U.S. Small Business Administration

Paycheck Protection Program

Protected Jobs, Prevented Firm Closures, and Led to Job Creation

Jobs Protected

For **small** (1-19 staff) and **young** (1-5 years) **firms**, **early loan recipients** protected jobs at much **higher rates** compared to non-recipients

For **small** (1-19 staff) **firms**, simply participating in PPP **increased** the rate of **jobs protected**

Mid-size (20-499 staff) **firms**, that received both **1st** and **2nd** draw loans had the **highest job protection** rates

Jobs Created

~9 Million jobs created in a one-year span*

Businesses that received both **1st** and **2nd** draw loans **created an average of 1 job** on net in a one-year span*

Single-draw recipients recorded **near-zero** net job creation rate in a one-year span*

*March 2021 - March 2022

Prevented Firm Closures

46%

lower rates of firm closure in 2022 for **young** (1-5 years) **firms** who received **early 1st draw compared to non-recipients**

For **small** (1-19 staff) **firms**, simply participating in PPP was associated with **lower closure rates**

Small (1-19 staff) **firms** with **early loans** saw the **lowest closure rates relative to non-recipients**

Key Takeaways

- **Timing of the loan impacted firms**
- **For young (1-5 years) firms, early loan recipients protected more jobs and prevented more firm closures while dual-draw recipients created more new jobs**
- **Older (>10 years), mid-sized (20-499 staff) firms displayed greater economic outcomes**
- **Older (>10 years) firms were first to access funding, and policy interventions enabled young (1-5 years) and small (1-19 staff) firms to participate**

Data Source: Business Dynamics Statistics for Recipients of SBA COVID Assistance Funding (BDS-SBA COVID, 2022)
www.census.gov

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Fast Facts and Program Timeline

Purpose: Provide relief to small businesses during the COVID-19 pandemic to preserve jobs and prevent establishment closures. These low-interest loans were fully SBA-guaranteed and eligible for full loan forgiveness. The SBA collaborated with the U.S. Census Bureau to assess the economic outcomes of PPP.

Coronavirus Aid, Relief, and Economic Security (CARES) Act establishes PPP

Round 1

Program exhausted funding

April 3 – 16, 2020

More funding provided

April 27 – August 8, 2020

American Rescue Plan Act (2021)

Round 2

****Biden-Harris policy changes implemented**

February 24 – March 9, 2021

Program ended

June 30, 2021

****Biden-Harris interventions substantially increased the share of loans to the smallest and youngest firms, ensuring that PPP lending in traditionally underserved areas was comparable to their share of small businesses.**



$800 billion distributed



11.5 million loans



97% of loans forgiven



Uniform rural/urban distribution

Firm Size



48M

workers at small (1-19 staff) **firms** weree supported by PPP

Participation

10X

more **small** (1-19 staff) **firms** received a PPP loan compared to **mid-size** (20-499 staff) **firms** in **the later first draw**

Firm Age



3X

as many **startups** (0 years) **firms** received PPP loans in **later first draw** compared to early first draw

2X

as many **young** (1-5 years) **firms** received PPP loans in **later first draw** compared to early first draw

Data Source: Business Dynamics Statistics for Recipients of SBA COVID Assistance Funding (BDS-SBA COVID, 2022)

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