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COVID-19: Payment Protection Program (PPP) Loan Impact in the Mountain West

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COVID-19: PAYMENT PROTECTION PROGRAM (PPP) LOAN IMPACT IN THE MOUNTAIN WEST

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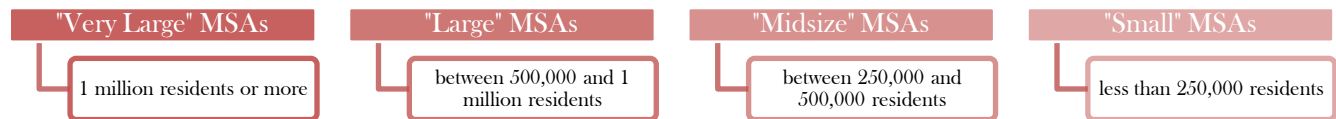
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PURPOSE:

This fact sheet summarizes the impact of COVID-19 relief loans on small businesses in 5 Mountain West states: Arizona, Colorado, Nevada, New Mexico, and Utah. Using data reported by the Small Business Administration’s (SBA) Paycheck Protection Program (PPP),¹ researchers at Brookings report, “across metro areas, COVID-19 relief loans are helping some places more than others.”² This fact sheet explores the geographic distribution of PPP loans in 20 “very large,” “large,” “midsize,” and “small” metropolitan statistical areas (MSA) in the Mountain West.

ABOUT THE DATA:

For each jurisdiction (state and MSA), the data set contains information on the number of employer firms, the number of employees employed by those firms, total loans received, and reported jobs retained (from 2018, for both employer and non-employer firms). A breakdown of MSA size classification is detailed below.



KEY FINDINGS:

1. Firms in New Mexico were significantly less likely to request/receive PPP loans than firms in other states.
2. Firms in Utah were more likely to receive PPP loans than firms in other states. This trend is mirrored in the corresponding data for MSAs, with Provo-Orem, Ogden-Clearfield, and St. George being the leading MSAs in their respective size categories with firms most likely to receive PPP loans.
3. Firms in Arizona MSAs tended to be less likely to receive PPP loans. Standouts included Tucson (a notable outlier in the very large category), Sierra Vista-Douglas, Yuma, and Lake Havasu-Kingman. Two exceptions are Phoenix-Mesa-Chandler and Flagstaff.

DEFINITION OF TERMS:

Small Business	An employer firm with less than 500 employees
Paycheck Protection Program (PPP)	U.S. Congress’s central policy for keeping workers in their jobs amid widespread small business closures due to COVID-19
PPP Coverage	The share of small businesses who received a PPP loan, calculated by dividing the number of loans approved through the program by the total number of small businesses in 2018
Jobs Retained	The interpreting of the Jobs Retained/Employer Job Count figure is a measure of job growth during the COVID-19 pandemic. This number measures jobs retained in 2020 against jobs present in 2018

*Source: Joseph Parilla and Sifan Liu, 2020

¹ See U.S. Department of the Treasury, “SBA Paycheck Protection Program Loan Level Data”, 2020 (home.treasury.gov/policy-issues/cares-act/assistance-for-small-businesses/sba-paycheck-protection-program-loan-level-data).

² See Brookings Institution, “Across metro areas, COVID-19 relief loans are helping some places more than others,” 2020 (www.brookings.edu/blog/the-avenue/2020/07/14/across-metro-areas-covid-19-relief-loans-are-helping-some-places-more-than-others/).

Table 1 lists PPP loan data for five Mountain West states. While Colorado received the most absolute number of PPP loans, Arizona received the most loans per employer firms (i.e. PPP Coverage for 74% of the state’s firms).

