

An Analysis of the CARES Act Paycheck Protection Program Loan Information

Background

The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 has offered significant assistance to small businesses and nonprofits. Included in the federal aid package was \$349 billion for the Paycheck Protection Program (PPP), which was earmarked for loans to small businesses to cover costs associated with maintaining their workforce. This program allowed businesses that have been affected by COVID-19's impact on local economies to borrow money for expenses such as payroll costs, health care benefits, employee compensation for workers who earn up to \$100,000 annually, mortgage interest obligations, rent and utilities, and interest on debt incurred.

To be eligible for the PPP, the CARES Act required entities to be small businesses, 501(c)(3) organizations, 501(c)(19) veterans organizations, or tribal business concerns with not more than 500 employees. Qualified small businesses were eligible for a loan up to an amount equivalent to 250 percent of the employer's average payroll costs or \$10 million, whichever is less. Non-employer firms were also eligible for PPP.

As of April 16, 2020, the funds set aside to support small businesses through the PPP were exhausted. In Table 1 below, the Guinn Center summarizes SBA PPP program data for each state.¹ We report:

- (A) The number of approved PPP loans received by each state
- (B) The number of small businesses in each state (small businesses are defined as firms with 1-499 employees, as well as non-employer firms)
- (C) The percentage of small businesses that received PPP loans (A/B)
- (D) The approved PPP dollars in each state, and
- (E) The average size of PPP loan per business (D/A)

In Table 2, we present the same information as presented in Table 1 but rank the percentage of small businesses in each state and the District of Columbia that received PPP loans. While Nevada's economy is unique in many ways, an analysis of the data, which is presented below, indicates that Nevada shares key attributes with other states.

As Table 2 indicates, Nevada ranks 50th in the United States, just above California. Only **3.2 percent of Nevada's small businesses received PPP loans**, which is below the national average of 5.4 percent. (We acknowledge that a better metric would be to examine the application versus approval rate, but neither the SBA nor the financial institutions that processed PPP loans have released that information.) Nevada ranked 8th in the average size of PPP loan (\$232,181). This means that while a smaller percentage of Nevada small businesses received PPP loans, the size of the loan was relatively bigger and exceeded the national average of \$205,614.

