

ISSUE BRIEF

PPP LOANS IN SOUTHWEST FLORIDA

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Introduction

On March 27, 2020, President Donald Trump signed into law the CARES act, a comprehensive bill with the goal of helping those impacted financially by the COVID-19 pandemic. The CARES act established a number of temporary programs to help American workers and small businesses navigate the COVID-19 pandemic. One such program established by the CARES act was the Paycheck Protection Program (PPP), a program designed to help businesses keep employees on their payroll during the crisis.

Loan level data was made available to the public by the U.S. Department of the Treasury in early July 2020 and provides detailed information on the recipients of the loans, including zip code, loan amount, and NAICS code. In the present issue brief, the Regional Economic Research Institute (RERI) provides an in-depth analysis on the recipients of PPP loans in Southwest Florida.

What is a PPP Loan?

According to the Small Business Administration, the PPP was designed to provide a direct incentive for small businesses to keep their workers on the payroll¹. Loan forgiveness is a key characteristic of the program, as long as the employer meets certain employee retention criteria and funds are used for eligible expenses.

PPP loans were made available to the following entities affected by COVID-19:

- Any small business concern that meets SMA's size standards (either the industry based sized standard or the alternative size standard).
- Sole proprietors, independent contractors, and self-employed persons.
- Any business with an NAICS code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location.
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31 (b)(2)(C) of the Small Business Act) with the greater of:
 - 500 employees, or
 - That meets the SBA industry size standard if more than 500.

The original deadline of the PPP was June 30, 2020. However, President Trump signed legislation on July 4, 2020 that extended the deadline to apply for a PPP loan until August 8, 2020.

¹ <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>

Data

Data comes from the U.S. Department of the Treasury in July 2020 and contains information on all PPP loans made between April 3, 2020 and June 30, 2020. The U.S. Department of the Treasury broke down loan level data into two parts – PPP loans under \$150,000 and PPP loans over \$150,000. For loans under \$150,000, the specific loan amount was provided, as well as city, state, zip, NAICS Code, business structure, race/ethnicity, gender, veteran status, nonprofit status, number of jobs retained, date approved, and lending institution. For loans over \$150,000, the same data was provided with two exceptions: (1) the name of the borrower was also provided and (2) a specific loan amount was not provided, but instead a range for the loan amount. We combine both datasets and report the lower and upper bounds for loan amounts. The loan lower bound represents the lowest possible value in PPP loans issued, while the loan upper bound represents the highest possible value in PPP loans issued.

Since neither data set included county name or FIPS code, we use a zip code-to-county crosswalk obtained from the HUD User website to match up loans in each zip code to its respective county. Zip code-to-county crosswalks are updated quarterly by the HUD User website, with 1st quarter 2020 being the latest data available. In some cases, zip codes have the potential to intersect with multiple counties and will display as multiple records linking to each individual county. To avoid the potential of double counting PPP loans, we utilize a ratio of business variable provided by the HUD User crosswalk. The ratio of business variable calculates the percentage of business addresses in the entire zip code that are located in each individual county.

Results

PPP Loans by County

Between April 3, 2020 and June 30, 2020, Southwest Florida firms received a total of 24,802 PPP loans, with a total loan amount ranging between \$1.6 billion and \$2.8 billion. Lee County accounted for 52 percent of total PPP loans in the area, with 12,883 loans, and receiving between \$843.1 million and \$1.5 billion in total loans. Collier County had 8,835 PPP loans (36 percent of total loans), with total loan amount ranging between \$550.9 million and \$990.9 million. Ten percent of PPP loans went to Charlotte County, and total loan amount ranged between \$136.7 million and \$222.1 million. Hendry County had 442 PPP loans, with total amount somewhere between \$28.6 million and \$47.9 million. Finally, Glades County received 78 total PPP loans, with an amount between \$5.9 million and \$10.7 million.

On a per capita basis, only one county in Southwest Florida received more PPP loans than Florida, which received 1,851.6 loans for every 100,000 residents. Collier County received 2,346.7 loans per 100,000 population, while Lee County received 1,757.9 loans for every 100,000 residents. Charlotte County had 1,357.8 loans for every 100,000 residents and Hendry County had a per capita of 1,136.6 loans for 100,000 population. Glades County was by far the lowest on a per capita basis, with only 365.8 PPP loans for every 100,000 residents.

