

# COVID-19 State of Play

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## Unemployment

- Highest number of claims in history of system, surpassing 2008
- Affecting "gig" workers & people that serve other people face-to-face

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## First Wave of Companies Affected

are restaurants, retail, personal care (hair stylists, manicurists, massage therapists), childcare providers, and fitness studios – but all company types have been affected

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## The Support Need is Immense

- \$350 billion Paycheck Protection Program was exhausted as of Thursday
- Nearly \$20 million in small grant requests and only \$1.6 million in funding available

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## Revenue Losses have been Immense

The range of revenue loss for companies applying for assistance has been 80-100% loss in revenue since COVID-19. Average loss is around \$50k. Restaurants seeing 10% of normal revenue.

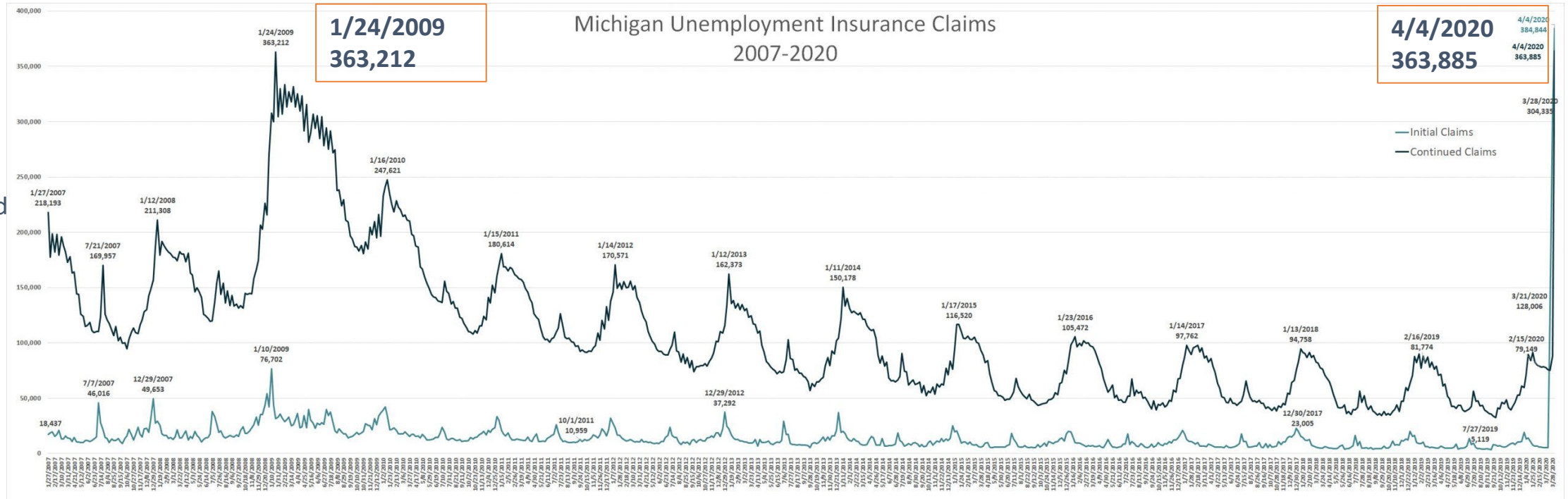
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## Our work has expanded:

Serving as fiduciary for:

- small business grants through foundations and the MEDC
- A2 Helps & A2 Neighbors, connecting restaurants and health care workers

The number of unemployment insurance claims is large even in historical context –surpassing the level seen in 2008 – and over a shorter time period

