

Paycheck Protection Program Assistance to Connecticut Businesses

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Issue

Provide data on the 2020 Paycheck Protection Program (PPP) assistance provided to Connecticut businesses.

Summary

According to the federal [Small Business Administration](#) (SBA), which administers the PPP, Connecticut companies received 64,629 PPP loans totaling \$6.72 billion, for an average loan amount of \$103,952. Nationally, the PPP provided 5.2 million loans totaling \$525 billion, for an average loan amount of \$100,729.

This report briefly describes the PPP and provides Connecticut-specific data published by SBA and the U.S. Census Bureau.

PPP

Section 1102 of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act ([P.L. 116-136](#)) established the PPP. Generally, the program provides small businesses with forgivable loans to pay up to eight weeks of payroll costs including benefits. Funds may also be used to pay interest on mortgages, rent, and utilities, among other things.

The CARES Act was enacted on March 27, 2020, and authorized \$349 billion for the PPP. The program began receiving applications on April 3 and exhausted its available funding on April 16. A second law, the Paycheck Protection Program and Health Care Enhancement Act ([P.L. 116-139](#)), was enacted on April 24 and authorized an additional \$310 billion, for a total of \$659 billion in PPP funding. The second round of funding became available on April 27 and was originally scheduled to expire on June 30.

A third law, the Paycheck Protection Program Flexibility Act of 2020 ([P.L. 116-142](#)), included several provisions intended to increase flexibility for PPP loan recipients but did not increase the program's authorization. It was enacted on June 5.

A fourth law ([P.L. 116-147](#)), enacted on July 1, extended the PPP's sunset date from June 30 until August 8. The program sunset on August 8 with approximately \$134 billion in available funding remaining.

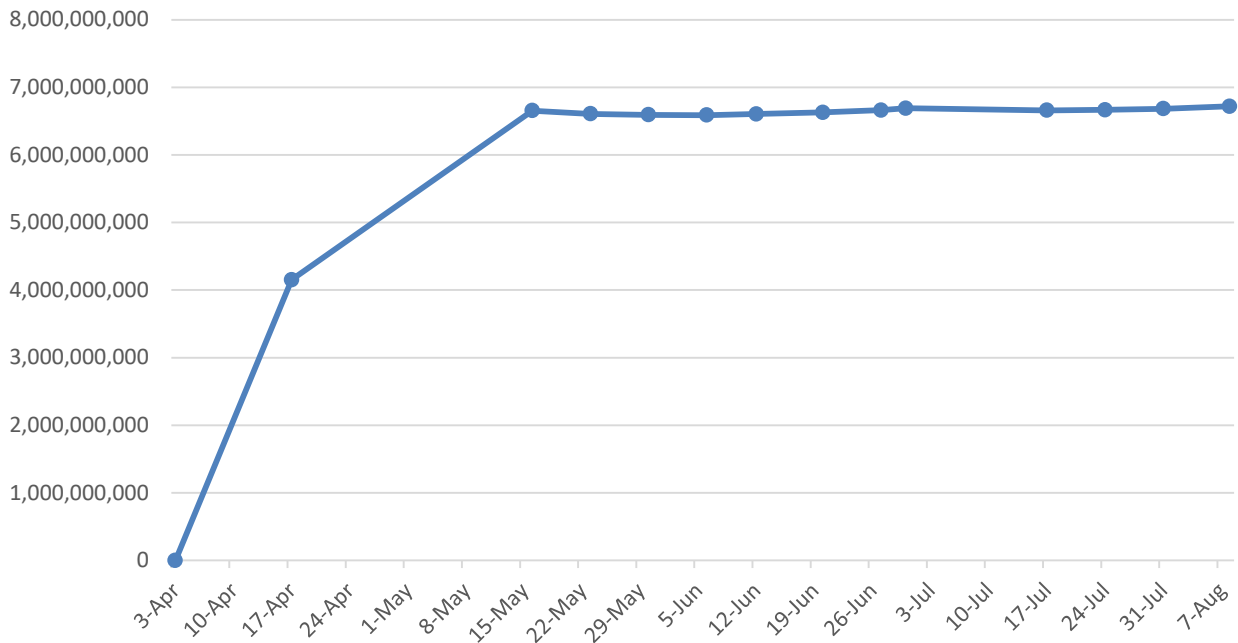
Assistance to Connecticut Businesses

As described above, the PPP consisted of two funding rounds. In the first round (April 3–April 16), Connecticut companies received 18,435 PPP loans totaling \$4.15 billion, for an average loan amount of \$225,220. In the first two weeks of the second round (April 27–May 8), Connecticut companies received 34,629 loans totaling \$2.73 billion, for an average loan amount of \$78,706.

After May 8, SBA began reporting PPP data in the aggregate, thus eliminating the ability to further compare rounds one and two. However, the aggregate data shows that PPP lending slowed significantly after May 8 both nationally and in Connecticut. For example, as Figure 1 shows, during the PPP's first six weeks (April 3–May 16), Connecticut businesses received \$6.66 billion in PPP loans. However, in the program's final 12 weeks, the state's net total increased by only \$62 million, for a final total of \$6.72 billion through August 8.

Nationally, \$513.27 billion in PPP lending was approved in the program's first six weeks, but only \$11.74 billion in net lending occurred in the final 12 weeks. According to SBA, these figures are net of cancellations as well as loan increases, decreases, and reinstatements.