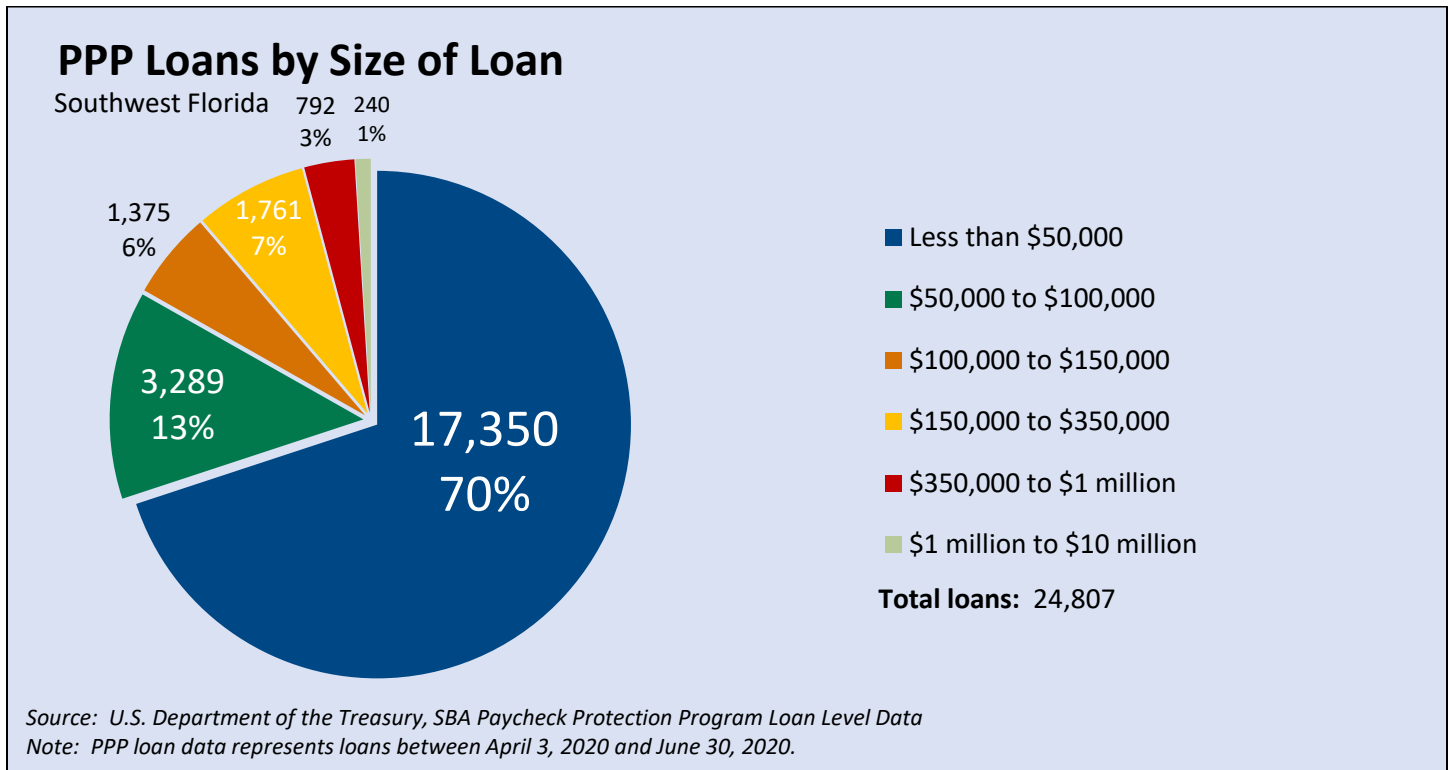
PPP Loans					
Southwest Florida					
County	Number of Loans	Percent of Total Loans	Loans per 100,000 Population	Loan Lower Bound	Loan Upper Bound
Charlotte	2,570	10.4%	1,413.6	\$136,653,826	\$222,106,309
Collier	8,835	35.6%	2,345.4	\$550,895,093	\$990,921,282
Glades	78	0.3%	592.4	\$5,906,256	\$10,676,874
Hendry	442	1.8%	1,100.5	\$28,567,426	\$47,934,236
Lee	12,883	51.9%	1,752.4	\$843,133,959	\$1,540,624,306
Southwest Florida	24,807	100.0%	1,841.8	\$1,565,156,561	\$2,812,263,007
Florida	392,701	--	1,851.6	\$25,013,652,802	\$45,353,702,802

Source: U.S. Department of the Treasury, SBA Paycheck Protection Program Loan Level Data

Note: PPP loan data represents loans between April 3, 2020 and June 30, 2020.

