



LAEDC

COVID-19 Economic Implications Briefing

May 4, 2020



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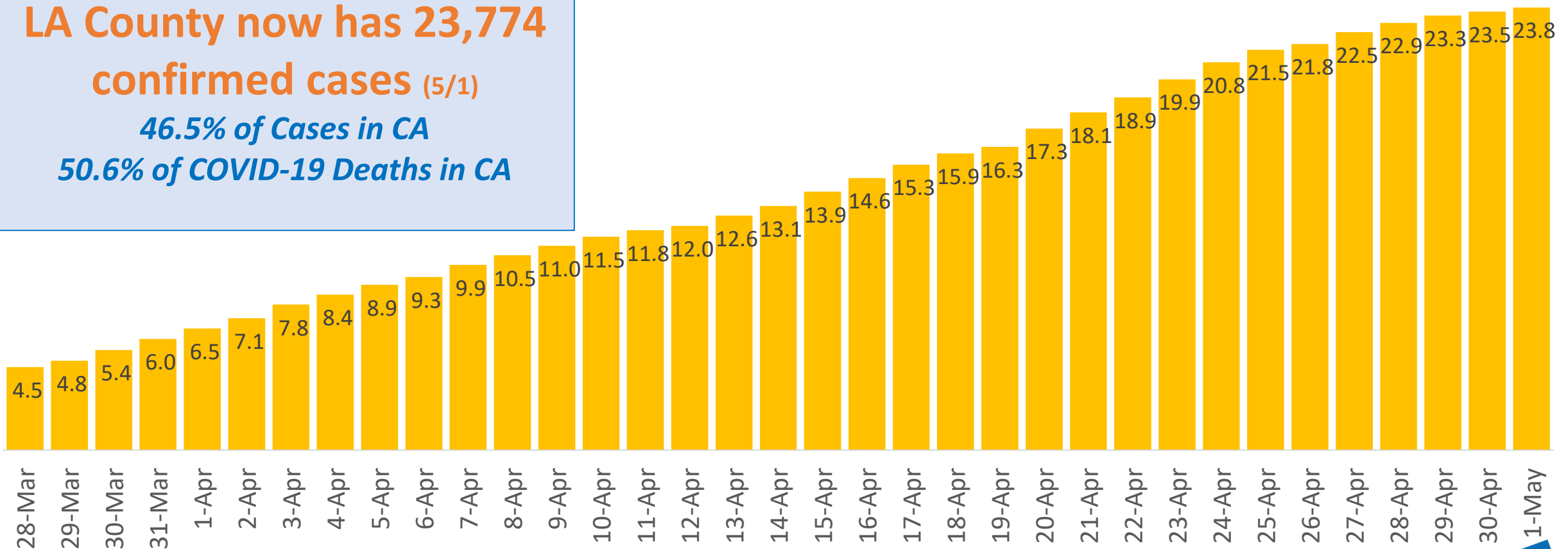
Confirmed COVID-19 Cases

in LA County (5/1)

COVID-19 Cases in LA County (000s)

LA County now has 23,774 confirmed cases (5/1)

46.5% of Cases in CA
50.6% of COVID-19 Deaths in CA



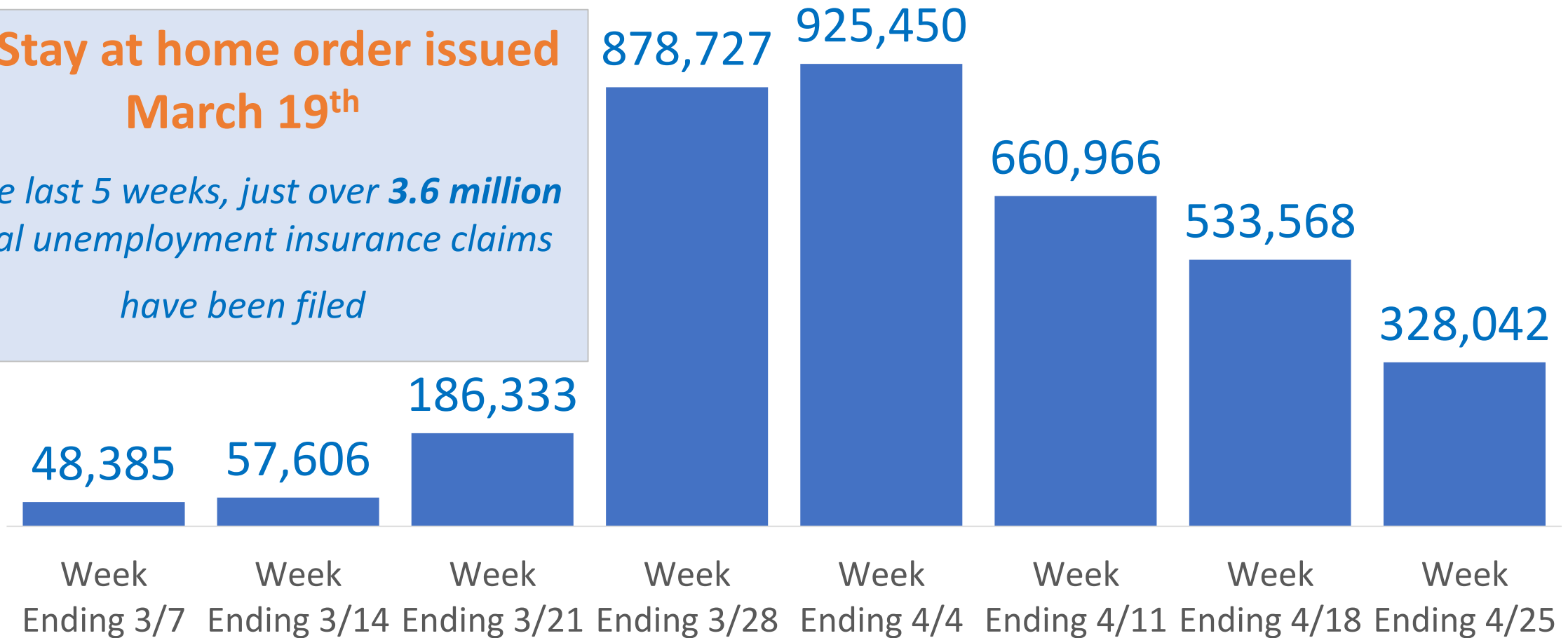
Source: LA County

Unemployment Insurance Weekly Claims

Initial Claims in California

**CA Stay at home order issued
March 19th**

*In the last 5 weeks, just over 3.6 million
initial unemployment insurance claims
have been filed*

