

The background features a collage of business-related graphics. On the left, a dark blue world map is visible. The right side is dominated by various data visualizations, including a large blue area chart, a pie chart, a bar chart, a funnel chart, and a pyramid chart. The overall aesthetic is professional and data-driven.

COVID AND BUSINESS CLOSURES IN VIRGINIA

PRESENTATION TO THE SMALL BUSINESS COMMISSION

December, 2020

AGENDA

Federal relief programs for VA small businesses

State action to deliver federal resources to VA small businesses

Closures associated with the pandemic

HIGHLIGHTS OF THE PAYCHECK PROTECTION PROGRAM'S IMPACT IN VIRGINIA

93,000

~93K of 150K small business firms with employees had received Paycheck Protection Program loans

\$123,000

The average loan was \$123K per firm



















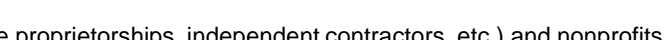
62%

62% of all Virginia small business firms with employees (i.e., excludes sole proprietorships)

APPROX. TWO-THIRDS (65%) OF VA EMPLOYER FIRMS RECEIVED PPP LOANS THROUGH THE TWO PHASES OF THE PROGRAM

- % of firms that received PPP loans out of total qualifying firms*
- % of firms that did NOT receive PPP loans out of total qualifying firms*

PPP Program in VA, as of August 8th

Sector		Loans received	Avg. loan (\$K)
Prof, Sci, & Tech		15,750	\$179 K
Construction		10,694	140
Health & Social		9,886	131
Retail Trade		9,301	99
Accoms & Food		8,934	100
Other Services		8,670	64
Admin & support		5,108	124
Real Estate		4,368	77
Manufacturing		3,828	195
Transport & Ware		3,004	98
Finance & Insur.		2,801	75
Wholesale Trade		2,516	165
Arts, Ent, & Rec.		1,907	69
Ed Services		1,699	79
Information		1,478	180
Ag, Forest, etc.		1,450	73
Utilities		141	250
Mgmt of Comp		156	205
Mining, Oil & Gas		133	307

*Excludes Nonemployer firms (sole proprietorships, independent contractors, etc.) and nonprofits

Methodology and source: Applied actual U.S. Paycheck Protection Program data as of 8/8 to Virginia firm distributions based on data from Census Statistics of U.S. Small Businesses (VA)

SMALL FIRMS WERE THE MOST LIKELY TO RECEIVE PPP LOANS WHILE NONEMPLOYER FIRMS WERE THE LEAST LIKELY

■ % of firms that received PPP loans out of total qualifying firms
■ % of firms that did NOT receive PPP loans out of total qualifying firms

PPP Program in VA, as of August 8th

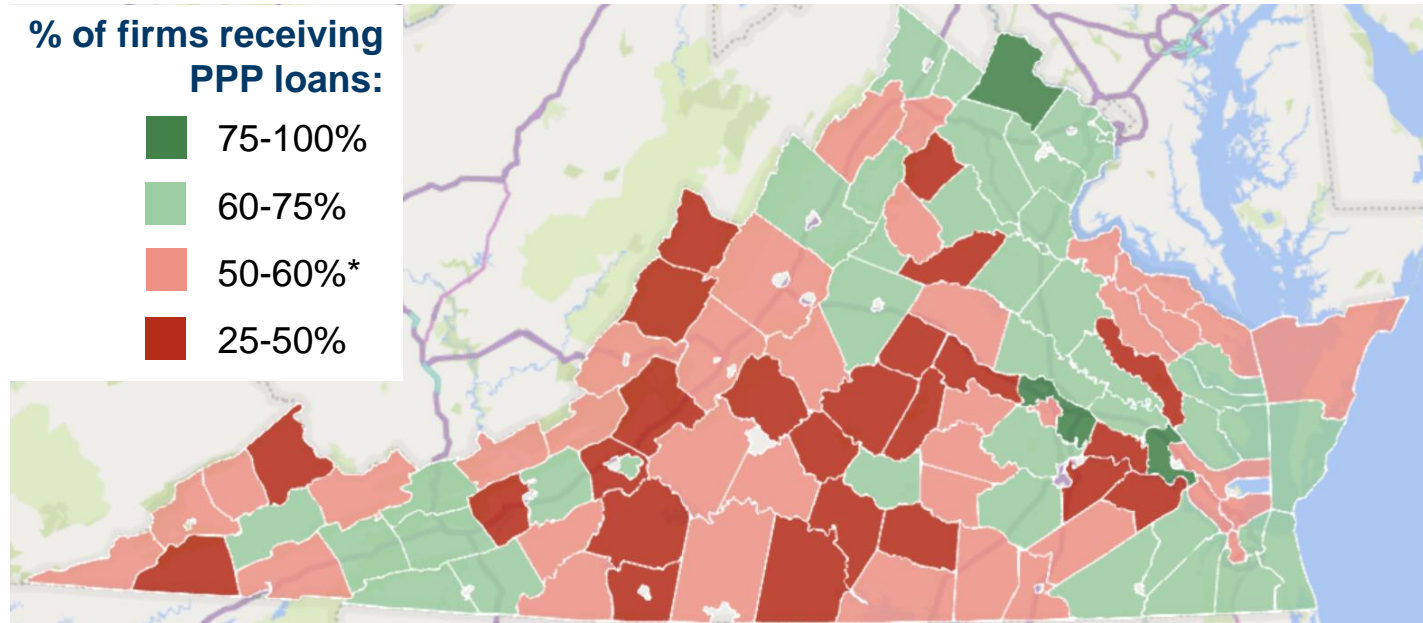
Size (FTEs)		PPP loans received	Avg. loan (\$K)
Micro (<20)	<div style="display: flex; justify-content: space-between; width: 100%;"> 57% 43% </div>	75,188	\$42
Small (20-99)	<div style="display: flex; justify-content: space-between; width: 100%;"> 98% 2% </div>	15,409	265
Medium (100-499)	<div style="display: flex; justify-content: space-between; width: 100%;"> 62% 38% </div>	2,605	1,545
Large* (≥500)	<div style="display: flex; justify-content: space-between; width: 100%;"> 26% 74% </div>	218	2,160
Nonemployer**	<div style="display: flex; justify-content: space-between; width: 100%;"> 2% 98% </div>	14,650	12
Nonprofit	<div style="display: flex; justify-content: space-between; width: 100%;"> 70% 30% </div>	5,185	166