PPP Loans by Size of Loan

A total of 17,350 PPP loans in Southwest Florida were for under \$50,000, representing nearly 70 percent of all loans made in the region. Southwest Florida also had 3,289 loans between \$50,000 and \$100,000 (13.3 percent of total) and 1,375 loans between \$100,000 and \$150,000 (5.5 percent of total). Loans between \$150,000 and \$350,000 totaled 1,761, or 7.1 percent of all loans, while the region had 792 loans between \$350,000 and \$1 million. Two-hundred forty PPP loans in Southwest Florida were for at least \$1 million, representing 1 percent of all loans in the region.



PPP Loans by Industry

The construction industry was the recipient of most of the PPP loans in Southwest Florida, receiving 3,445 loans, or 13.9 percent of total loans in the region. The professional, scientific, and technical services industry in Southwest Florida obtained 3,094 PPP loans, 12.5 percent of all loans, followed by the other services (except public administration) industry (2,940 loans, 11.9 percent of total loans). Retail trade was approved for 2,119 PPP loans in the region (8.5 percent of total loans), while the health care and social assistance industry received 2,097 loans, accounting for 8.5 percent of all loans.

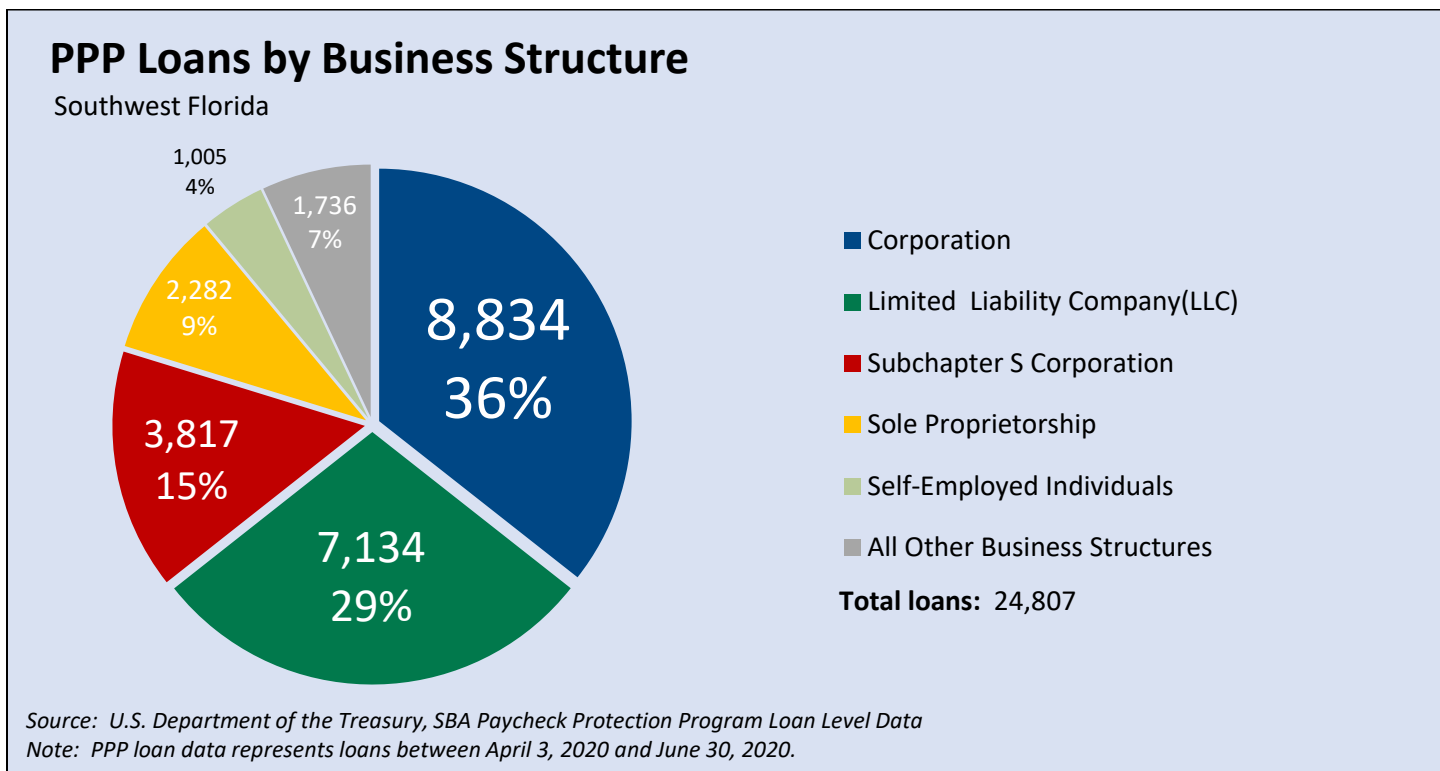
PPP Loans by Industry		
Southwest Florida		
Industry	Number of Loans	Percent of Total Loans
Construction	3,445	13.9%
Professional and Technical Services	3,094	12.5%
Other Services, Except Public Administration	2,940	11.9%
Retail Trade	2,119	8.5%
Health Care and Social Assistance	2,097	8.5%
Real Estate and Rental and Leasing	1,934	7.8%
Administrative and Waste Services	1,810	7.3%
Accommodation and Food Services	1,635	6.6%
Manufacturing	848	3.4%
Finance and Insurance	827	3.3%
Transportation and Warehousing	731	2.9%
Wholesale Trade	616	2.5%
Arts, Entertainment, and Recreation	572	2.3%
All other industries	2,139	8.6%
Total Loans	24,807	100.0%

