

# Business Dynamics Statistics for SBA Covid Assistance Recipients

Paycheck Protection Program (PPP)  
Restaurant Revitalization Fund (RRF)  
COVID-Economic Injury Disaster Loans (Covid-EIDL)  
Shuttered Venues Operator Grants (SVOG)

Richard Beem

Martha Stinson

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# Project Goal: Use Longitudinal Business Database (LBD) to produce new Business Dynamics Statistics (BDS) tables

- Match loan/grant data to Census Bureau micro-data at the firm-level
- Tabulate statistics
  - What types of firms got SBA financial assistance?
    - Firm size
    - Firm age
    - Industrial sector
    - Geography
  - How did recipient firms fare post-award?
    - Survival
    - Job creation and destruction
- Track loan recipients over time
  - Currently 2007-2021
  - Will add additional years going forward

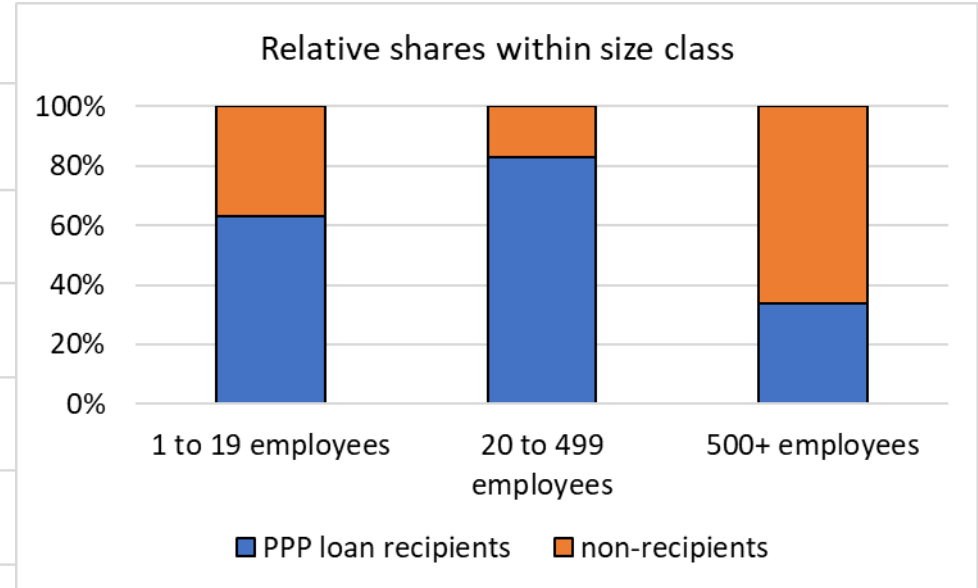
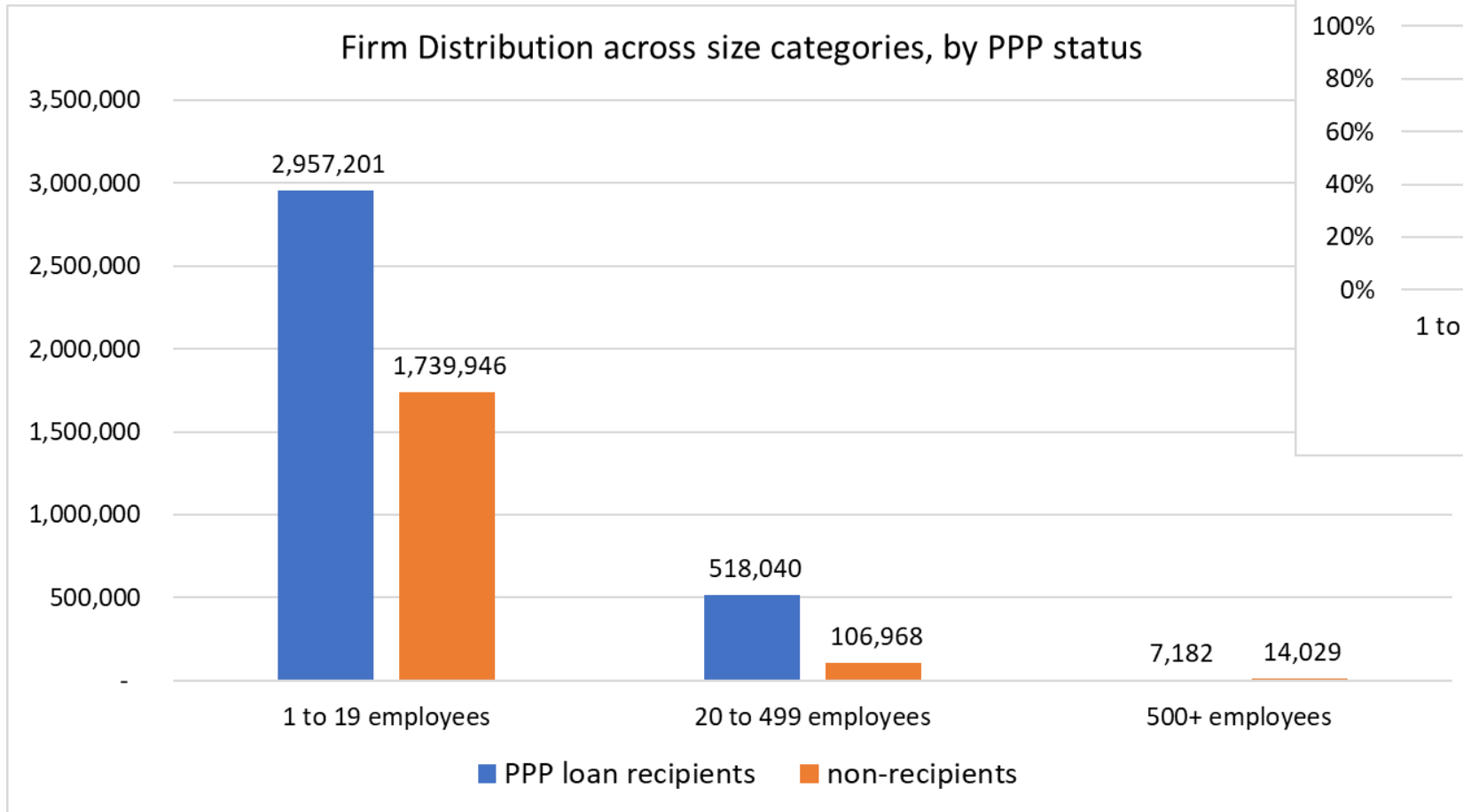
# Matching PPP Loans to the LBD