Figure 1: PPP Net Assistance Received by Connecticut Businesses



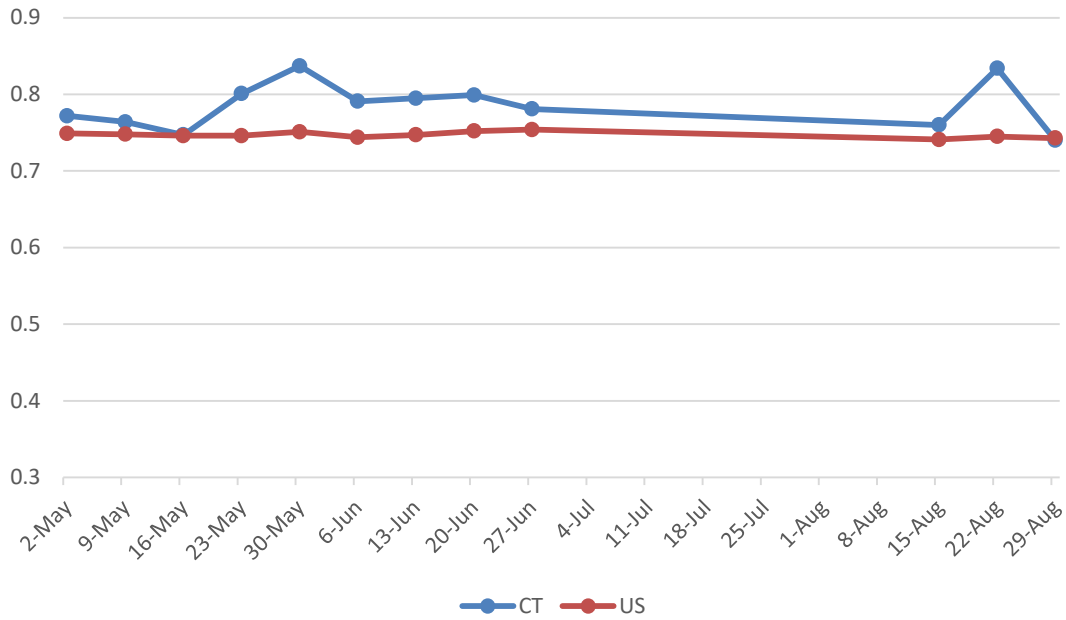
Source: OLR analysis of [SBA](#) data

Timing of Assistance

Relative to other states, Connecticut businesses generally fared better in the second round of the PPP than they did in the first round. According to the U.S. Census Bureau's [Small Business Pulse Survey](#), while 77.2% of Connecticut small businesses responding to the survey between April 26 and May 2 (which included the beginning of the second round) reported applying for PPP assistance, only 36.1% had received a loan at this point. Nationally for this timeframe, 74.9% of small businesses reported applying to the PPP, with 38.2% receiving assistance.

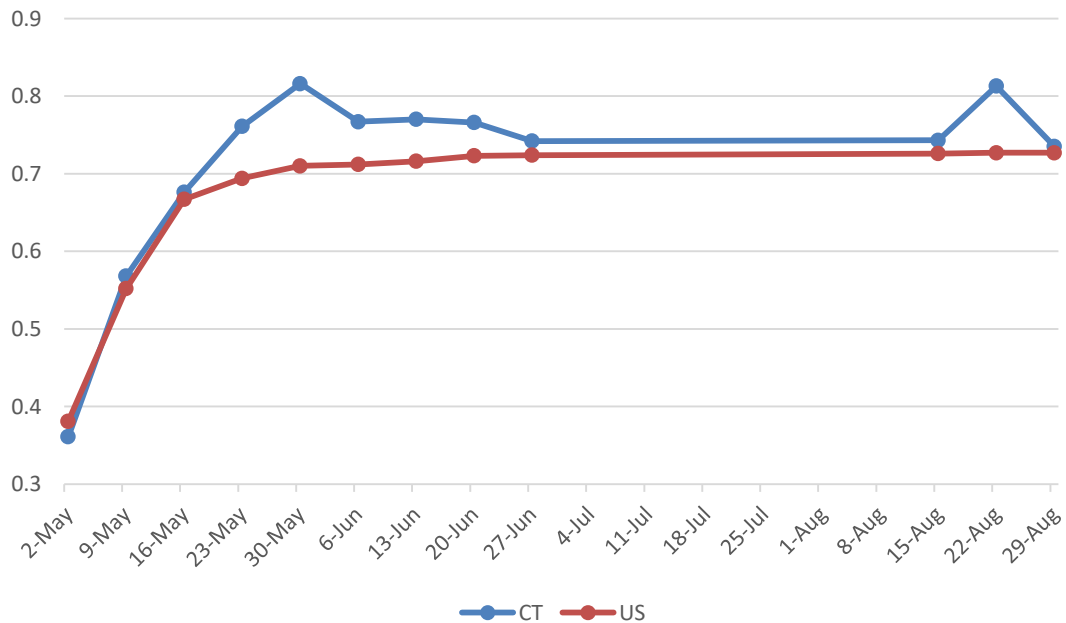
In subsequent collection periods, however, the proportion of Connecticut small businesses that reported applying for and receiving PPP assistance generally exceeded the national averages in these categories, as shown in figures 2 and 3. Additionally, beginning with the May 17–May 23 collection period, at least 73% of Connecticut respondents in each collection period reported that they had received PPP assistance. (The survey did not collect data from June 28–August 8.)

Figure 2: Percentage of Pulse Respondents That Applied for a PPP Loan



Source: OLR analysis of [Census Bureau data](#)

Figure 3: Percentage of Pulse Respondents That Received a PPP Loan



Source: OLR analysis of [Census Bureau data](#)