Table 1: PPP Coverage and Jobs Retained in Mountain West States

State	Total Loan Count	Total Loan Dollars	# of Loans to Employer Firms	Reported Jobs Retained	Employer Firm Count	Employer Job Count	# of Loans/ Employer Firms	Jobs Retained/ Employer Job Count
AZ	81,015	\$8,624,142,070	70,926	1,030,741	102,794	1,050,293	69%	98%
CO	104,402	\$10,369,964,852	93,808	950,621	131,488	1,111,622	71%	86%
NV	42,147	\$4,125,976,098	34,284	523,120	49,158	487,416	70%	107%
NM	21,924	\$2,240,751,741	18,875	242,717	30,965	332,965	61%	73%
UT	50,691	\$5,247,494,314	46,707	822,068	63,313	600,457	74%	137%
Total	300,179	\$30,608,329,075	264,600	3,569,267	377,718	3,582,753	-	-

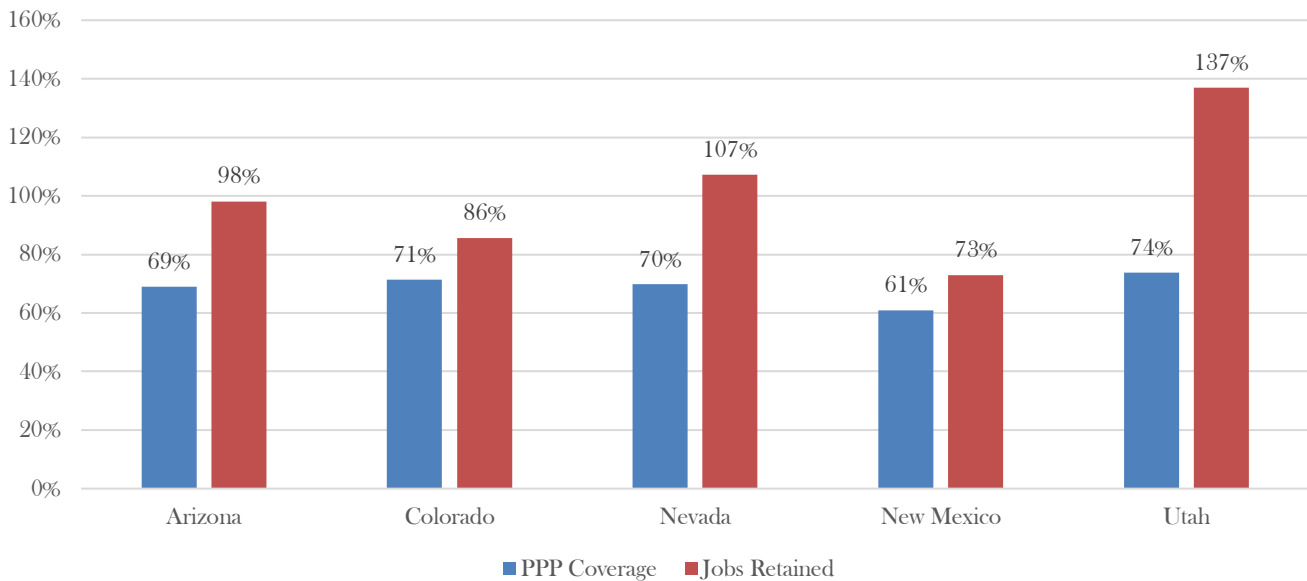
*Source: Joseph Parilla and Sifan Liu, “Across metro areas, COVID-19 relief loans are helping some places more than others,” 2020

** Source: SBA PPP report and loan level data

*** Source: Annual Business Survey

Figure 1 compares the share of firms that received loans to the share of jobs retained in each Mountain West state. Utah had the highest share of PPP coverage and the highest share of jobs-retained, while New Mexico had the lowest share of PPP coverage and jobs retained.

Figure 1: PPP Coverage and Jobs Retained in Mountain West States, 2018 - 2020



*Source: Adapted using data provided by Joseph Parilla and Sifan Liu, 2020

Table 2 lists PPP loan data for 20 Small, Midsized, Large, & Very Large Mountain West MSAs. Within each MSA size category, metropolitan areas are ranked by the percentage of PPP Coverage in the area (Loan Count/Employer Firm Count).