Table 1. PPP Loan Data, by State

	A	B	C	D	E
State	Approved PPP Loans	No. of Small Businesses	% of Small Businesses Receiving PPP Loans	Approved PPP Dollars	Average Size of PPP Loan
Alabama	27,922	396,432	7.0%	\$ 4,862,690,120	\$ 174,153
Alaska	4,842	73,354	6.6%	\$ 921,927,504	\$ 190,402
Arizona	19,280	571,495	3.4%	\$ 4,846,959,062	\$ 251,398
Arkansas	21,754	249,907	8.7%	\$ 2,722,726,557	\$ 125,160
California	112,967	4,023,206	2.8%	\$ 33,413,693,192	\$ 295,783
Colorado	41,635	630,113	6.6%	\$ 7,392,960,359	\$ 177,560
Connecticut	18,435	346,950	5.3%	\$ 4,151,934,451	\$ 225,220
D.C.	3,253	76,083	4.3%	\$ 1,247,218,727	\$ 383,406
Delaware	5,171	82,121	6.3%	\$ 1,090,415,848	\$ 210,871
Florida	88,997	2,494,279	3.6%	\$ 17,863,199,837	\$ 200,717
Georgia	48,332	1,051,071	4.6%	\$ 9,464,475,442	\$ 195,828
Hawaii	11,553	132,640	8.7%	\$ 2,046,450,982	\$ 177,136
Idaho	13,627	162,905	8.4%	\$ 1,850,034,026	\$ 135,762
Illinois	69,893	1,233,572	5.7%	\$ 15,972,578,071	\$ 228,529
Indiana	35,990	512,348	7.0%	\$ 7,491,445,351	\$ 208,154
Iowa	29,424	270,484	10.9%	\$ 4,315,688,444	\$ 146,672
Kansas	26,245	254,297	10.3%	\$ 4,288,652,108	\$ 163,408
Kentucky	23,797	351,260	6.8%	\$ 4,149,467,684	\$ 174,369
Louisiana	26,635	447,440	6.0%	\$ 5,100,534,501	\$ 191,497
Maine	14,993	147,270	10.2%	\$ 1,944,425,549	\$ 129,689
Maryland	26,068	594,124	8.4%	\$ 6,537,733,687	\$ 38,938
Massachusetts	46,937	669,224	7.0%	\$ 10,360,907,178	\$ 220,741
Michigan	43,438	873,722	5.0%	\$ 10,381,310,070	\$ 238,991
Minnesota	46,383	520,110	8.9%	\$ 9,014,060,040	\$ 194,340
Mississippi	20,748	257,404	8.1%	\$ 2,481,000,606	\$ 119,578
Missouri	46,481	532,277	8.2%	\$ 7,547,822,023	\$ 173,761
Montana	13,456	120,246	11.2%	\$ 1,470,300,136	\$ 109,267
Nebraska	23,477	176,358	13.3%	\$ 2,988,890,489	\$ 127,311
Nevada	8,674	270,079	3.2%	\$ 2,013,939,889	\$ 232,181
New Hampshire	11,582	134,760	8.6%	\$ 2,006,858,477	\$ 173,274
New Jersey	33,519	884,049	3.8%	\$ 9,527,794,260	\$ 284,251
New Mexico	8,277	154,804	5.3%	\$ 1,424,408,711	\$ 172,092
New York	81,075	2,168,799	3.7%	\$ 20,345,681,101	\$ 250,949
North Carolina	39,520	913,398	4.3%	\$ 8,005,752,270	\$ 202,575
North Dakota	11,002	73,142	15.0%	\$ 1,548,384,035	\$ 140,737
Ohio	59,800	949,479	6.3%	\$ 14,108,889,927	\$ 235,935
Oklahoma	35,557	350,718	10.1%	\$ 4,615,708,450	\$ 129,812
Oregon	18,732	377,860	5.0%	\$ 3,806,104,476	\$ 203,187
Pennsylvania	69,567	1,058,033	6.6%	\$ 15,697,648,689	\$ 225,648
Rhode Island	7,732	101,516	7.6%	\$ 658,573,638	\$ 85,175
South Carolina	22,933	418,031	5.5%	\$ 3,807,578,397	\$ 166,031
South Dakota	11,324	86,550	13.1%	\$ 1,369,616,339	\$ 120,948
Tennessee	34,035	603,310	5.6%	\$ 6,542,045,089	\$ 192,215
Texas	134,737	2,679,964	5.0%	\$ 28,483,710,273	\$ 211,402
Utah	21,257	287,803	7.4%	\$ 3,695,399,459	\$ 173,844
Vermont	6,983	77,614	9.0%	\$ 1,000,127,478	\$ 143,223
Virginia	40,371	745,886	5.4%	\$ 8,721,170,223	\$ 216,026
Washington	30,421	608,956	5.0%	\$ 6,959,680,159	\$ 228,779
West Virginia	7,861	113,410	6.9%	\$ 1,351,223,328	\$ 171,889
Wisconsin	43,395	452,594	9.6%	\$ 8,317,705,842	\$ 191,674
Wyoming	7,618	66,653	11.4%	\$ 837,018,372	\$ 109,874
U.S. Territories	3,662	.	.	\$ 836,274,014	\$ 228,365
Total	1,661,367	30,828,100	5.4%	\$341,600,794,940	\$ 205,614