Source: U.S. Department of the Treasury, SBA Paycheck Protection Program Loan Level Data

Note: PPP loan data represents loans between April 3, 2020 and June 30, 2020.

PPP Loans by Business Structure

Most recipients of the PPP loans in Southwest Florida were corporations, according to SBA PPP loan level data. Of the 24,807 PPP loans in the region, 8,834 of those loans were for businesses that identified their structure as a corporation (35.6 percent of total loans). Limited liability companies (LLC) in Southwest Florida received 7,134 PPP loans (28.8 percent of total loans), while Subchapter S corporations received 3,817 loans (15.4 percent of total loans). Sole proprietorships and self-employed individuals rounded out the top five in PPP loans, receiving 2,282 loans and 1,005 loans, respectively.



PPP Loans for Nonprofits

Nonprofits in Southwest Florida received 518 PPP loans between April 3, 2020 and June 30, 2020, with an amount totaling between \$66 million and \$135.8 million. Fifty-five percent of total PPP loans to nonprofits went to organizations in Lee County, the most in the five-county region. On a per capita basis, nonprofits in Hendry County (52.1 loans per 100,000 population) and by Collier County (42.3 loans for every 100,000 residents) received more PPP loans than Florida (41.5 loans for every 100,000 residents). Nonprofits in Lee County had 38.7 PPP loans for every 100,000 residents, while nonprofits in Charlotte County and Glades County had 27.7 loans and 24.5 loans per 100,000 population, respectively.

PPP Loans for Nonprofits					
Southwest Florida					
County	Number of Loans	Percent of Total Loans	Loans per 100,000 Population	Loan Lower Bound	Loan Upper Bound
Charlotte	50	9.7%	27.7	\$3,310,502	\$5,227,113
Collier	159	30.8%	42.3	\$28,629,450	\$62,424,025
Glades	3	0.6%	24.5	\$144,187	\$222,893
Hendry	21	4.0%	52.1	\$2,875,153	\$6,568,490
Lee	284	54.9%	38.7	\$31,087,916	\$61,377,191
Southwest Florida	518	100.0%	38.5	\$66,047,208	\$135,819,713
Florida	8,795	--	41.5	\$1,183,369,587	\$2,454,669,587

Source: U.S. Department of the Treasury, SBA Paycheck Protection Program Loan Level Data

Note: PPP loan data represents loans between April 3, 2020 and June 30, 2020.