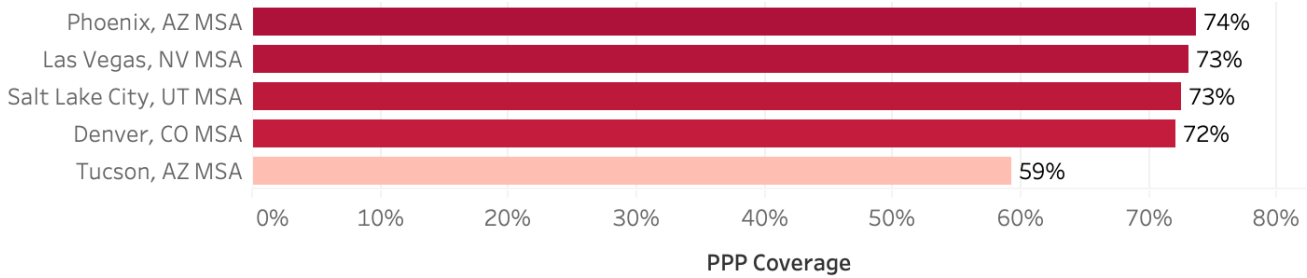
Table 2: PPP Coverage and Jobs Retained in Mountain West MSAs

Metropolitan Area		# of Loans to Employer Firms	Reported Jobs Retained	Employer Firm Count	Employer Firm Job Count	Loan Count/Employer Firm Count	Jobs Retained/Employer Job Count
VERY LARGE MSAs	Tucson, AZ	8,575	138,228	14,485	145,290	59%	95%
	Denver-Aurora-Lakewood, CO	47,238	529,302	65,570	587,656	72%	90%
	Las Vegas-Henderson-Paradise, NV	24,789	387,171	33,910	338,309	73%	114%
	Salt Lake City, UT	18,408	343,028	25,375	260,892	73%	131%
	Phoenix-Mesa-Chandler, AZ	52,439	701,782	71,210	737,114	74%	95%
LARGE MSAs	Colorado Springs, CO	8,609	99,180	13,476	105,430	64%	94%
	Ogden-Clearfield, UT	8,158	146,661	11,680	105,654	70%	139%
	Provo-Orem, UT	8,392	154,121	11,748	110,312	71%	140%
MIDSIZED MSAs	Reno, NV	6,436	87,795	9,478	83,376	68%	105%
	Boulder, CO	7,214	72,070	10,247	69,018	70%	104%
	Fort Collins, CO	6,606	53,711	8,841	68,098	75%	79%
	Greeley, CO	4,314	39,511	5,011	44,731	86%	88%
SMALL MSAs	Sierra Vista-Douglas, AZ	724	13,162	1,481	15,201	49%	87%
	Yuma, AZ	1,199	30,214	2,148	23,508	56%	129%
	Lake Havasu City-Kingman, AZ	1,597	25,817	2,756	21,063	58%	123%
	Carson City, NV	883	12,571	1,417	10,430	62%	121%
	Pueblo, CO	1,298	19,263	1,928	21,384	67%	90%
	Flagstaff, AZ	1,634	34,762	2,384	28,518	69%	122%
	Grand Junction, CO	2,377	25,538	3,261	26,671	73%	96%
	St. George, UT	3,665	45,462	4,290	31,481	85%	144%

*Adapted from the SBA PPP report and loan level data

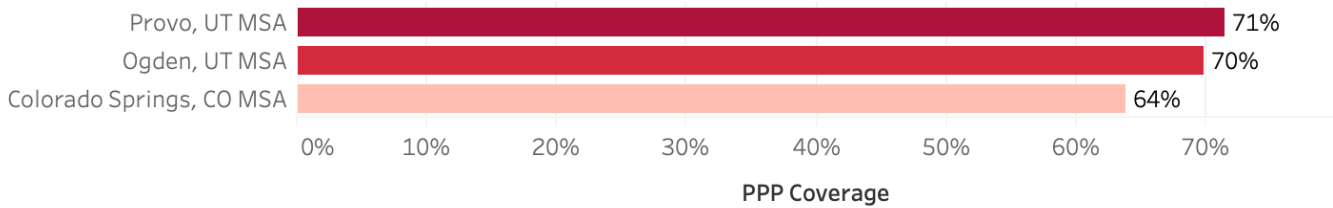
Figures 2, 3, 4 and 5 show the PPP loan rate for Mountain West MSAs. Among “very large” Mountain West metros, 59% of Tucson, AZ firms received PPP loans, while 74% of firms in neighboring Phoenix received PPP loans. Among “large” Mountain West metros, 64% of firms in Colorado Spring, CO received PPP loans. Among “midsize metros,” 68% of firms in Reno, NV received PPP loans. Among “small” Mountain West metros, Arizona MSAs experienced a lower rate of PPP coverage than other MSAs of a comparable size.