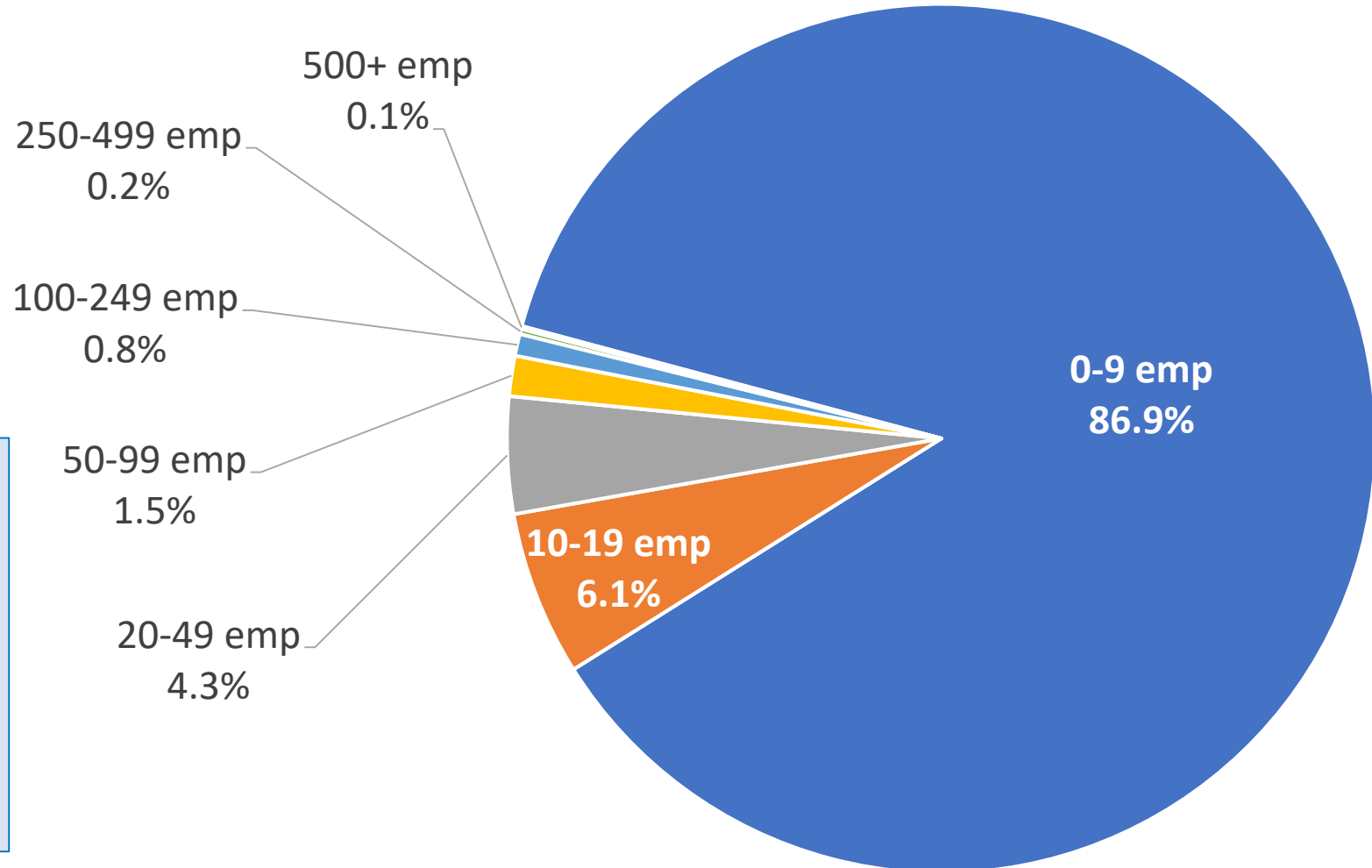


ASSESSING SBA RELIEF EFFORTS IN CALIFORNIA & LA COUNTY

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Small Businesses in LA County

