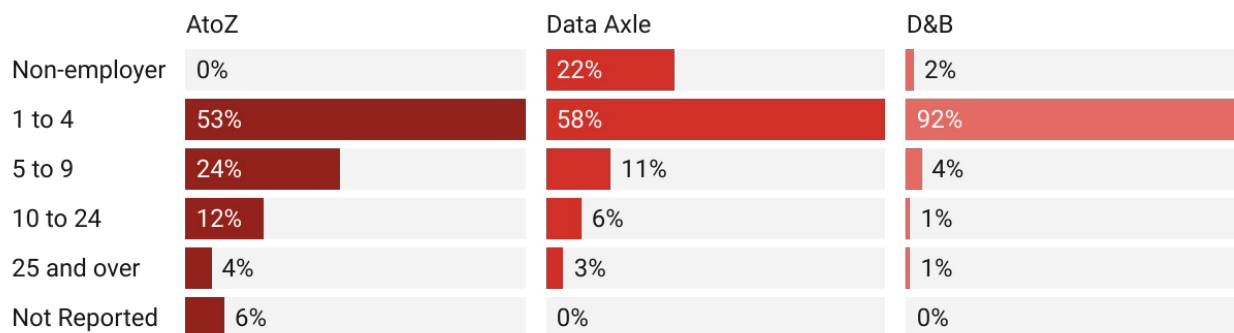
When examining the distribution of all private businesses by employment size, we find that the vast majority of businesses employ just 1 to 4 workers (see Figure 3). In Altadena, between 49% and 93% of businesses fall within this range, while in Pacific Palisades, the share ranges from 53% to 92%, depending on the dataset. While these businesses may employ only a handful of people, they represent the bulk of establishments and provide essential services to their communities. Larger businesses are relatively few in number, and when present, tend to cluster in the 10-24 employee range rather than operate as large-scale employers.

Figure 3. Distribution of Private Businesses by Employment Size in Altadena and Pacific Palisades

Altadena (91001)



Pacific Palisades (90272)



Source: Author's analysis of Data Axle, Dun & Bradstreet, and AtoZdatabases (2024).

Key Finding 4: Many Microbusinesses Report Relatively Low Annual Revenues

Across both the Altadena and Palisades communities, a large share of microbusinesses report annual revenues of under \$250,000, although the exact percentages differ widely by data source. In Altadena, estimates range from 20% of microbusinesses (AtoZ) to as high as 86% (D&B). In Pacific Palisades, the share ranges from 16% (AtoZ) to 83% (D&B). Non-micro businesses are more likely to report higher revenues in the \$250,000 to \$2 million range or above, but they represent a relatively small share of the overall private businesses. This finding is important in the context that businesses with lower revenues, as well as newer firms, often lack awareness of available resources and face greater barriers to building resilience.¹²

Figure 4. Annual Revenue Distribution of Microbusinesses in Altadena and Pacific Palisades

Revenue	Altadena			Pacific Palisades		
\$1 to \$250k	14%	30%	84%	13	26%	80%
\$250k+ to \$2m	45%	33%	13%	47	36%	15%
\$2m+	23%	7%	1%	23	8%	1%
Microbusinesses (1-9 employees)						
\$1 to \$250k	20%	40%	86%	16	37%	83%
\$250k+ to \$2m	54%	41%	13%	53	47%	15%
\$2m+	16%	5%	0%	17	5%	0%
Non-Microbusinesses						
\$1 to \$250k	0%	0%	10%	0	0%	11%
\$250k+ to \$2m	23%	10%	27%	26	10%	23%
\$2m+	38%	12%	17%	44	15%	9%