*Large firms in sectors 72 and 42 (Accoms & Food and Retail Trade) qualified for PPP loans

**Nonemployer firms are sole proprietorships, independent contractors, etc.

Methodology and source: Applied actual U.S. Paycheck Protection Program data as of 8/8 to Virginia firm distributions based on data from Census Statistics of U.S. Small Businesses (VA)

IN MOST COUNTIES, 50-75% OF FIRMS WERE ABLE TO ACCESS PPP FUNDS; FIRMS IN RURAL COUNTIES FACED MORE DIFFICULTY



75-100% Counties:

Henrico
James City + Williamsburg
Loudoun

25-50% Counties:

Amherst	Cumberland	Lunenburg
Appomattox	Fluvanna	Orange
Bath	Franklin	Prince George + Hopewell
Botetourt	Goochland	Pulaski
Buchanan	Halifax	Rappahannock
Buckingham	Henry + Martinsville	Scott
Charles City	Highland	Surry
Charlotte	King and Queen	

*Median for all VA counties 60%

Source: 2017 U.S. Census of County Business Patterns, Paycheck Protection Program data from the U.S. Small Business Administration

DATA ON SWAM IMPACT IS INCONCLUSIVE GIVEN THE LOW SHARE OF RECIPIENTS PROVIDING IDENTIFYING INFORMATION

Virginia firms receiving PPP loans by race of owner(s)

Race	Number of firms	Share of total	Share of known firms
American Indian or Alaska Native	36	0.0%	0.5%
Asian	972	0.8%	12.3%
Black or African American	441	0.4%	5.6%
Hispanic	430	0.4%	5.4%
White	6,040	5.3%	76.3%
Unanswered	106,652	93.1%	-
Grand Total	114,571	100.0%	-

* Note, figures include non-employer firms and non-profits

Virginia firms receiving PPP loans by sex of owner(s)

Race	Share of firms	Share of total	Share of known firms
Female Owned	4,604	4.0%	23.4%
Male Owned	15,096	13.2%	76.6%
Unanswered	94,871	82.8%	-
Grand Total	114,571	100.0%	-

* Note, figures include non-employer firms and non-profits

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VIRGINIA SUPPORT FOR SMALL BUSINESSES FALLS WITHIN THREE CATEGORIES

 Details to follow

- 1. Direct financial support to businesses through CARES Act programs**
2. Direct financial support to businesses through EDA and other federal grants
3. Information campaigns to raise awareness of resources and support available to VA small businesses

OVERVIEW OF DIRECT FINANCIAL SUPPORT TO BUSINESSES THROUGH CARES ACT PROGRAMS

Rebuild VA Grant Fund (Rebuild VA)

Launched in August with \$70 million from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and then boosted by an additional \$30M contribution from the Administration in October. Rebuild supports target businesses with less than \$10M in gross revenue or fewer than 250 employees with grants up to \$100K.

Virginia Tourism Corporation's (VTC) Recovery Marketing Leverage Program (RMLP)

This grant program helped local and regional tourism entities attract more visitors by leveraging limited local marketing dollars through a local match of the state grants funds. More than \$1.9 million in matching grant funds were awarded to 161 local tourism initiatives through this program. This funding cycle, local partners will provide more than \$5.6 million in-kind value to match the VTC grants. The grants will ultimately impact 483 statewide tourism entities.