Number of Businesses by Employment Size

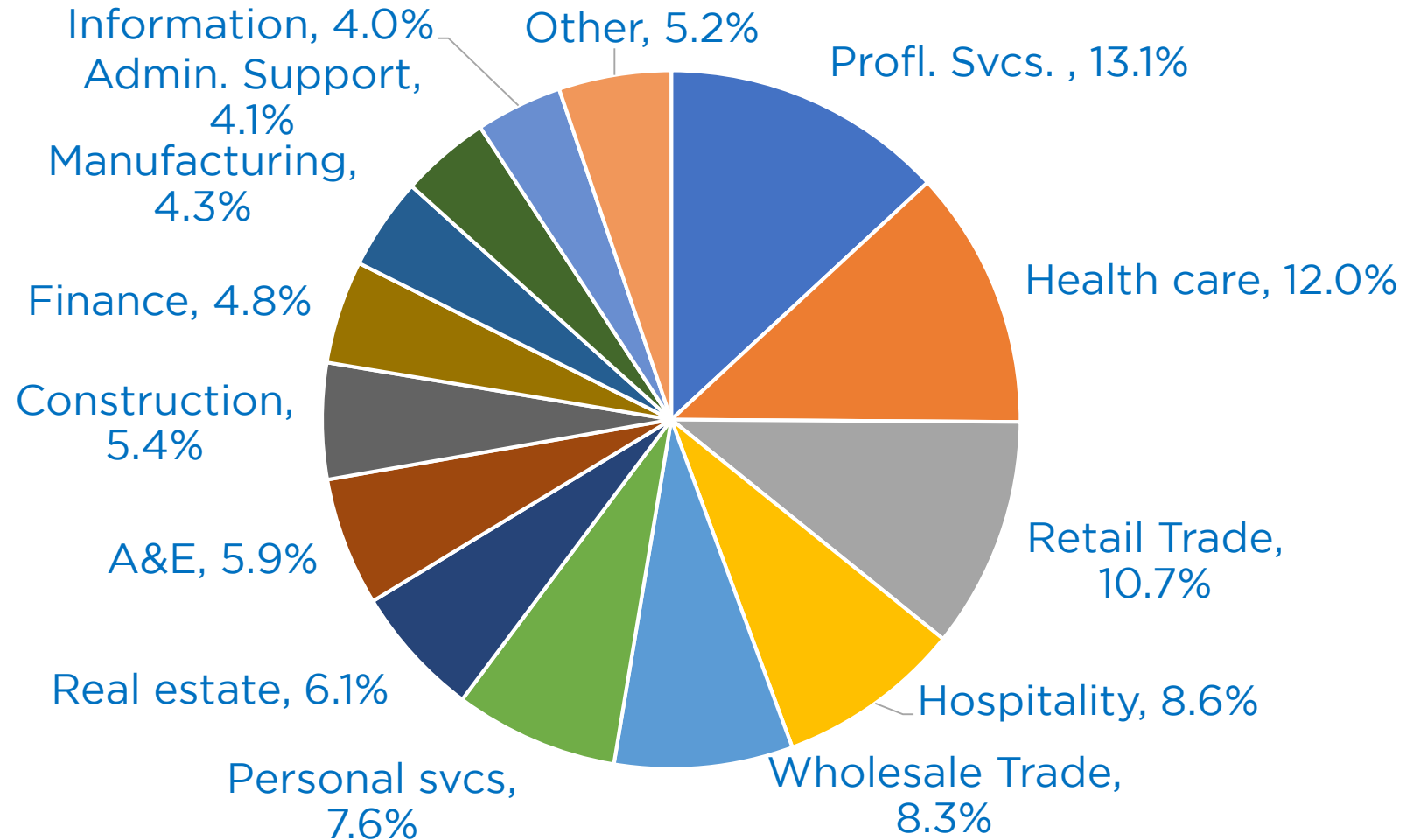


**93% of
Businesses in
LA County have
less than 20
employees**

Small Businesses in LA County

53.4% of LA County residents work for small businesses

LA County Small Business by Industry



Between 98 and almost 100% of all LA businesses are small, regardless of industry

Source: American Communities Survey



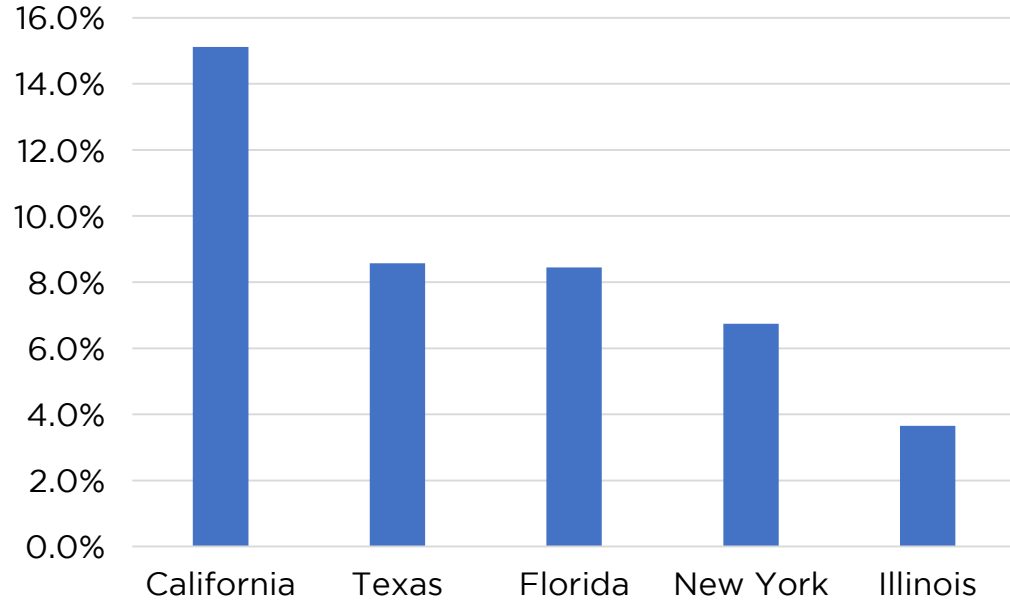
EIDL

PPP

- ❖ Economic Injury Disaster Loan
- ❖ For any small business with < 500 employees
- ❖ Can borrow up to \$2 million direct from U.S. Treasury
- ❖ Is a loan with an interest rate of 3.75% for small business, 2.75% for private non-profits
- ❖ Can be used for fixed debts, payrolls, accounts payable, some other expenses
- ❖ Can get \$10K advance
- ❖ The program is NOT accepting new applications but is processing current ones
- ❖ Paycheck Protection Program
- ❖ Through federally insured depository institution
- ❖ Size standard that satisfied “small business concern” under Small Business Act
- ❖ CARES Act funded \$350B for PPP Round 1; \$310B appropriated for PPP Round 2
- ❖ Loans forgiven if 75% used to cover payroll costs for eight weeks; loan payments deferred for six months
- ❖ Loan has a maturity of 2 years at 1% interest
- ❖ 56.7% of PPP2 lend as of May 1st