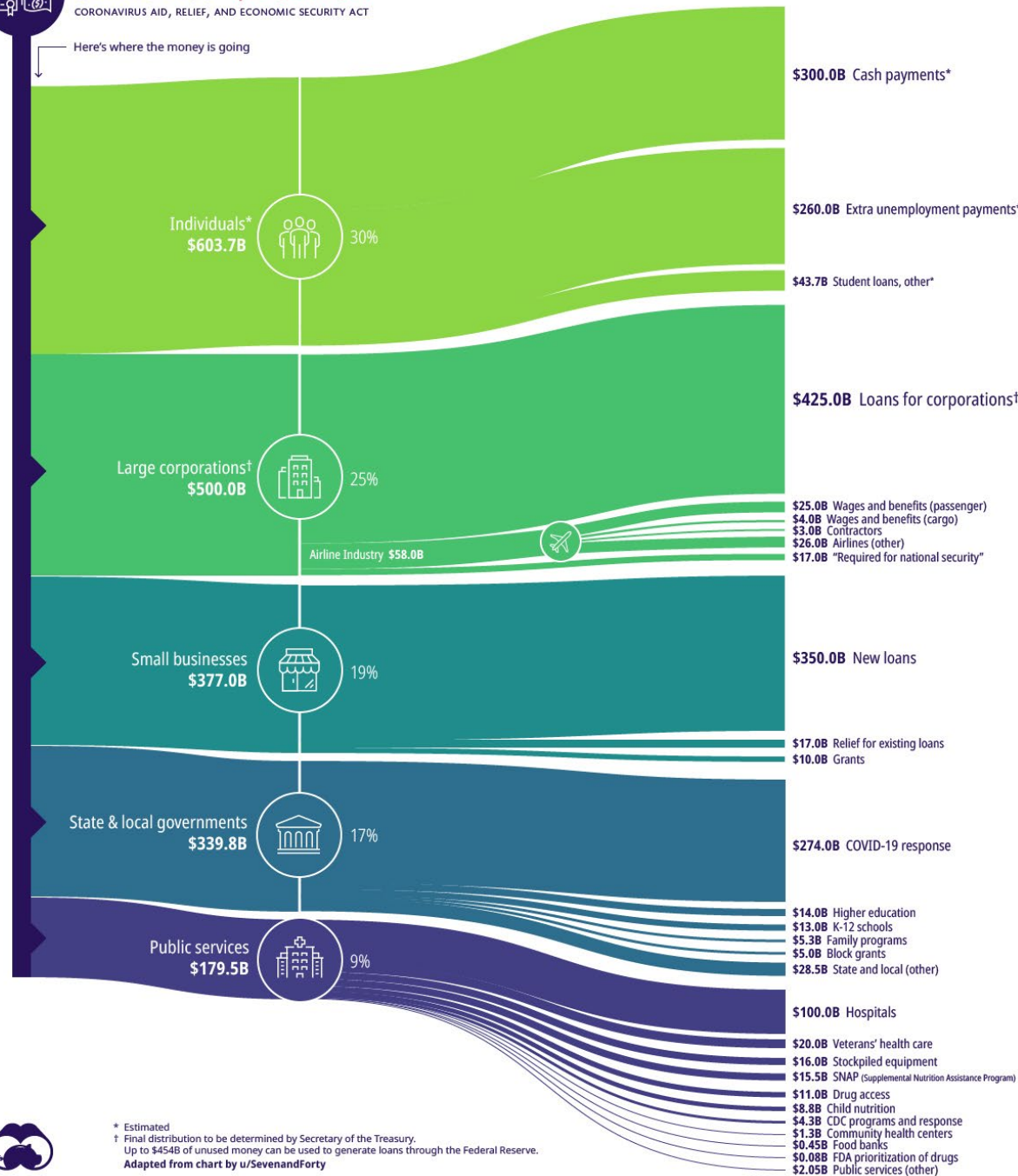


Continued Claims

Initial claims

**CARES Act \$2 trillion**  
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

Here's where the money is going



CARES Act – where does it all go?  
[link](#)

Category	Total Amount	Share
Individuals / Families	\$603.7 billion	30%
Big Business	\$500.0 billion	25%
Small Business	\$377.0 billion	19%
State and Local Government	\$340.0 billion	17%
Public Services	\$179.5 billion	9%

\* Estimated  
† Final distribution to be determined by Secretary of the Treasury.  
Up to \$454B of unused money can be used to generate loans through the Federal Reserve.  
Adapted from chart by u/SevenandForty

