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Responding to the Pandemic: Unprecedented Investment in CDFIs

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The Historic Economic Shock of COVID-19

At the start of the pandemic:

- **32%** decrease in consumer spending
- **74%** of small business owners reporting a drop in revenues
- **180,000** business closures

Met with an Unprecedented Stimulus Response

- **$5.5 trillion** in economic stimulus approved since the start of the pandemic
- **$813 billion** for the Paycheck Protection Program
- Compared to **$28 billion** in total SBA lending in 2019
- Challenges during PPP implementation

Sources: US Treasury and Small Business Administration.
The Experience of PPP Illustrates how CDFIs Punch above their Weight

The Stimulus Helped Many Small Businesses Stay Financially Healthy

Average share of business payments that are past due

COVID-19 PANDEMIC

Sources: Author’s Analysis Using Data From Dun & Bradstreet.
Historic Investments in the Industry

- $10 billion for the SSBCI
- $9 billion for the ECIP
- $1.25 billion from the Treasury's CDFI Rapid Response Program
- $120 million in the new Mission-Driven Bank Fund
- Commitments from large banks and philanthropists.

Policies to support small businesses also include:

- Shuttered Venue Operator Grant
- Restaurant Revitalization Fund
- Community Navigator Pilot
- Minority Business Development Agency Awards
- Economic Development Agency Supplemental Funding
- US Department of Agriculture Rural Business - Cooperative Service Additional Funding
- Community Development Block Grant
- State and Local Flexible Grants