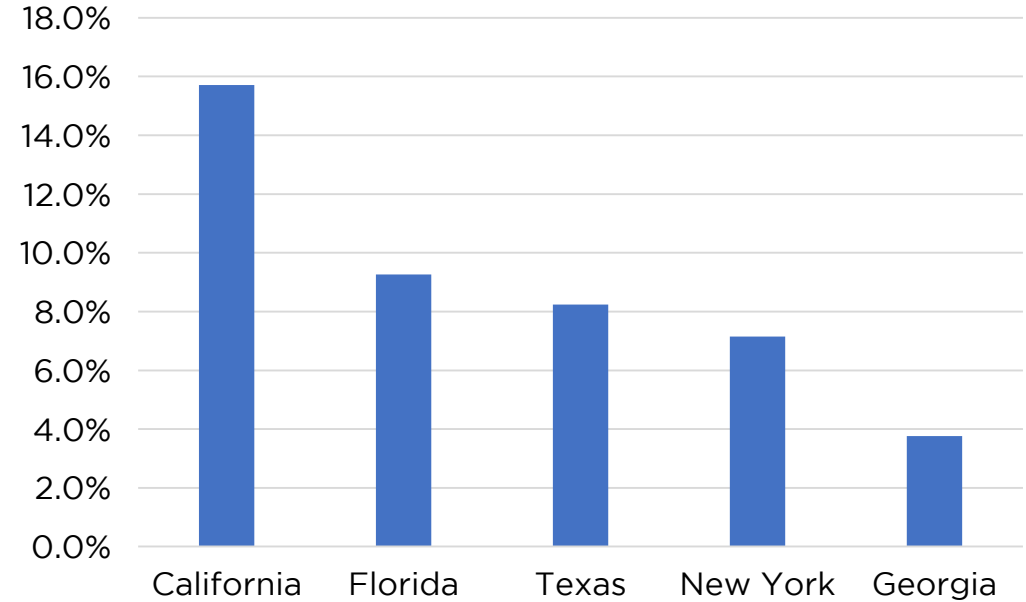
EIDL Advances

Top 5 States for EIDL Advances, % of Dollars



California	\$726,437,000
Texas	\$412,051,000
Florida	\$406,062,000
New York	\$323,862,000
Illinois	\$175,710,000

