



Pandemic-Related Business Assistance

In response to the COVID-19 pandemic, both Connecticut and the federal government established programs to provide assistance to affected businesses, as shown in the table below. In Connecticut, the Department of Economic and Community Development (DECD) established two programs: the Recovery Bridge Loan Program and the CT CARES Small Business Grant Program.

At the federal level, Congress established the Paycheck Protection Program (PPP) and also expanded an existing program, the Economic Injury Disaster Loan Program (EIDL). The federal Small Business Administration (SBA) administers both of these programs.

Business Assistance Programs

	CT CARES Small Business Grants	Recovery Bridge Loans	PPP	EIDL
Level of Government	State	State	Federal	Federal
Type of Assistance	Grants	Loans	Loans	Loans and Grants
Program Availability	November 2020	March 2020	April-August 2020	COVID-19-related loans available through December 2020
Maximum Company Size	Generally no more than 20 full-time employees	100 employees	500 employees, but may be higher in certain cases	500 employees, but may be higher in certain cases
Award Amount	\$5,000	\$3,000-\$37,500	Up to \$10 million	Varies: see below

CT CARES Small Business Grant Program

This [program](#), established and administered by DECD, will provide up to \$50 million in one-time, \$5,000 grants to qualifying small businesses and nonprofit organizations (e.g., those with up to 20 full-time equivalent employees). The grant may be used for rent, payroll, utilities, inventory, or complying with COVID-19-related business rules. The program is now closed to new applications.

DECD will divide the funding so that \$25 million is available to entities located in distressed municipalities and \$25 million to entities located outside of distressed municipalities.

Up to
\$50 million
in total assistance
to CT companies

Recovery Bridge Loan Program

This [program](#), established and administered by DECD, allowed qualifying business and nonprofit organizations (e.g., those with up to 100 employees) to apply for a no-interest loan of up to \$37,500 or three months' operating expenses, whichever is less.

According to DECD, it received 3,322 applications requesting \$195.1 million in funding. It provided funding for 2,122 loans totaling \$41.8 million. The loans have a 12-month term, with a six-month extension available upon request.

2,122
awards issued to CT companies
\$41.8 million
in total assistance to CT companies
\$19,714
average award amount

Paycheck Protection Program (PPP)

Congress established the PPP in March 2020. According to SBA, the program's purpose was to incentivize small businesses to keep workers on the payroll, whereas EIDLs are intended for financial expenses and operating expenses that could have been met but for the disaster.

The [PPP](#) provided small businesses with forgivable loans to pay up to eight weeks of payroll costs including benefits. Funds could also be used to pay interest on mortgages, rent, and utilities, among other things. The program closed to new applications on August 8, 2020.

64,629
awards issued to CT companies
\$6.72 billion
in total assistance to CT companies
\$103,952
average award amount

Economic Injury Disaster Loan Program (EIDL)

The [EIDL program](#) existed before the COVID-19 pandemic; it provides loans to businesses affected by a disaster. In March 2020, Congress made COVID-19-affected businesses eligible for EIDLs through December 2020 while also establishing an emergency EIDL grant program. Businesses may use the funds for working capital and normal operating expenses.

According to SBA, COVID-19 EIDLs are available for up to six months' working capital. The emergency grants were available for \$1,000 per employee, capped at \$10,000 per business. They were provided as an advance payment to EIDL applicants and did not need to be repaid even if the applicant was later denied a loan.

The grant funding was exhausted on July 15, 2020. Loan funding currently remains available.

<u>Grants</u>	<u>Loans</u>
52,259 awards issued to CT companies	35,056 awards issued to CT companies
\$166.4 million in total assistance to CT companies	\$2.11 billion in total assistance to CT companies
\$3,184 average award amount	\$60,212 average award amount (amounts as of Nov. 23, 2020)

**Learn
More**

"Paycheck Protection Program Assistance to Connecticut Businesses," OLR Report [2020-R-0177](#)

SBA's EIDL [website](#)

["Connecticut CARES Small Business Grant,"](#)

DECD

["Small Businesses and COVID-19: Relief and Assistance Resources,"](#) Congressional Research Service