Table 2. Percentage of Small Businesses that Received PPP Loans, Ranked

	A	B	C	D	E
State	Approved PPP Loans	No. of Small Businesses	% of Small Businesses Receiving PPP Loans	Approved PPP Dollars	Average Size of PPP Loan
North Dakota	11,002	73,142	15.0%	\$ 1,548,384,035	\$ 140,737
Nebraska	23,477	176,358	13.3%	\$ 2,988,890,489	\$ 127,311
South Dakota	11,324	86,550	13.1%	\$ 1,369,616,339	\$ 120,948
Wyoming	7,618	66,653	11.4%	\$ 837,018,372	\$ 109,874
Montana	13,456	120,246	11.2%	\$ 1,470,300,136	\$ 109,267
Iowa	29,424	270,484	10.9%	\$ 4,315,688,444	\$ 146,672
Kansas	26,245	254,297	10.3%	\$ 4,288,652,108	\$ 163,408
Maine	14,993	147,270	10.2%	\$ 1,944,425,549	\$ 129,689
Oklahoma	35,557	350,718	10.1%	\$ 4,615,708,450	\$ 129,812
Wisconsin	43,395	452,594	9.6%	\$ 8,317,705,842	\$ 191,674
Vermont	6,983	77,614	9.0%	\$ 1,000,127,478	\$ 143,223
Minnesota	46,383	520,110	8.9%	\$ 9,014,060,040	\$ 194,340
Hawaii	11,553	132,640	8.7%	\$ 2,046,450,982	\$ 177,136
Arkansas	21,754	249,907	8.7%	\$ 2,722,726,557	\$ 125,160
New Hampshire	11,582	134,760	8.6%	\$ 2,006,858,477	\$ 173,274
Maryland	26,068	594,124	8.4%	\$ 6,537,733,687	\$ 38,938
Idaho	13,627	162,905	8.4%	\$ 1,850,034,026	\$ 135,762
Missouri	46,481	532,277	8.2%	\$ 7,547,822,023	\$ 173,761
Mississippi	20,748	257,404	8.1%	\$ 2,481,000,606	\$ 119,578
Rhode Island	7,732	101,516	7.6%	\$ 658,573,638	\$ 85,175
Utah	21,257	287,803	7.4%	\$ 3,695,399,459	\$ 173,844
Alabama	27,922	396,432	7.0%	\$ 4,862,690,120	\$ 174,153
Indiana	35,990	512,348	7.0%	\$ 7,491,445,351	\$ 208,154
Massachusetts	46,937	669,224	7.0%	\$ 10,360,907,178	\$ 220,741
West Virginia	7,861	113,410	6.9%	\$ 1,351,223,328	\$ 171,889
Kentucky	23,797	351,260	6.8%	\$ 4,149,467,684	\$ 174,369
Colorado	41,635	630,113	6.6%	\$ 7,392,960,359	\$ 177,560
Alaska	4,842	73,354	6.6%	\$ 921,927,504	\$ 190,402
Pennsylvania	69,567	1,058,033	6.6%	\$ 15,697,648,689	\$ 225,648
Ohio	59,800	949,479	6.3%	\$ 14,108,889,927	\$ 235,935
Delaware	5,171	82,121	6.3%	\$ 1,090,415,848	\$ 210,871
Louisiana	26,635	447,440	6.0%	\$ 5,100,534,501	\$ 191,497
Illinois	69,893	1,233,572	5.7%	\$ 15,972,578,071	\$ 228,529
Tennessee	34,035	603,310	5.6%	\$ 6,542,045,089	\$ 192,215
South Carolina	22,933	418,031	5.5%	\$ 3,807,578,397	\$ 166,031
Virginia	40,371	745,886	5.4%	\$ 8,721,170,223	\$ 216,026
New Mexico	8,277	154,804	5.3%	\$ 1,424,408,711	\$ 172,092
Connecticut	18,435	346,950	5.3%	\$ 4,151,934,451	\$ 225,220
Texas	134,737	2,679,964	5.0%	\$ 28,483,710,273	\$ 211,402
Washington	30,421	608,956	5.0%	\$ 6,959,680,159	\$ 228,779
Michigan	43,438	873,722	5.0%	\$ 10,381,310,070	\$ 238,991
Oregon	18,732	377,860	5.0%	\$ 3,806,104,476	\$ 203,187
Georgia	48,332	1,051,071	4.6%	\$ 9,464,475,442	\$ 195,828
North Carolina	39,520	913,398	4.3%	\$ 8,005,752,270	\$ 202,575
D.C.	3,253	76,083	4.3%	\$ 1,247,218,727	\$ 383,406
New Jersey	33,519	884,049	3.8%	\$ 9,527,794,260	\$ 284,251
New York	81,075	2,168,799	3.7%	\$ 20,345,681,101	\$ 250,949
Florida	88,997	2,494,279	3.6%	\$ 17,863,199,837	\$ 200,717
Arizona	19,280	571,495	3.4%	\$ 4,846,959,062	\$ 251,398
Nevada	8,674	270,079	3.2%	\$ 2,013,939,889	\$ 232,181
California	112,967	4,023,206	2.8%	\$ 33,413,693,192	\$ 295,783
U.S. Territories	3,662	.	.	\$ 836,274,014	\$ 228,365
Total	1,661,367	30,828,100	5.4%	\$ 341,600,794,940	\$ 205,614

Table 3 compares metrics across states with similarly sized populations and numbers of small businesses. Arkansas, Iowa, Kansas, Mississippi, Nevada, and Utah have populations totaling 2.9-3.2 million and 250,000-300,000 small businesses. Among states that are similar in size, the percentage of small businesses receiving PPP loans in Nevada was significantly lower than its peer states.