Top 5 States for EIDL Advances, % of Total

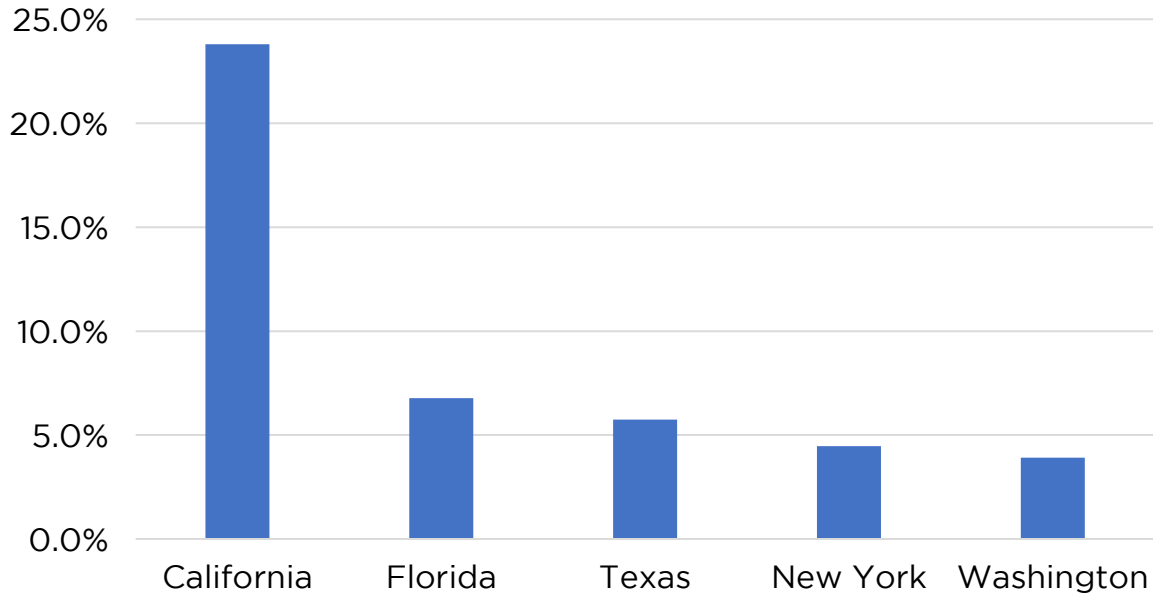


California	187,298
Florida	110,428
Texas	98,257
New York	85,196
Georgia	44,840



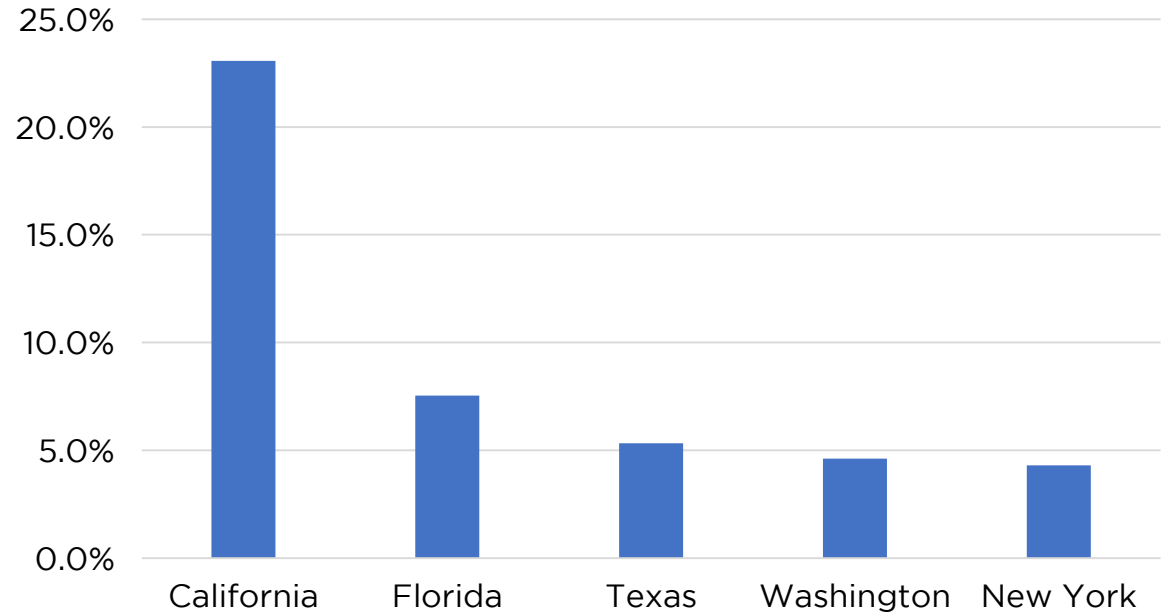
EIDL Loans

Top 5 States for EIDL's , % of Dollars



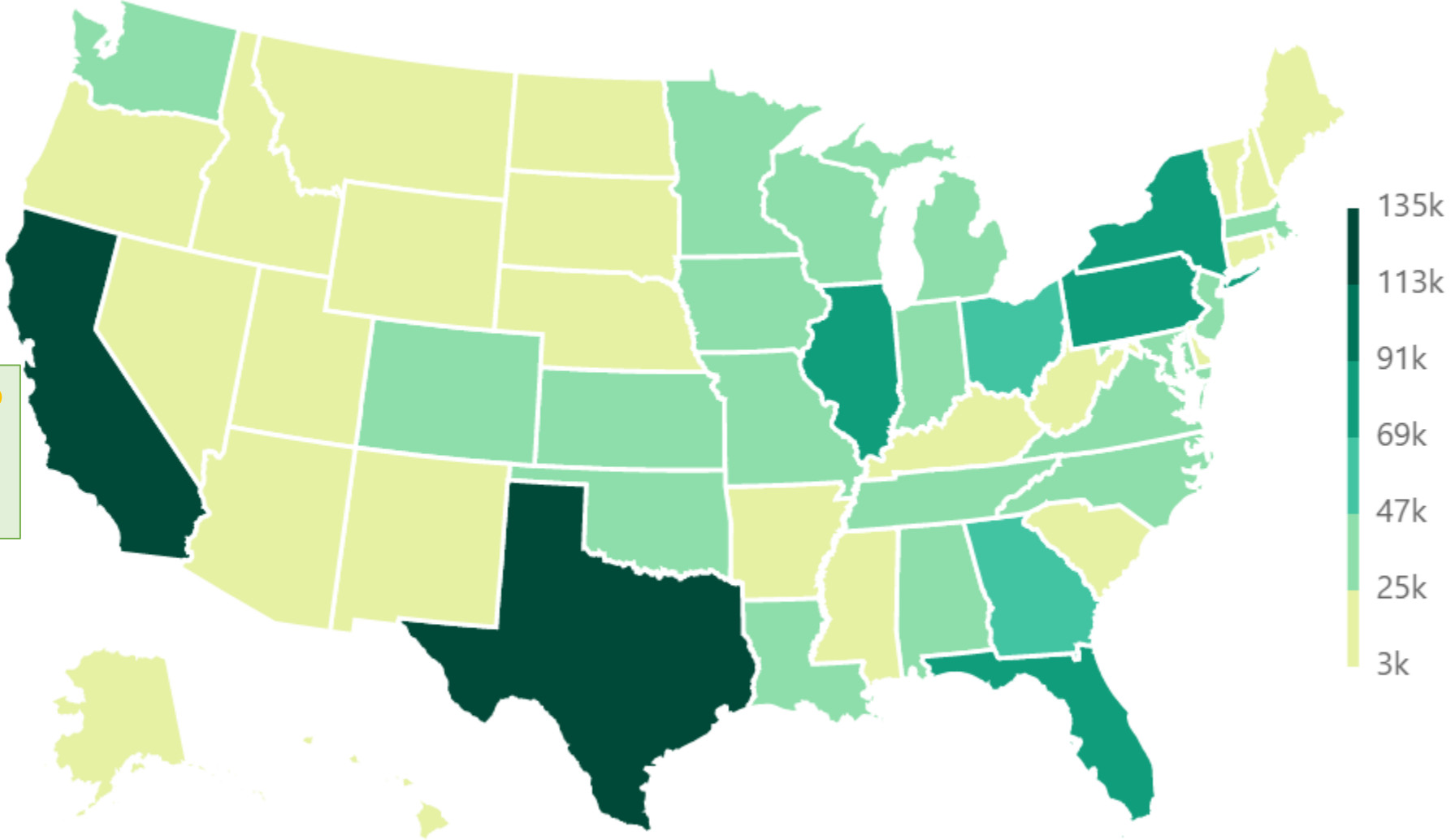
California	\$1,895,998,988
Florida	\$540,305,900
Texas	\$457,972,100
New York	\$356,159,000
Washington	\$311,360,500