Figure 2: Percentage of Firms Receiving PPP Loans in Very Large Metros



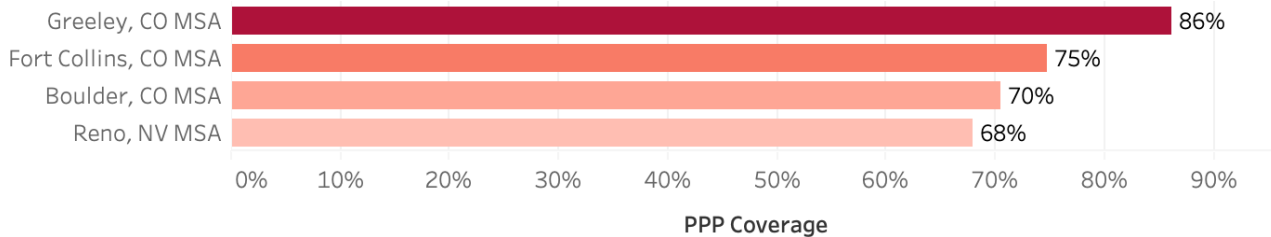
*Source: Adapted using data provided by Joseph Parilla and Sifan Liu, 2020

Figure 3: Percentage of Firms Receiving PPP Loans in Large Metros



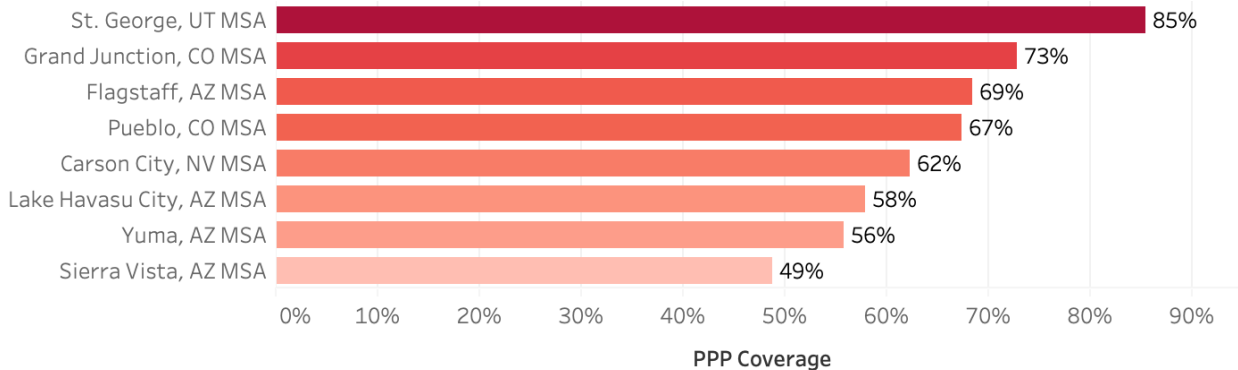
*Source: Adapted using data provided by Joseph Parilla and Sifan Liu, 2020

Figure 4: Percentage of Firms Receiving PPP Loans in Midsize Metros



*Source: Adapted using data provided by Joseph Parilla and Sifan Liu, 2020

Figure 5: Percentage of Firms Receiving PPP Loans in Small Metros



*Source: Adapted using data provided by Joseph Parilla and Sifan Liu, 2020