PPP Loans by Lending Institution

Bank of America originated 2,883 PPP loans to Southwest Florida businesses between April 3, 2020 and June 30, 2020, the most of any lending institution. Loan amounts from Bank of America totaled somewhere in the range of \$128.9 million and \$206.0 million. Wells Fargo was the lender for 1,764 PPP loans in Southwest Florida, with a total loan amount between \$55.2 million and \$77.9 million. First Florida Integrity Bank had 1,515 PPP loans for a total amount between \$111.6 million and \$215.9 million, while Fifth Third Bank's 1,415 PPP loans ranged between \$75.5 million and \$123.0 million. Truist Bank rounded out the top 5 in PPP loans issued in Southwest Florida, with 1,356 loans totaling between \$113.8 million and \$211.1 million.

PPP Loans by Lending Institution				
Southwest Florida				
Rank	Lending Institution	Number of Loans	Loan Lower Bound	Loan Upper Bound
1	Bank of America, National Association	2,883	\$128,930,321	\$206,030,321
2	Wells Fargo Bank, National Association	1,764	\$55,214,093	\$77,914,093
3	First Florida Integrity Bank	1,515	\$111,556,535	\$215,856,535
4	Fifth Third Bank	1,415	\$75,514,153	\$122,964,153
5	Truist Bank d/b/a Branch Banking & Trust Co	1,356	\$113,801,348	\$211,051,348
6	IBERIABANK	1,215	\$101,957,689	\$196,257,689
7	Regions Bank	1,059	\$65,648,755	\$111,048,755
8	JPMorgan Chase Bank, National Association	980	\$65,676,330	\$112,076,330
9	Kabbage, Inc.	961	\$17,208,833	\$23,158,833
10	Celtic Bank Corporation	844	\$19,398,334	\$27,998,334
11	Suncoast CU	779	\$20,855,320	\$24,155,320
12	Sanibel Captiva Community Bank	717	\$51,581,770	\$95,431,770
13	Cross River Bank	666	\$18,129,364	\$23,979,364
14	Synovus Bank	656	\$77,160,672	\$157,110,672
15	First Horizon Bank	651	\$41,027,246	\$74,277,246
16	First Bank	509	\$37,276,883	\$66,526,883
17	Centennial Bank	480	\$38,801,230	\$71,851,230
18	WebBank	457	\$9,990,915	\$11,640,915
19	FineMark National Bank & Trust	380	\$51,458,863	\$109,658,863
20	Busey Bank	360	\$32,878,051	\$61,678,051

Source: U.S. Department of the Treasury, SBA Paycheck Protection Program Loan Level Data

Note: PPP loan data represents loans between April 3, 2020 and June 30, 2020.

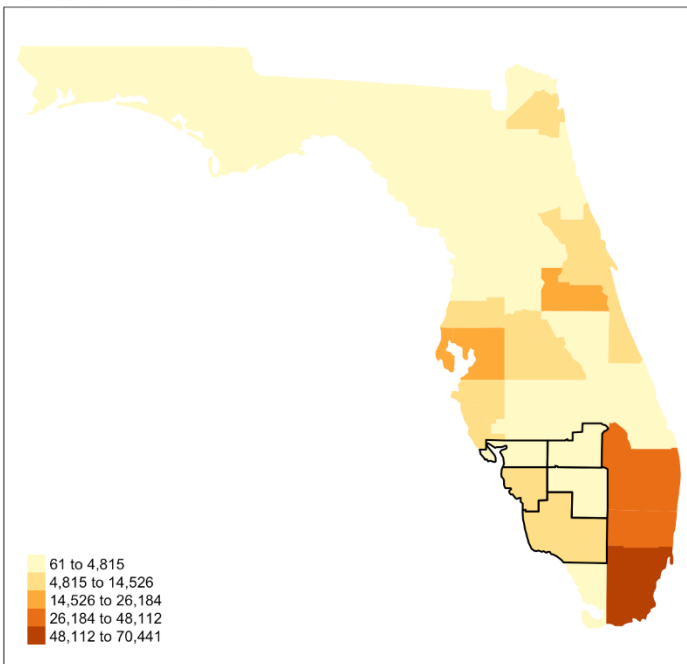
PPP Loan Spatial Distribution

The number of PPP Loans in each county in the state were plotted using natural breaks to get a better understanding of the spatial distributions of the loans. Natural breaks minimize the variation within group and maximize the variation across group. The chart on the left represents the total number of PPP loans, while the chart on the right shows the number of PPP loans per 1,000 establishments. On average, over 90 percent of the PPP loans across Florida counties are below \$150,000.