Top 5 States for EIDL's , % of Total



California	8,985
Florida	2,936
Texas	2,073
Washington	1,794
New York	1,674

SBA Loans by State



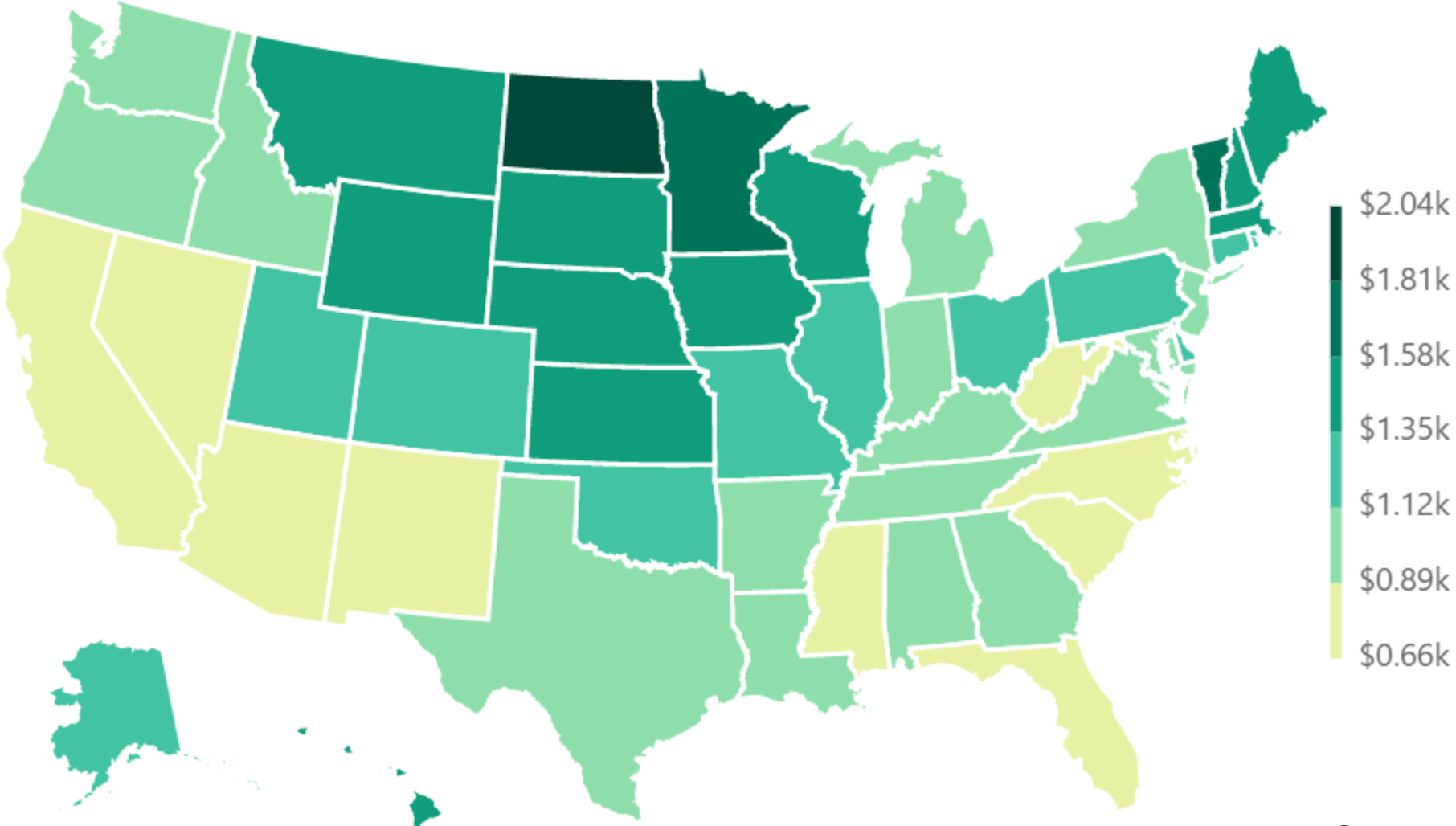
112,967 PPP Loans for California

APPROVED SBA PPP LOANS (INITIAL \$350B) 2020

Source: SBA



SBA Loan Dollars Per Capita



\$844.7 in SBA Loans per Californian

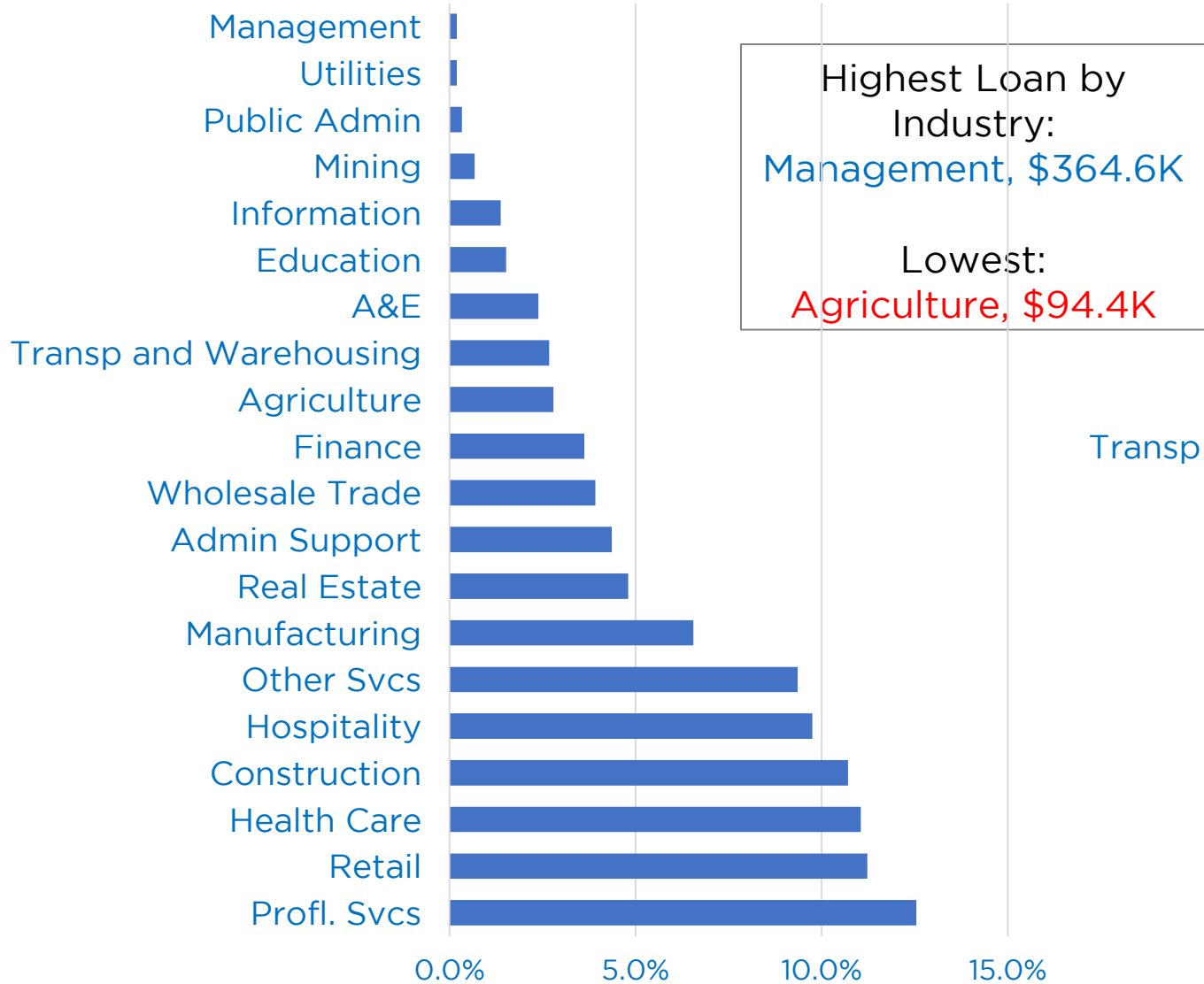
SBA LOAN DOLLARS PER CAPITA (INITIAL \$350B) 2020