- Over 11 million dispersed PPP loans
  - Potential employers
    - Find an EIN in the Census data system that could be an employer
      - Validate EIN provided on PPP loan by linking to list of known employer EINs
      - Use name and address linking to search for EIN
      - Use PIK provided on PPP loan to link to Schedule C filings and look for EIN
  - Potential non-employers
    - Find a PIK in the Census data system that could be associated with self-employment
      - Validate PIK provided on PPP loan by linking to list of known PIKs from Schedule C filings
      - Use name and address linking to search for PIK in Schedule C filings
- Non-matching remainder
  - PPP data classify this group mostly as self-employed, sole props, independent contractors, single member LLCs

# Matching PPP Loans to the LBD

- PPP loans with EINs
  - Collapse to EIN-level by draw
    - Take the total loan amount
    - Take the earliest loan approval date
  - Match to LBD by EIN
    - Match by EIN
    - Match by EIN in t-1
    - Match by EIN from reorganizations
  - Non-matches
    - Out of scope for BDS (some industries, island areas)
    - Potential non-employers who also have EINs
    - Some records where EIN was an employer in the past but doesn't have recent payroll

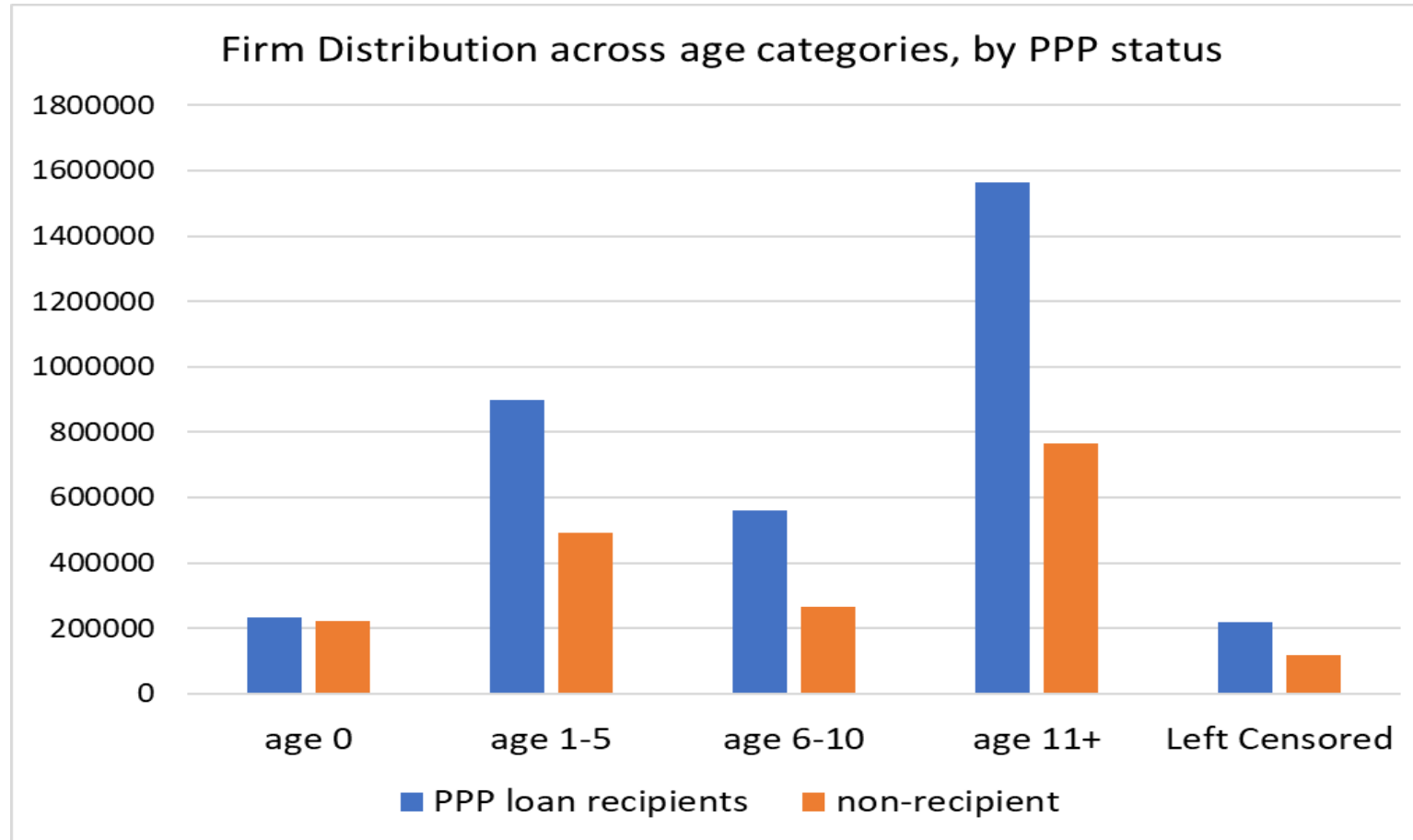
# PPP by Firm Size



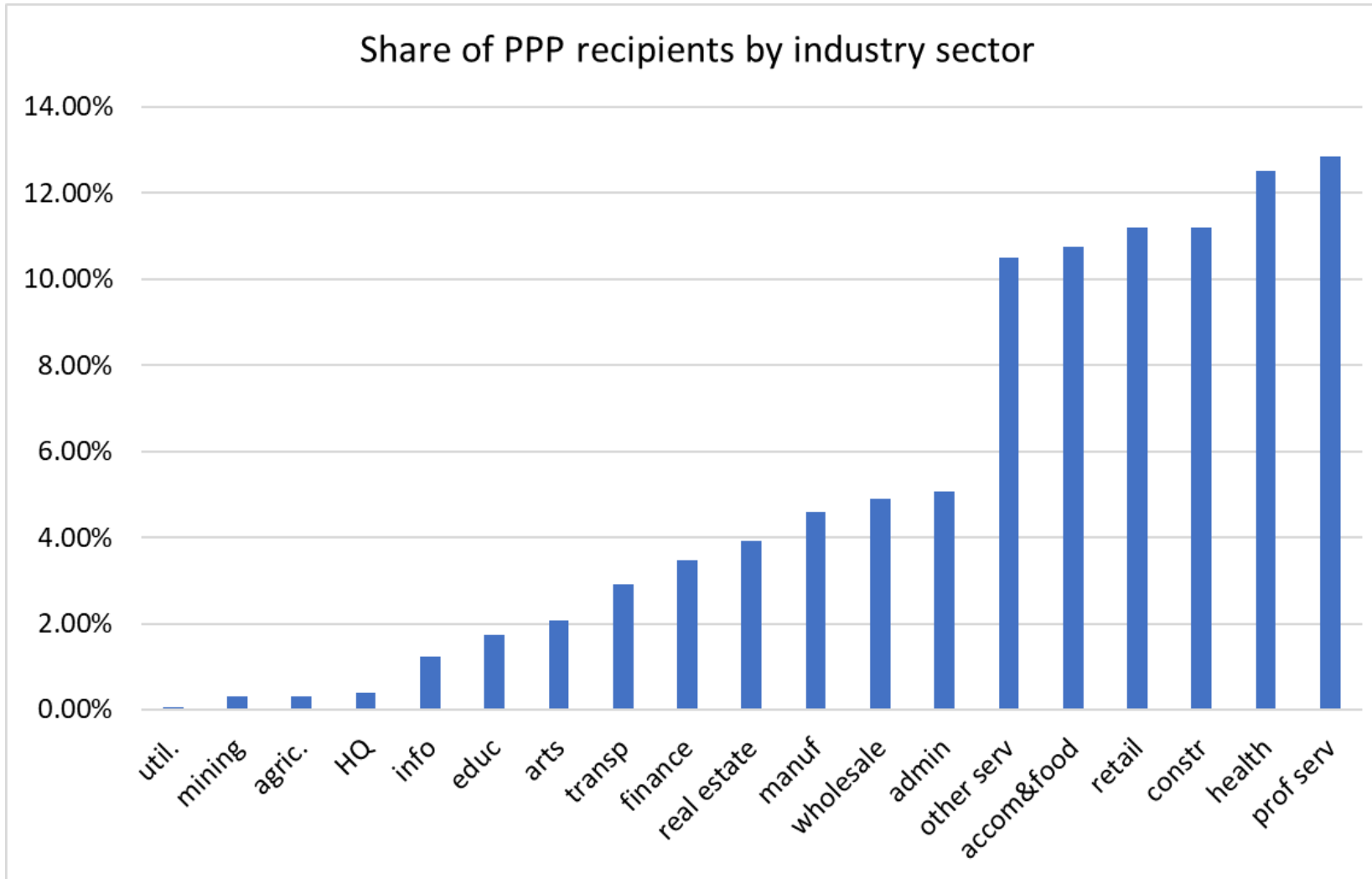
**3.5 mil recipient firms matched to LBD**  
**Small-firm take-up rate**  
 65% of firms  
 66% of estabs  
 77% of employment

# PPP by Firm Age

Firms older than age 10 but still born after 1976 represent the largest share (45%) of PPP recipients.