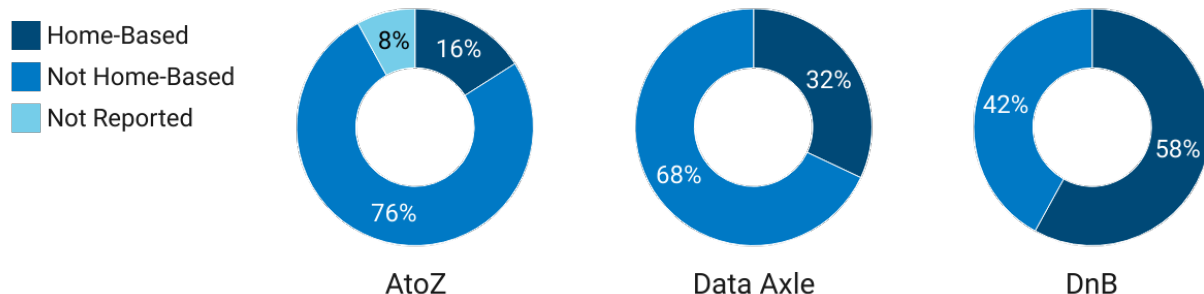
Source: Author’s analysis of Data Axle, Dun & Bradstreet, and AtoZdatabases (2024).

Key Finding 5: Home-Based Microbusinesses Highlight the Overlap Between Housing and Economic Recovery

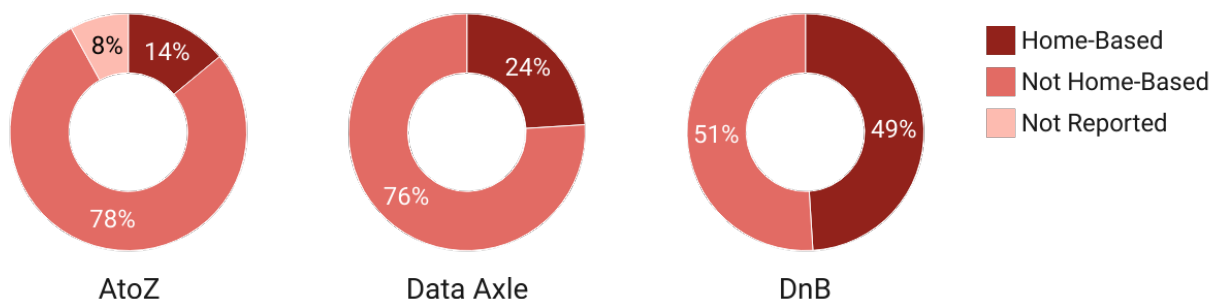
In most datasets, non-home-based businesses comprise the majority of microbusinesses in Pasadena and Altadena. However, home-based establishments still represent a sizable share—and in some cases, even the majority, as seen in D&B data. In Altadena, estimates of home-based microbusinesses range from 16% (AtoZ) to 58% (D&B). In Pacific Palisades, the share ranges from 14% (AtoZ) to 49% (D&B). These differences reflect variation in how business directories capture home-based activity, with D&B having the most extensive coverage of home-based operations. Regardless of the source, all confirm that home-based operations are a meaningful part of the local microbusiness landscape, with unique vulnerabilities due to their direct reliance on the housing stock.

Figure 5. Home-Based Status of Microbusinesses in Altadena and Pacific Palisades

Altadena (91001)



Pacific Palisades (90272)



Source: Author's analysis of Data Axle, Dun & Bradstreet, and AtoZ databases (2024).



Conclusion



This data brief provides a baseline understanding of the small business landscape in Altadena (ZIP 91001) and Pacific Palisades (ZIP 90272) prior to the January 2025 wildfires. Together, these two communities are home to thousands of businesses, the vast majority of which are microbusinesses operating with few employees and reporting relatively low annual revenues. Past research has found that very small firms face the greatest barriers to accessing capital, insurance, and recovery aid, yet they provide essential services that residents rely on every day. Many of the micro-establishments also operate from homes, linking business stability directly to wildfire-related damage to the housing stock.

The findings are critical for interpreting wildfire impacts and shaping recovery strategies, suggesting that recovery assistance cannot focus solely on larger employers or treat business and housing recovery as separate issues. It must also address the structural disadvantages faced by microbusinesses, which form the backbone of the local economy.

Endnotes

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