Table 3. Comparison of Nevada and its Peer States

	A	B	C	D	E
State	Approved PPP Loans	No. of Small Businesses	% of Small Businesses Receiving PPP Loans	Approved PPP Dollars	Average Size of PPP Loan
Arkansas	21,754	249,907	8.7%	\$ 2,722,726,557	\$ 125,160
Iowa	29,424	270,484	10.9%	\$ 4,315,688,444	\$ 146,672
Kansas	26,245	254,297	10.3%	\$ 4,288,652,108	\$ 163,408
Mississippi	20,748	257,404	8.1%	\$ 2,481,000,606	\$ 119,578
Nevada	8,674	270,079	3.2%	\$ 2,013,939,889	\$ 232,181
Utah	21,257	287,803	7.4%	\$ 3,695,399,459	\$ 173,844

Analysts have offered several explanations as to why such a low percentage of Nevada’s small businesses received PPP loans. One explanation suggests a lack of existing capacity among financial institutions to process the heavy demand for PPP loans. One expert described Nevada generally as “under banked,” meaning that the Silver State has an insufficient number of banks to meet market demand for its products. To explore this argument, we examined Financial Deposit Insurance Corporation (FDIC) data that documents the number of “FDIC-insured [financial] institutions headquartered in the state,” allowing us to compare data across states.²

Table 4 presents information on the number of FDIC-insured financial institutions (banks) in each state (Column F) and the number of small businesses per each FDIC-insured financial institution (banks) (Column G). The data reveals that Nevada has fewer banks than many other states. As of 2019, FDIC reported that Nevada had 19 FDIC-insured financial institutions (a financial institution may have several branches); in contrast, Texas had 438 FDIC-insured financial institutions and Illinois had 435 FDIC-insured financial institutions.^a

Table 4 reveals that Nevada has fewer FDIC-insured banks per small business than many other states, including its peer states (highlighted in gray). Per Column G, there is roughly one financial institution per 14,200 small businesses in Nevada. In Iowa, there is one financial institution for every 900 small businesses. The relatively fewer number of financial institutions in Nevada does provide some evidence to support the concern that capacity issues could have slowed the timely processing PPP loans for many small businesses in Nevada. In fact, there is a negative correlation ($r = -0.62$) between the percentage of small businesses receiving PPP loans and the number of small businesses per

^a We use this metric as it is reported in the SBA Small Business Profile for each state. While there are other financial institutions (e.g., credit unions, etc.) regulated by other bodies, such as the Office of Comptroller of the Currency, we do not include these even though many of them also processed PPP loans.

bank, meaning that the higher the number of small businesses served by each bank, the lower the percentage of small businesses that received PPP loans.