Source: SBA

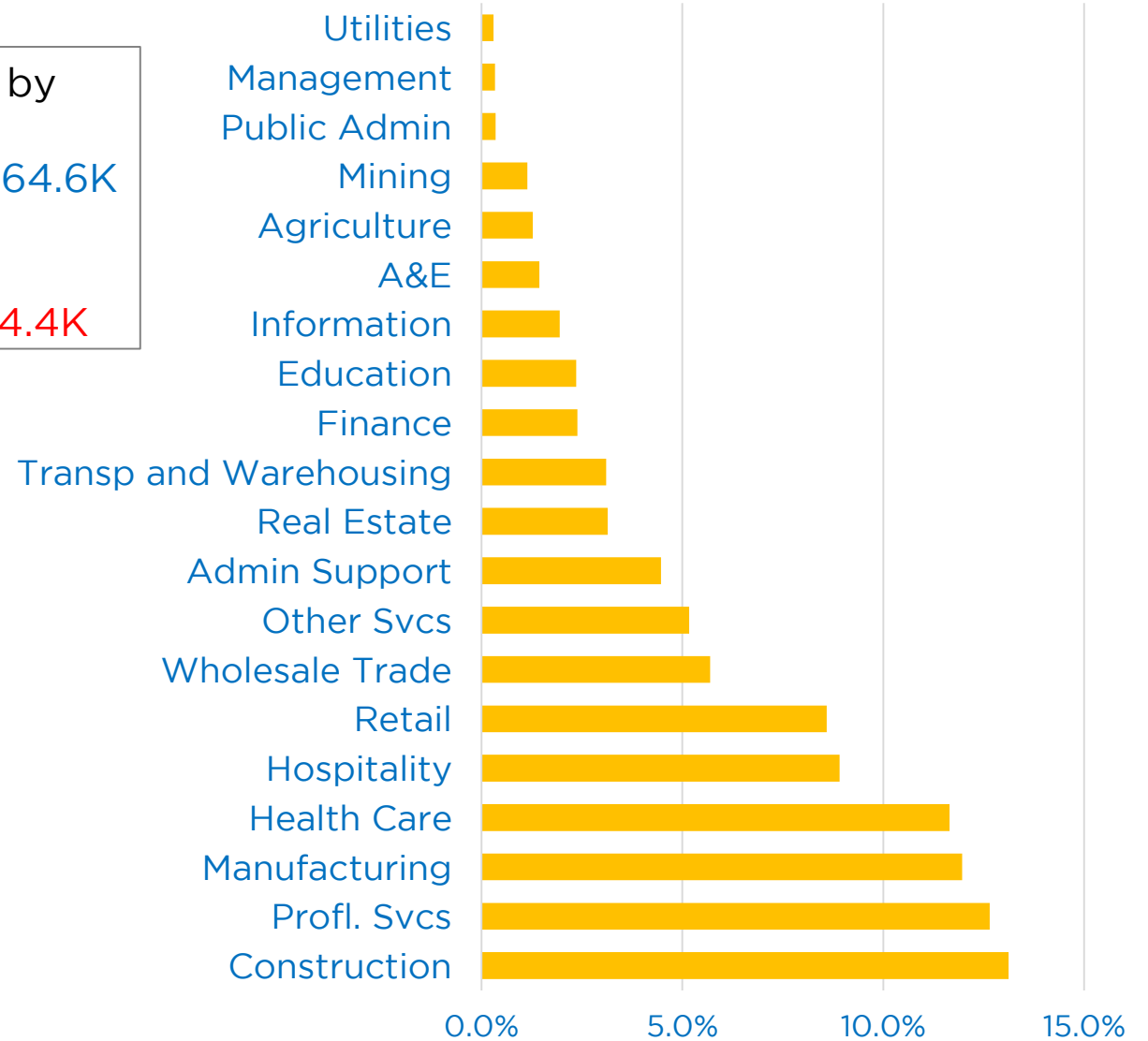




PPP Round 1 Loans by Industry



PPP Round 1 Loan Dollars by Industry



Top Industries by PPP 1 Amount, US

- ❖ Construction
- ❖ Professional, Scientific and Technical Services
- ❖ Manufacturing
- ❖ Health Care
- ❖ Accommodation and Food Services

Top Industries by PPP 1 # of Loans, US

- ❖ Construction
- ❖ Professional, Scientific and Technical Services
- ❖ Health Care
- ❖ Accommodation and Food Services
- ❖ Retail Trade

Top Industries by # Firms, California

- ❖ Health Care
- ❖ Professional, Scientific and Technical Services
- ❖ Retail Trade
- ❖ Personal Services
- ❖ Accommodation and Food Service

Top Industries by # Firms, LA County

- ❖ Health Care
- ❖ Professional, Scientific and Technical Services
- ❖ Retail Trade
- ❖ Personal Services
- ❖ Accommodation and Food Service

PPP Round 1 vs. PPP Round 2

As of April 16th

	Loan Count	Gross Dollars	Lender Count
Total	1,661,367	\$342,277,999,103	4,975
California	112,967	\$33,413,693,192	
% CA	6.8%	9.8%	