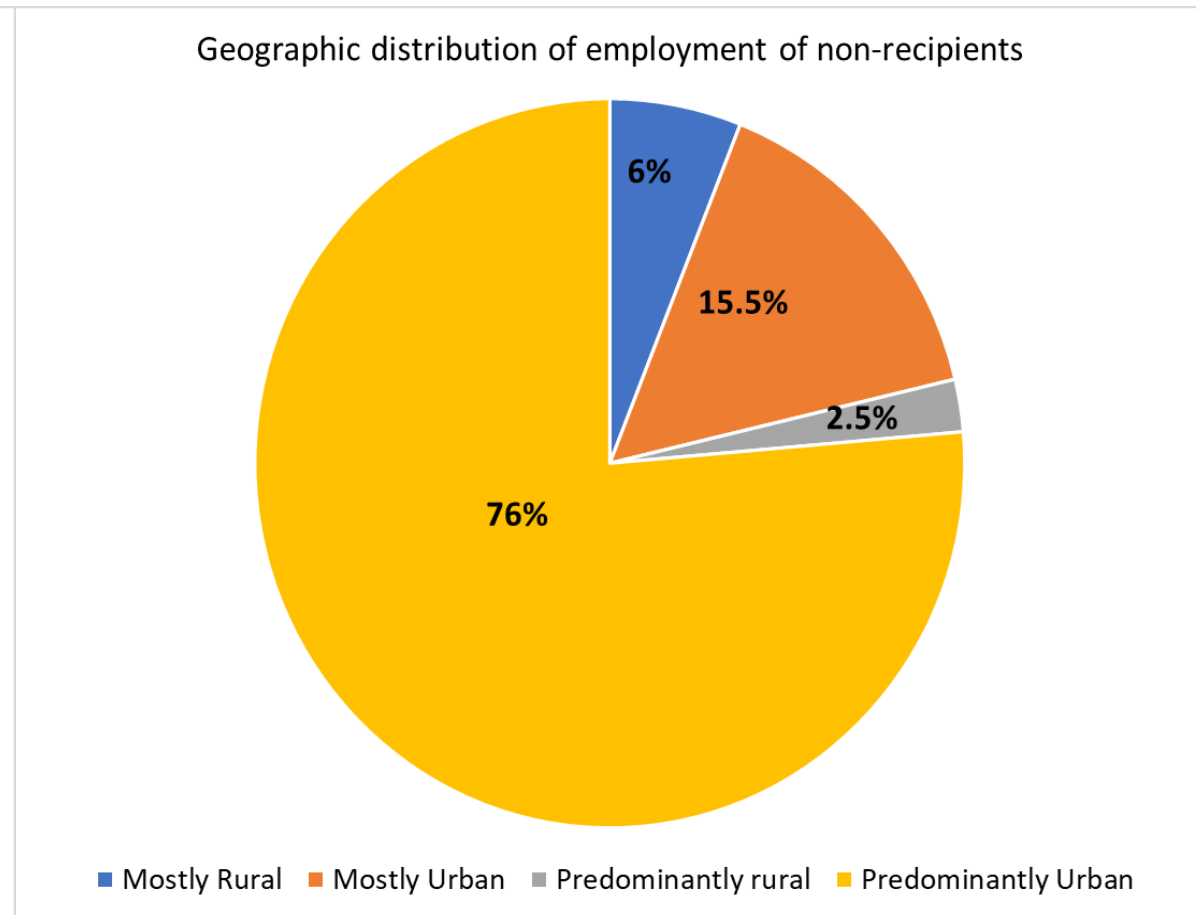