Table 4. Small Businesses and Financial Institutions in Each State, Ranked

	A	B	C	D	E	F	G
State	Approved PPP Loans	No. of Small Businesses	% of Small Businesses Receiving PPP Loans	Approved PPP Dollars	Average Size of PPP Loan	Number of Banks	Small Businesses per Bank (In 1,000s)
Arizona	19,280	571,495	3.4%	\$ 4,846,959,062	\$ 251,398	15	38.1
California	112,967	4,023,206	2.8%	\$ 33,413,693,192	\$ 295,783	154	26.1
D.C.	3,253	76,083	4.3%	\$ 1,247,218,727	\$ 383,406	3	25.4
Oregon	18,732	377,860	5.0%	\$ 3,806,104,476	\$ 203,187	17	22.2
Florida	88,997	2,494,279	3.6%	\$ 17,863,199,837	\$ 200,717	117	21.3
North Carolina	39,520	913,398	4.3%	\$ 8,005,752,270	\$ 202,575	47	19.4
Hawaii	11,553	132,640	8.7%	\$ 2,046,450,982	\$ 177,136	8	16.6
New York	81,075	2,168,799	3.7%	\$ 20,345,681,101	\$ 250,949	138	15.7
Alaska	4,842	73,354	6.6%	\$ 921,927,504	\$ 190,402	5	14.7
Washington	30,421	608,956	5.0%	\$ 6,959,680,159	\$ 228,779	42	14.5
Nevada	8,674	270,079	3.2%	\$ 2,013,939,889	\$ 232,181	19	14.2
Rhode Island	7,732	101,516	7.6%	\$ 658,573,638	\$ 85,175	8	12.7
Idaho	13,627	162,905	8.4%	\$ 1,850,034,026	\$ 135,762	13	12.5
Maryland	26,068	594,124	8.4%	\$ 6,537,733,687	\$ 38,938	49	12.1
New Jersey	33,519	884,049	3.8%	\$ 9,527,794,260	\$ 284,251	75	11.8
Virginia	40,371	745,886	5.4%	\$ 8,721,170,223	\$ 216,026	74	10.1
Michigan	43,438	873,722	5.0%	\$ 10,381,310,070	\$ 238,991	93	9.4
Connecticut	18,435	346,950	5.3%	\$ 4,151,934,451	\$ 225,220	38	9.1
South Carolina	22,933	418,031	5.5%	\$ 3,807,578,397	\$ 166,031	50	8.4
Colorado	41,635	630,113	6.6%	\$ 7,392,960,359	\$ 177,560	79	8.0
New Hampshire	11,582	134,760	8.6%	\$ 2,006,858,477	\$ 173,274	18	7.5
Pennsylvania	69,567	1,058,033	6.6%	\$ 15,697,648,689	\$ 225,648	149	7.1
Vermont	6,983	77,614	9.0%	\$ 1,000,127,478	\$ 143,223	11	7.1
Utah	21,257	287,803	7.4%	\$ 3,695,399,459	\$ 173,844	41	7.0
Georgia	48,332	1,051,071	4.6%	\$ 9,464,475,442	\$ 195,828	168	6.3
Texas	134,737	2,679,964	5.0%	\$ 28,483,710,273	\$ 211,402	438	6.1
Maine	14,993	147,270	10.2%	\$ 1,944,425,549	\$ 129,689	26	5.7
Massachusetts	46,937	669,224	7.0%	\$ 10,360,907,178	\$ 220,741	119	5.6
Ohio	59,800	949,479	6.3%	\$ 14,108,889,927	\$ 235,935	182	5.2
Indiana	35,990	512,348	7.0%	\$ 7,491,445,351	\$ 208,154	104	4.9
Tennessee	34,035	603,310	5.6%	\$ 6,542,045,089	\$ 192,215	144	4.2
New Mexico	8,277	154,804	5.3%	\$ 1,424,408,711	\$ 172,092	37	4.2
Louisiana	26,635	447,440	6.0%	\$ 5,100,534,501	\$ 191,497	117	3.8
Delaware	5,171	82,121	6.3%	\$ 1,090,415,848	\$ 210,871	22	3.7
Mississippi	20,748	257,404	8.1%	\$ 2,481,000,606	\$ 119,578	73	3.5
Alabama	27,922	396,432	7.0%	\$ 4,862,690,120	\$ 174,153	119	3.3
Illinois	69,893	1,233,572	5.7%	\$ 15,972,578,071	\$ 228,529	435	2.8
Arkansas	21,754	249,907	8.7%	\$ 2,722,726,557	\$ 125,160	93	2.7
Montana	13,456	120,246	11.2%	\$ 1,470,300,136	\$ 109,267	48	2.5
Kentucky	23,797	351,260	6.8%	\$ 4,149,467,684	\$ 174,369	148	2.4
Wisconsin	43,395	452,594	9.6%	\$ 8,317,705,842	\$ 191,674	201	2.3
West Virginia	7,861	113,410	6.9%	\$ 1,351,223,328	\$ 171,889	51	2.2
Wyoming	7,618	66,653	11.4%	\$ 837,018,372	\$ 109,874	31	2.2
Missouri	46,481	532,277	8.2%	\$ 7,547,822,023	\$ 173,761	256	2.1
Minnesota	46,383	520,110	8.9%	\$ 9,014,060,040	\$ 194,340	292	1.8
Oklahoma	35,557	350,718	10.1%	\$ 4,615,708,450	\$ 129,812	201	1.7
South Dakota	11,324	86,550	13.1%	\$ 1,369,616,339	\$ 120,948	63	1.4
Kansas	26,245	254,297	10.3%	\$ 4,288,652,108	\$ 163,408	235	1.1
Nebraska	23,477	176,358	13.3%	\$ 2,988,890,489	\$ 127,311	170	1.0
North Dakota	11,002	73,142	15.0%	\$ 1,548,384,035	\$ 140,737	75	1.0
Iowa	29,424	270,484	10.9%	\$ 4,315,688,444	\$ 146,672	288	0.9
U.S. Territories	3,662	.	.	\$ 836,274,014	\$ 228,365	.	.
Total	1,661,367	30,828,100	5.4%	\$341,600,794,940	\$ 205,614	5,399	.