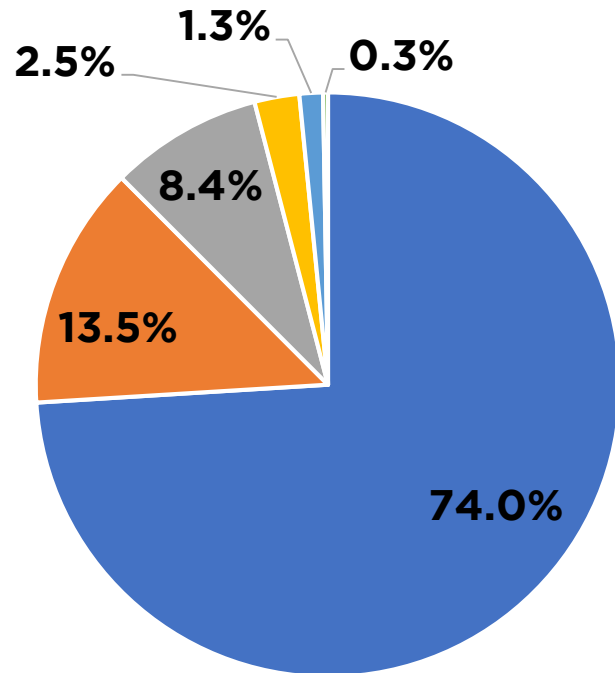
As of May 1st

	Loan Count	Gross Dollars	Lender Count
Total	2,211,791	\$175,743,247,908	5,432
California	320,156	\$33,221,856,619	
%CA	14.5%	18.9%	

PPP Loans by Size

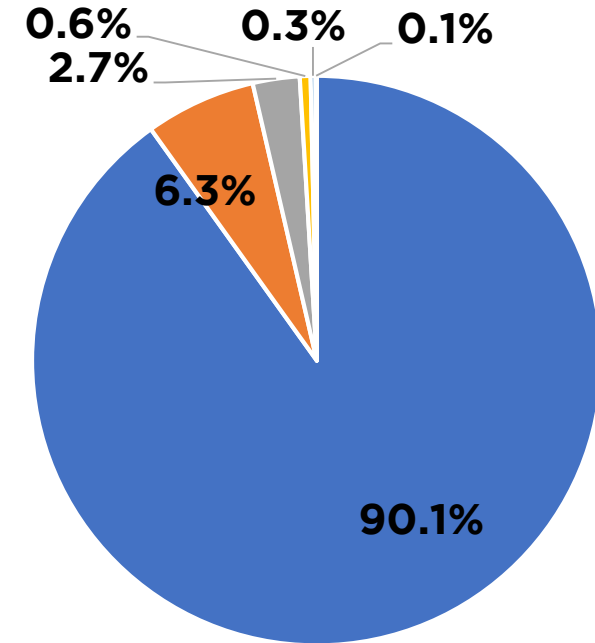
PPP Round 1 vs. PPP Round 2

PPP Round 1, % of Loans



- \$150K and Under
- >\$150K - \$350K
- >\$350K - \$1M
- >\$1M - \$2M
- >\$2M - \$5M
- >\$5M

PPP Round 2, % of Loans

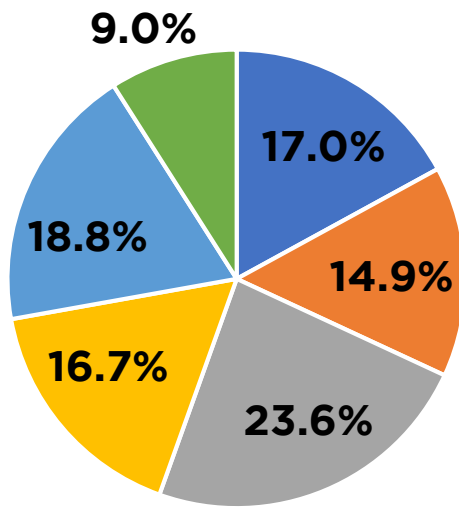


- \$150K and Under
- >\$150K - \$350K
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PPP Loans by Size

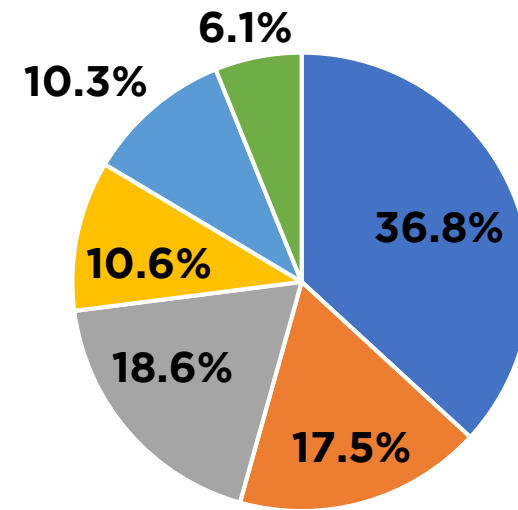
PPP Round 1 vs. PPP Round 2

PPP Round 1, % of Dollars



- \$150K and Under
- >\$150K - \$350K
- >\$350K - \$1M
- >\$1M - \$2M
- >\$2M - \$5M
- >\$5M

PPP Round 2, % of Dollars



- \$150K and Under
- >\$150K - \$350K
- >\$350K - \$1M
- >\$1M - \$2M
- >\$2M - \$5M
- >\$5M

Final Thoughts

- ❖ California businesses received a total of \$2.6 billion in EIDL advances and loans
- ❖ Between PPP Round 1 and 2, California businesses have received \$66.6 billion in aid, or over 12.8% of loans disbursed
- ❖ Some mismatch between top industries served by PPP nationally and top industries, by # of firms, in California and LA County
- ❖ Average loan size in PPP1 was \$206,000; for PPP2, it is \$79,000
- ❖ Nationally, largest loans given to the manufacturing, management, mining, education and utilities industries
- ❖ Much remains to be assessed in the coming months how effective these programs were



LAEDC | Mission

LAEDC works with business, education and government partners to collectively advance opportunity and prosperity for all L.A. County residents.

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QUESTIONS

Thank you!

- Visit the LAEDC COVID-19 Response page for additional resources at <https://laedc.org/coronavirus/>.
- Do you have questions you would like answered on these webinars? Please send to shane.cullen@laedc.org.