Virginia Department of Housing and Community Development (DHCD)'s Community Development Block Grant (CDBG)

The CDBG program has long been used by partners across the Commonwealth to create vibrant, competitive communities of choice. As small businesses were forced to adjust to new market realities and reinvest in their enterprises, local governments were able to access CDBG Small Business Recovery Assistance resources to support small businesses as they reopened in an environment with increased safety and distancing requirements.

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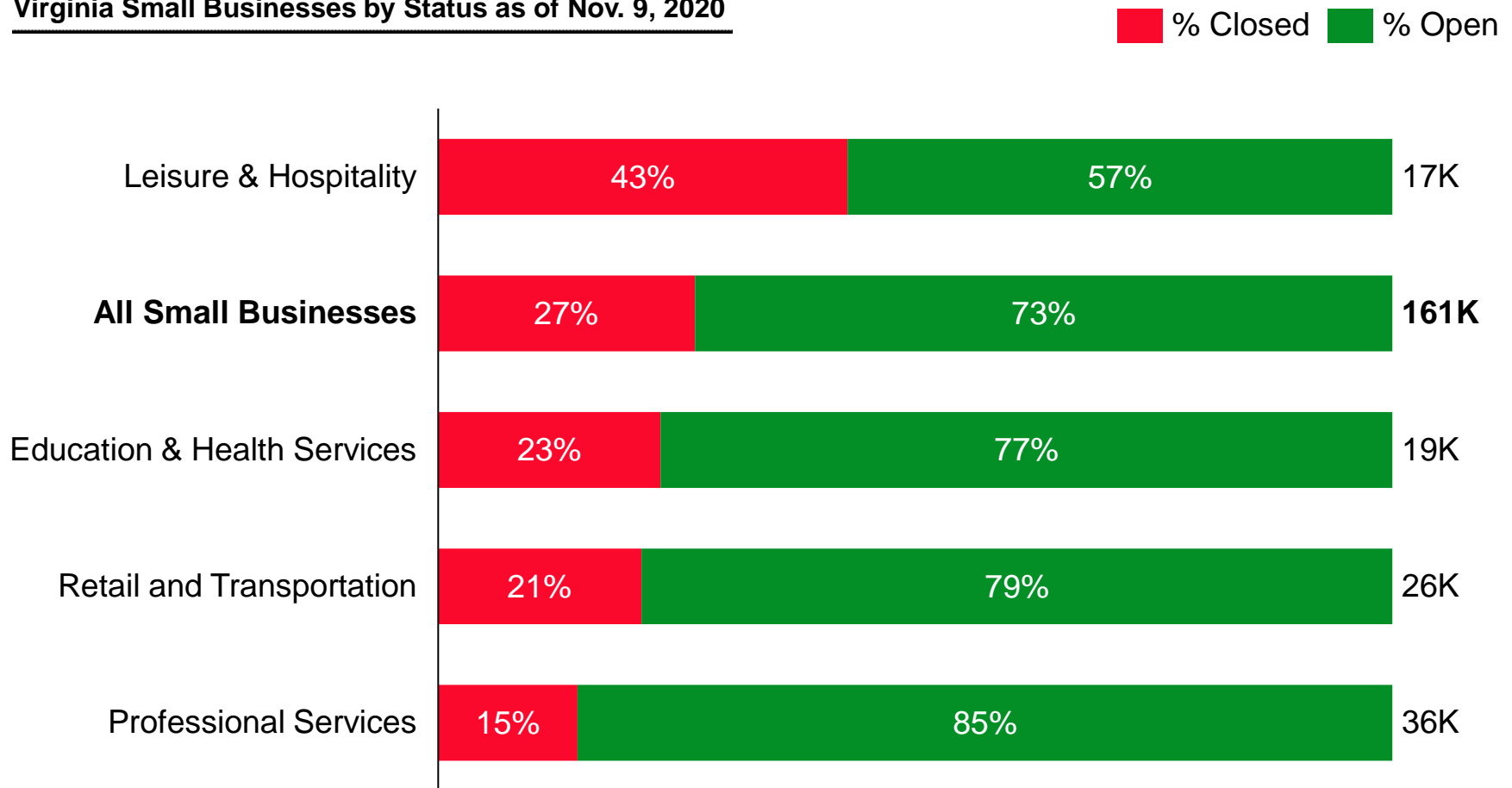
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MORE THAN ONE-QUARTER OF VIRGINIA SMALL BUSINESSES HAVE CLOSED SINCE THE START OF THE PANDEMIC