Some experts have suggested that the composition of Nevada’s small businesses may account for the relatively smaller percentage of small businesses that received PPP loans. To explore this, we compare the number of employer firms with 1-499 employees as a share of all small businesses and the number of non-employer firms (e.g., independent contractors, self-employed, etc.) as a share of small businesses. As Table 5 reveals, of all small businesses in Nevada, 81.7 percent are non-employer firms and 18.3 percent are firms with 1-499 employees. Nevada is on par with the national average.

Table 5. Composition of Small Businesses in Each State, Ranked

	A	B	C	D	E	F	G
State	Approved PPP Loans	No. of Small Businesses	Firms with (1-499) Employees as % of Small Businesses	Non-employer Firms as % of Small Businesses	% of Small Businesses Receiving PPP Loans	Approved PPP Dollars	Average Size of PPP Loan
Tennessee	34,035	603,310	15.7%	84.3%	5.6%	\$ 6,542,045,089	\$ 192,215
Texas	134,737	2,679,964	16.0%	84.0%	5.0%	\$ 28,483,710,273	\$ 211,402
Georgia	48,332	1,051,071	16.5%	83.5%	4.6%	\$ 9,464,475,442	\$ 195,828
Mississippi	20,748	257,404	16.5%	83.5%	8.1%	\$ 2,481,000,606	\$ 119,578
Louisiana	26,635	447,440	17.6%	82.4%	6.0%	\$ 5,100,534,501	\$ 191,497
Florida	88,997	2,494,279	17.7%	82.3%	3.6%	\$ 17,863,199,837	\$ 200,717
Maryland	26,068	594,124	17.9%	82.1%	8.4%	\$ 6,537,733,687	\$ 38,938
Alabama	27,922	396,432	18.0%	82.0%	7.0%	\$ 4,862,690,120	\$ 174,153
Nevada	8,674	270,079	18.3%	81.7%	3.2%	\$ 2,013,939,889	\$ 232,181
Hawaii	11,553	132,640	18.3%	81.7%	8.7%	\$ 2,046,450,982	\$ 177,136
California	112,967	4,023,206	18.5%	81.5%	2.8%	\$ 33,413,693,192	\$ 295,783
North Carolina	39,520	913,398	18.7%	81.3%	4.3%	\$ 8,005,752,270	\$ 202,575
South Carolina	22,933	418,031	18.7%	81.3%	5.5%	\$ 3,807,578,397	\$ 166,031
Kentucky	23,797	351,260	18.8%	81.2%	6.8%	\$ 4,149,467,684	\$ 174,369
Ohio	59,800	949,479	19.0%	81.0%	6.3%	\$ 14,108,889,927	\$ 235,935
Michigan	43,438	873,722	19.5%	80.5%	5.0%	\$ 10,381,310,070	\$ 238,991
Arkansas	21,754	249,907	19.5%	80.5%	8.7%	\$ 2,722,726,557	\$ 125,160
Arizona	19,280	571,495	18.1%	80.1%	3.4%	\$ 4,846,959,062	\$ 251,398
Virginia	40,371	745,886	19.9%	80.1%	5.4%	\$ 8,721,170,223	\$ 216,026
Connecticut	18,435	346,950	20.0%	80.0%	5.3%	\$ 4,151,934,451	\$ 225,220
Oklahoma	35,557	350,718	20.1%	79.9%	10.1%	\$ 4,615,708,450	\$ 129,812
Illinois	69,893	1,233,572	20.4%	79.6%	5.7%	\$ 15,972,578,071	\$ 228,529
Indiana	35,990	512,348	20.6%	79.4%	7.0%	\$ 7,491,445,351	\$ 208,154
Massachusetts	46,937	669,224	20.9%	79.1%	7.0%	\$ 10,360,907,178	\$ 220,741
Colorado	41,635	630,113	21.1%	78.9%	6.6%	\$ 7,392,960,359	\$ 177,560
New Mexico	8,277	154,804	21.2%	78.8%	5.3%	\$ 1,424,408,711	\$ 172,092
New York	81,075	2,168,799	21.2%	78.8%	3.7%	\$ 20,345,681,101	\$ 250,949
Pennsylvania	69,567	1,058,033	21.4%	78.6%	6.6%	\$ 15,697,648,689	\$ 225,648
New Jersey	33,519	884,049	21.6%	78.4%	3.8%	\$ 9,527,794,260	\$ 284,251
Utah	21,257	287,803	21.7%	78.3%	7.4%	\$ 3,695,399,459	\$ 173,844
New Hampshire	11,582	134,760	21.7%	78.3%	8.6%	\$ 2,006,858,477	\$ 173,274
D.C.	3,253	76,083	21.9%	78.1%	4.3%	\$ 1,247,218,727	\$ 383,406
Kansas	26,245	254,297	22.0%	78.0%	10.3%	\$ 4,288,652,108	\$ 163,408
Maine	14,993	147,270	22.3%	77.7%	10.2%	\$ 1,944,425,549	\$ 129,689
Minnesota	46,383	520,110	22.3%	77.7%	8.9%	\$ 9,014,060,040	\$ 194,340
Alaska	4,842	73,354	22.4%	77.6%	6.6%	\$ 921,927,504	\$ 190,402
Vermont	6,983	77,614	22.4%	77.6%	9.0%	\$ 1,000,127,478	\$ 143,223
Iowa	29,424	270,484	22.4%	77.6%	10.9%	\$ 4,315,688,444	\$ 146,672
West Virginia	7,861	113,410	22.7%	77.3%	6.9%	\$ 1,351,223,328	\$ 171,889
Idaho	13,627	162,905	22.8%	77.2%	8.4%	\$ 1,850,034,026	\$ 135,762
Rhode Island	7,732	101,516	22.8%	77.2%	7.6%	\$ 658,573,638	\$ 85,175
Missouri	46,481	532,277	23.1%	76.9%	8.2%	\$ 7,547,822,023	\$ 173,761
Delaware	5,171	82,121	23.1%	76.9%	6.3%	\$ 1,090,415,848	\$ 210,871
Wisconsin	43,395	452,594	23.4%	76.6%	9.6%	\$ 8,317,705,842	\$ 191,674
Nebraska	23,477	176,358	23.7%	76.3%	13.3%	\$ 2,988,890,489	\$ 127,311
Oregon	18,732	377,860	24.2%	75.8%	5.0%	\$ 3,806,104,476	\$ 203,187
Washington	30,421	608,956	24.5%	75.5%	5.0%	\$ 6,959,680,159	\$ 228,779
South Dakota	11,324	86,550	24.6%	75.4%	13.1%	\$ 1,369,616,339	\$ 120,948
Wyoming	7,618	66,653	25.7%	74.3%	11.4%	\$ 837,018,372	\$ 109,874
Montana	13,456	120,246	26.2%	73.9%	11.2%	\$ 1,470,300,136	\$ 109,267
North Dakota	11,002	73,142	26.6%	73.3%	15.0%	\$ 1,548,384,035	\$ 140,737
U.S. Territories	3,662	\$ 836,274,014	\$ 228,365
Total	1,661,367	30,828,100	19.5%	80.5%	5.4%	\$ 341,600,794,940	\$ 205,614