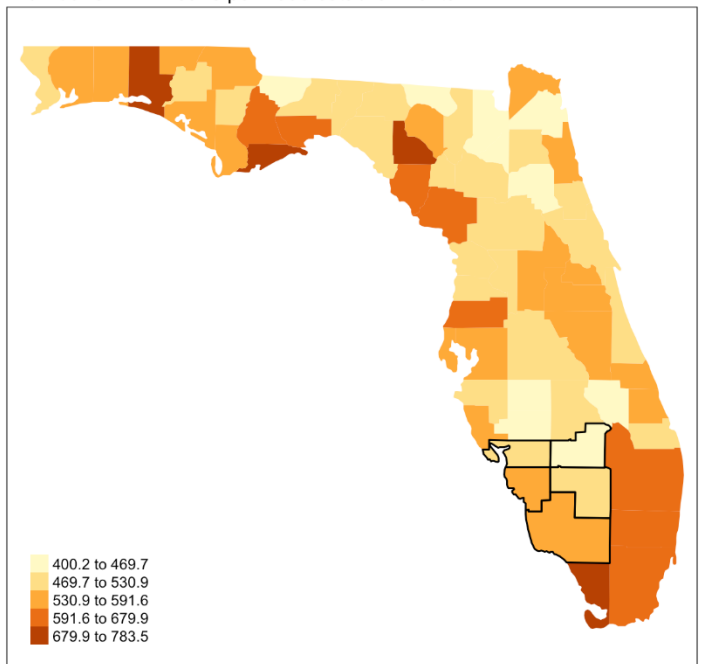
Most PPP loans in the state went to the South Florida counties of Miami-Dade, Broward, and West Palm Beach, along with some loans in Hillsborough, Pinellas and Orange counties. In Southwest Florida, Lee and Collier counties were recipients of the most PPP loans in the region but are in the second-to-last group with less than 14,526 loans. The other three regional counties (Charlotte, Hendry and Glades County) showed fewer loans (less than 4,815).

When the number of establishments is taken into account, the map tells a different story. The ratio of PPP loans for every 1,000 establishments presents higher spatial variation, with more northern counties showing larger shares. For Southwest Florida, the ratio of PPP loans for every 1,000 establishments was still the highest in Lee and Collier counties, with the other three regional counties showing a lower ratio. Below we also report maps total PPP loan amounts.

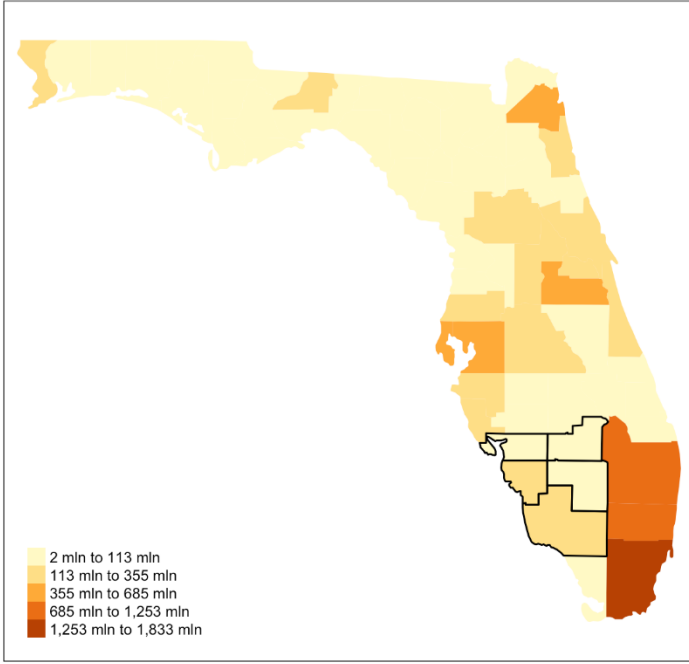
Number of PPP Loans



Number of PPP Loans per 1000 establishments



Dollar Amount of PPP Loans under \$150k



Dollar Amount of PPP Loans under \$150k per 1000 establishments