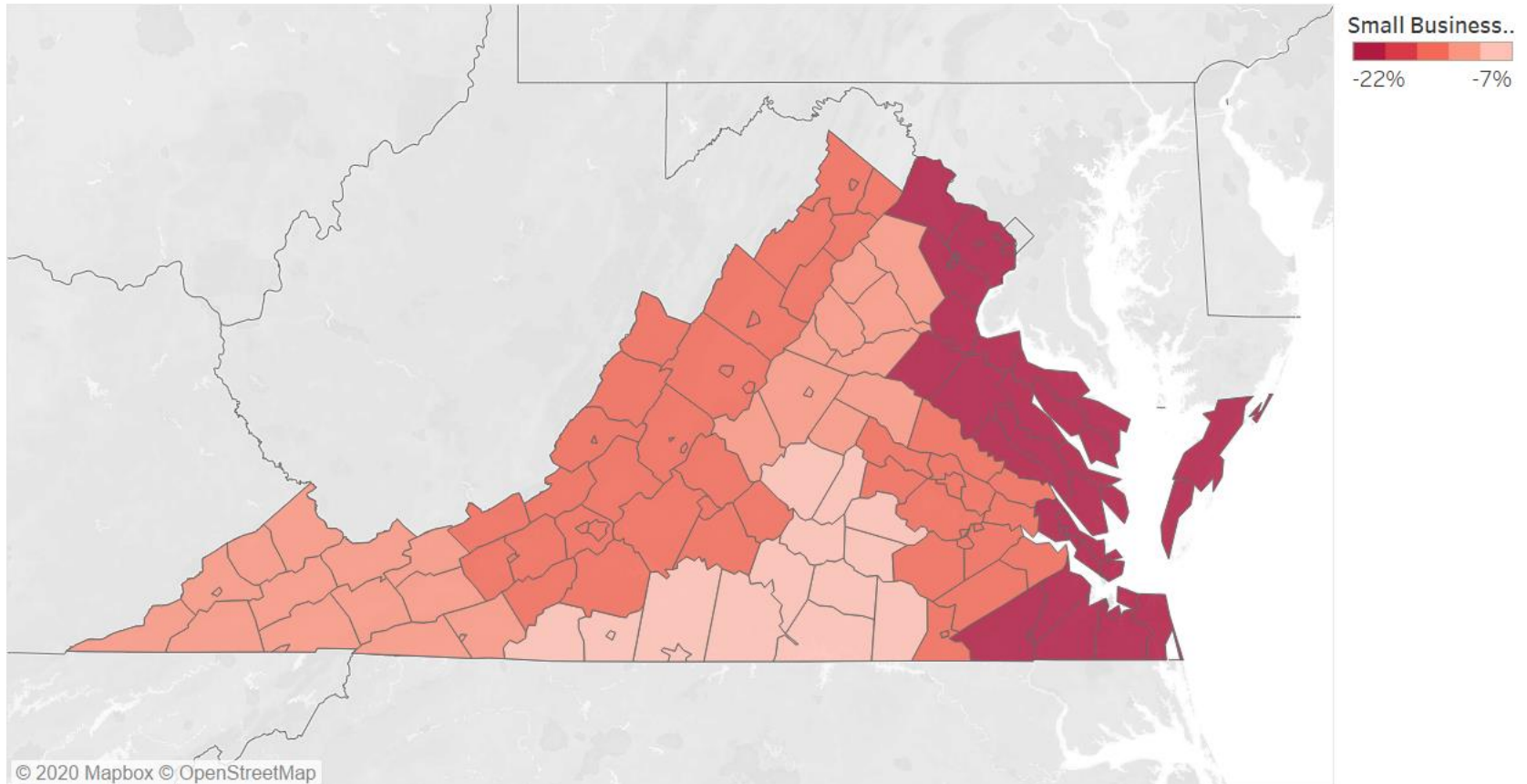
Virginia Small Businesses by Status as of Nov. 9, 2020



NOTE: Closed businesses are those which regularly transacted in Jan – March 2020 that have not engaged in a transaction within the past three days. These closures may be temporary or permanent. Small businesses are defined by [SBA thresholds](#) at the 6-digit NAICS level. Totals are of 2017 employer businesses with fewer than 500 employees
Source: Opportunity Insights, Womply, 2017 Survey of US Businesses, VEDP Analysis

SOME REGIONS IN VIRGINIA EXPERIENCED CLOSURE RATES IN THE MID-20s, THOUGH CLOSURE RATES HAVE INCREASED SINCE

Small Business Closures by Region (As of August 9, 2020)



1. Closed businesses are those which regularly transacted in Jan – March 2020 that have not engaged in a transaction within the past three days. These closures may be temporary or permanent. Small businesses are defined by [SBA employment or sales thresholds](#) at the 6-digit NAICS level.

Source: Opportunity Insights, Womply, VEDP Analysis