While reports suggested there was some confusion about eligibility of sole proprietors and that banks prioritized larger customers, states have similar percentages of non-employer firms.³ A recent survey conducted by the National Small Business Association found that 52 percent of small businesses with 20 employees or more received approval for their PPP loan, while only 18 percent of those with 10 or fewer employees received approval.⁴

Policy experts have suggested that the coronavirus pandemic has revealed ongoing gaps that some businesses – particularly smaller and minority-owned businesses – have with traditional lenders. SBA suggests that approximately 36 percent of all Nevada businesses are minority owned. As Abigail Golden-Vazquez, Executive Director of Latinos and Society Program at the Aspen Institute, writes, “Many Latino-owned businesses do not have access to or have relationships with traditional banks. One of the great challenges to Latino-owned businesses is access to capital under normal conditions. These are not normal conditions. Many banks were only giving out loans to current clients. This left many small minority-owned businesses out of the opportunity to receive PPP and SBA emergency loans.”⁵ Furthermore, Golden-Vazquez noted that “community development financial institutions, Fintech companies, and other alternative lenders – many of whom are on the front lines serving small and minority-owned businesses – were not preauthorized by the SBA to make loans, making it even more difficult for those businesses to access desperately needed SBA emergency funds.”⁶

Looking Ahead and Recommendations

This week, Congress approved an additional round of assistance that includes funding for the PPP. The Paycheck Protection Program and Health Care Enhancement Act increases the PPP subsidy by \$321 billion in 2020 and requires “the SBA to use at least \$60 billion of the PPP subsidy to guarantee loans made by smaller depository institutions, credit unions, and community financial institutions.”⁷ This means that small businesses who may not have secured PPP loans in the first round have an additional opportunity. Below we highlight some of the efforts in Nevada’s peer states.