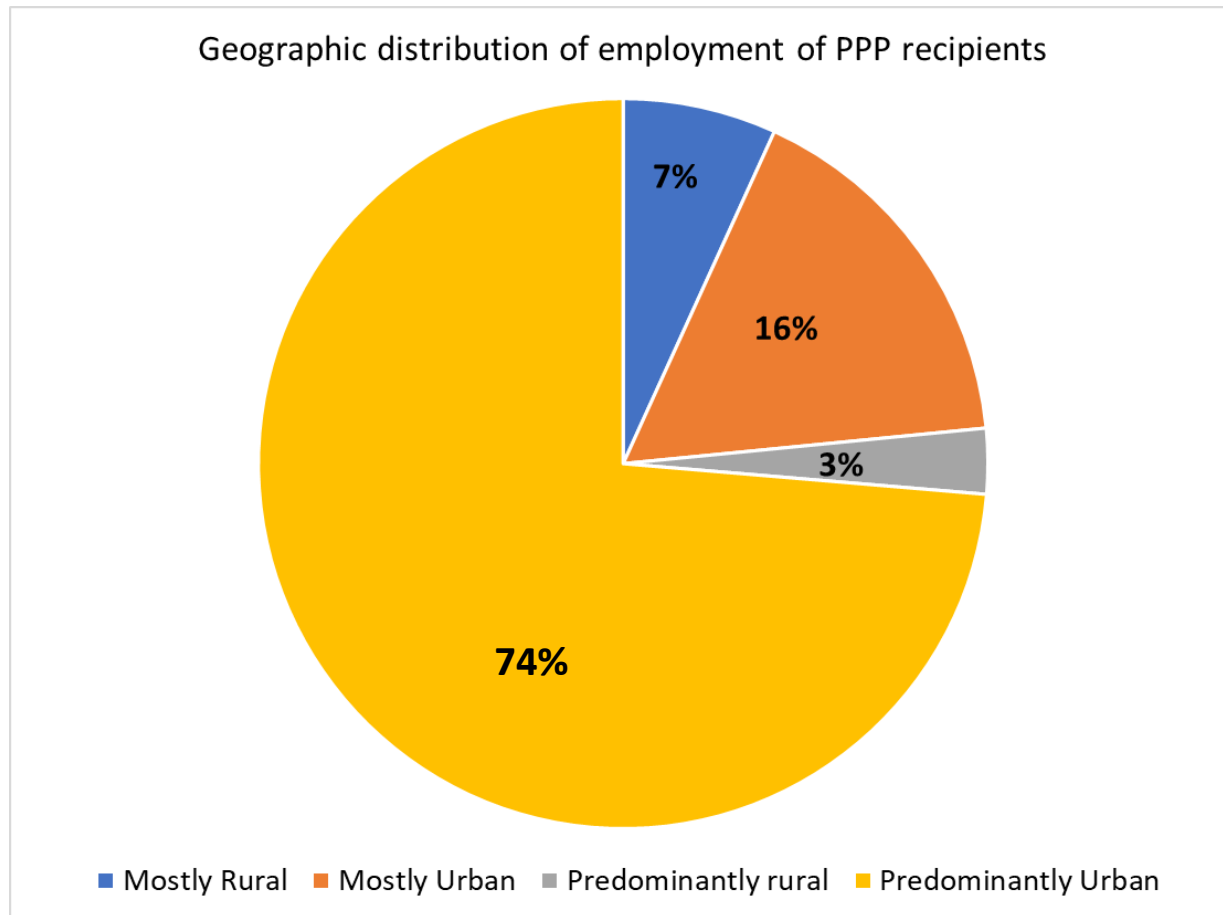


# PPP by Industry Sector



# Geography of PPP Recipients

## Distribution of firms across rural/urban counties



Predominantly Urban  $\geq$  80% urban  
Mostly Urban  $\geq$  50% and  $<$  80% urban  
Mostly Rural  $\geq$  20% and  $<$  50% urban  
Predominantly Rural  $<$  20% urban

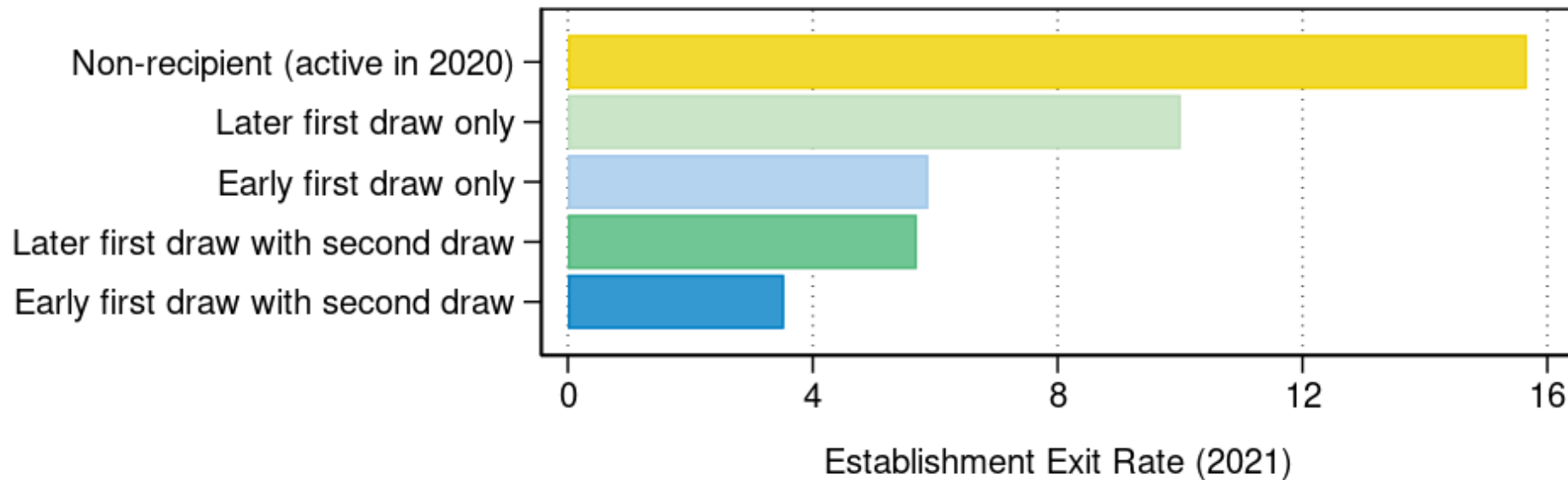
A higher percentage of PPP recipients were in rural counties relative to non-recipients.