In **Iowa**, which has a similar population to Nevada and received 29,424 PPP loans, groups organized to support small businesses. The Iowa Association of Business and Industry worked directly with businesses to share information and provide technical assistance – including application assistance, resource guides, one-page fact sheets. The North Iowa Area Community College sponsored a toll-free number to answer questions.⁸

In **Kansas**, in which 26,245 small businesses received PPP loans, the Kansas Small Business Development Center coordinated efforts with lending associations to provide businesses with resources to aid them in applying for the PPP loan. Additionally, the Kansas Department of Commerce “added 10 staffers to provide online assistance to Kansas business owners” as a way of “mobilizing quickly to meet demand.”⁹ Here we note that Kansas also launched “the Hospitality Industry Relief Emergency (HIRE) Fund, a zero-interest bridge loan made available to restaurants, bars, lodging and events centers.”¹⁰

In neighboring **Utah**, 7.4 percent of its small businesses received PPP loans (totaling 21,257 and amounting to \$3.7 billion). In March 2020, Utah launched the Utah Economic Response Task Force.

(This is similar to Nevada’s COVID-19 Response, Relief and Recovery Task Force, which Nevada Governor Steve Sisolak stood up in late March and tapped former MGM Resorts International Chief Executive Officer Jim Murren to lead the effort). Utah’s Economic Response Task Force created a Rapid Response Team “to ensure Utah businesses and individuals understand and utilize federal programs designed to help businesses during the coronavirus pandemic.”¹¹ As part of the process, the Task Force set up an automated intake form which enabled them to quickly determine whether a business owner needed language assistance and then connected them to an appropriate lender.

Recommendations

To summarize, in the first round of PPP funding, Nevada ranked 43rd in the total number of PPP loans received (8,674), 37th in the total amount of PPP funds received (\$2.0 billion), and 50th in the percentage of small businesses that received PPP loans (3.2 percent). Nevada ranked 8th in the average size of PPP loan per business (\$232,181).

During the roll-out of PPP and other CARES Act funding, many stakeholders (e.g., state, regional, and local agencies, regional development authorities, and chambers of commerce) shared information and organized webinars and seminars for small businesses. Admittedly, efforts to connect with businesses and move them through the application process with direct and immediate technical assistance were likely hindered by structural and institutional constraints. For example, as noted previously, Nevada is “under banked,” so many financial institutions may lack the capacity to respond to an exponential surge in demand within an abbreviated time frame. Moreover, the amount earmarked for PPP under the CARES Act was fixed at \$349 billion, as previously noted. This effectively set a funding ceiling, which, when coupled with the magnitude of need, translated into a first-mover advantage and an accelerated window that jettisoned some applicants. Financial institutions’ delays in processing applications exacerbated the problem. Finally, Nevada’s state apparatus is more limited than many other states. For example, Nevada records 42 public sector employees per 10,000 residents, ranking it 43rd in the U.S. In contrast, Alaska, which ranks 1st, has 245 public sector employees per 10,000 state residents.¹² The current pandemic crisis is requiring Nevada to provide more services and outreach within a capacity-constrained state apparatus.

These structural constraints suggest that extra-governmental efforts by nonprofits, chambers of commerce, and volunteer corps will be critical in helping Nevada take advantage of a second round of PPP funding (and other CARES Act funding). The State can be a partner in overcoming institutional and structural obstacles by building on overall capacity through these recommendations.

- **Expand Capacity:** Explore ways to deploy people (either volunteers or existing staff) – to work with closely with small business applicants to answer questions, help prepare required legal and accounting documents, and process the documents. Stakeholders should explore opportunities to assemble teams of volunteer legal and accounting experts to provide technical assistance.

- **Leverage Existing Infrastructure:** Use existing infrastructure, including community colleges, and leverage those networks to deploy resources in the community and connect people with those who can help with the application process.
- **Streamline the Process:** Improve ways to capture and connect small business owners directly to financial institutions while answering any technical questions. Strengthen efforts to replicate the “One-Stop Shop” model for federal PPP loans, as was done by the Utah Rapid Response Team.

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