# PPP – Establishment Exit Rate

**Businesses that received PPP exited at a lower rate relative to non-recipients.**

**Lowest exit rates at businesses that received both a 1<sup>st</sup> and 2<sup>nd</sup> draw from PPP.**

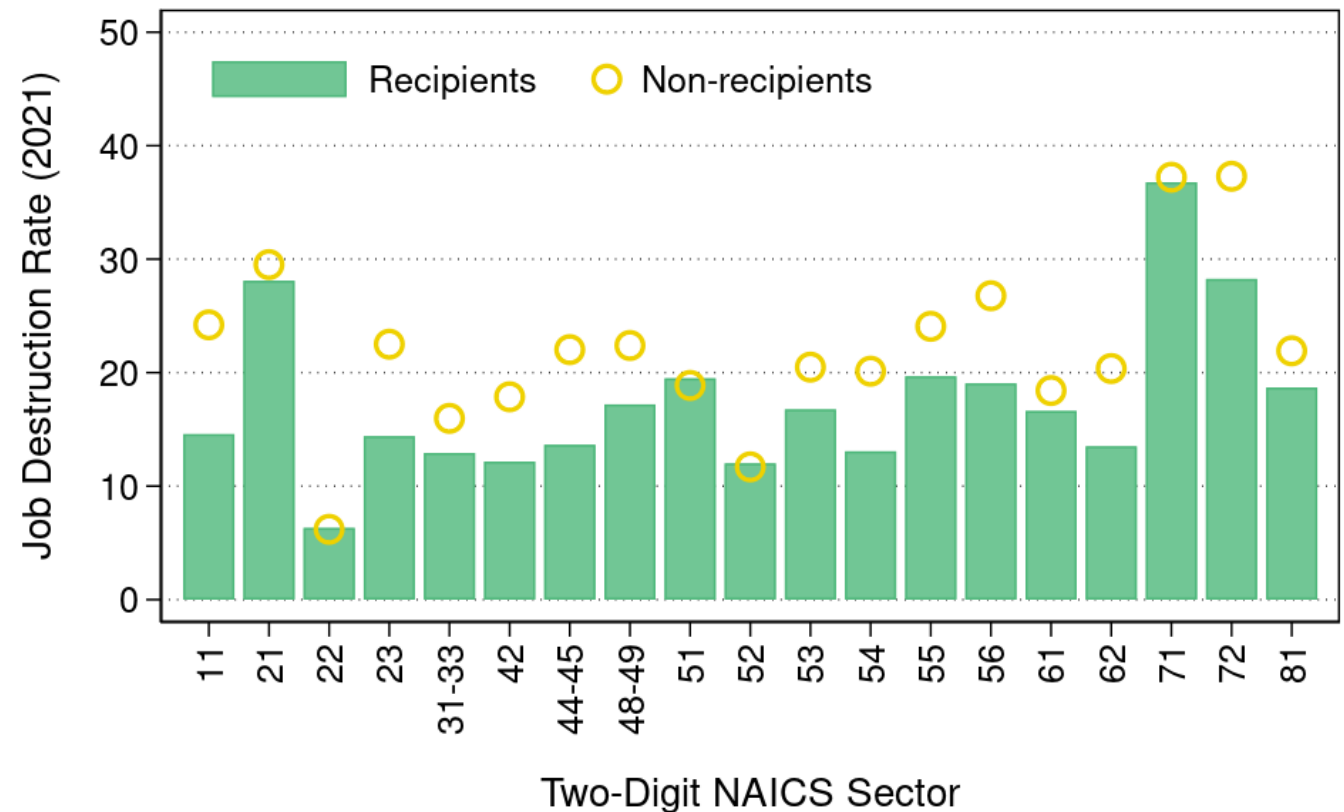


# PPP – Job Destruction by Sector

**PPP recipients destroyed jobs at a lower rate than non-recipients in almost all sectors.**

Large differential in job destruction rates between recipients and non-recipients:

- **11** *Agriculture*
- **23** *Construction*
- **44-45** *Retail Trade*
- **56** *Administrative and Support*
- **62** *Healthcare*
- **72** *Accommodation and Food Services*



# Other programs

- Similar tables prepared for all four programs for this release
- SVOG and RRF were launched after March 12, 2021.
  - Need 2022 BDS data to measure a “recipient effect.”
- More in-depth analysis on all four SBA-backed pandemic programs, including Covid-EIDL, to be produced before the second vintage of BDS-SBA Covid Response statistics.

# Release Plans

- Working Paper
  - Outline matching process and summarizes findings.
  - Detail the differences in methodology between our employment-weighted small-firm take-up rate for PPP and other well-known estimates that were produced early during the pandemic without firm identifiers.
- Tables
  - Goal to release BDS SBA Covid tables on BDS Experimental Website by end of the year. Will include PPP, Covid-EIDL, RRF, SVOG tables separately and one table classifying multiple program recipients.