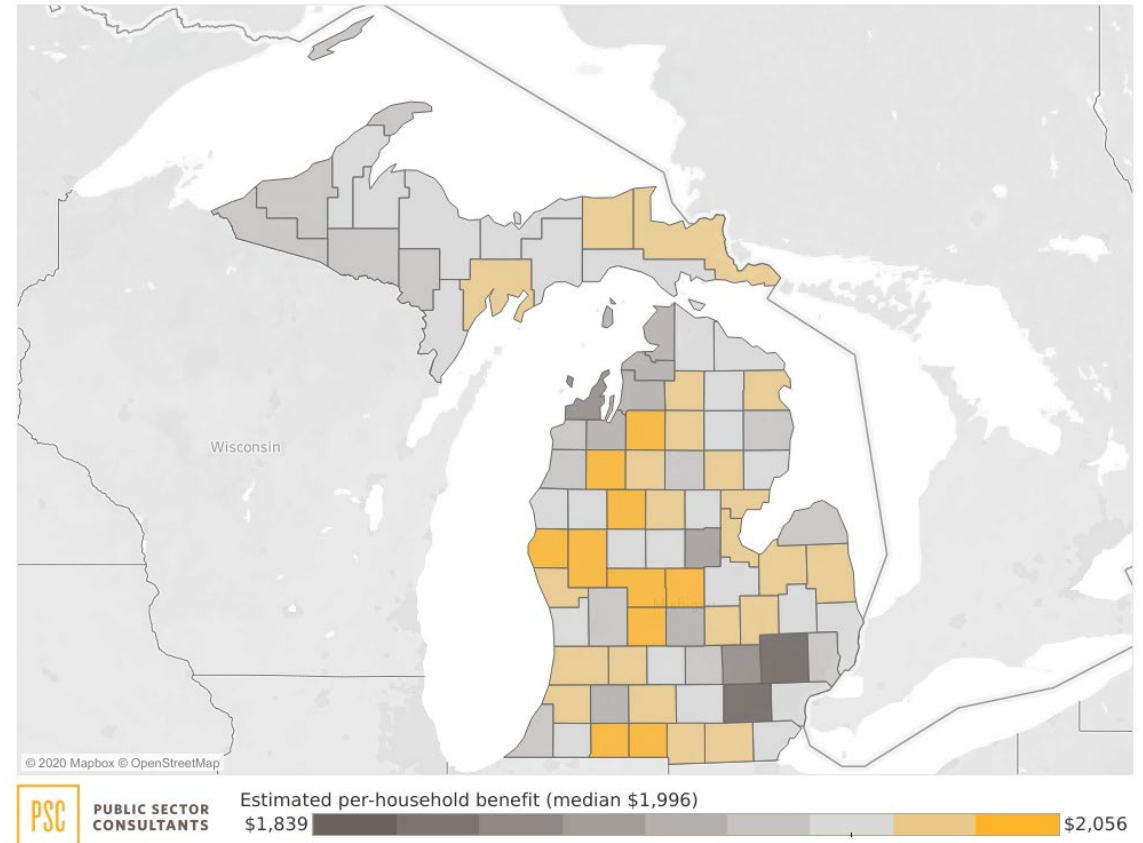


# CARES Cash in Michigan: A County by County Look

## Washtenaw County

- Estimated household benefits: \$259,001,524
- Estimated per-household benefit: \$1,847
- Total households: 140,210

County Household Benefits



### Paycheck Protection Program (PPP)




**\$349 BILLION** | \$349 billion toward job retention and certain other expenses in key areas such as payroll, health insurance, mortgage interest, rent and utilities from February 15, 2020 - June 30, 2020.

Eligible recipients may qualify for a loan up to **\$10 million** determined by 8 weeks of prior average payroll plus an additional 25% of that amount.

**AT LEAST 75% USED FOR PAYROLL** | Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent and utilities. Due to likely high subscription, **at least 75%** of the forgiven amount must have been used for payroll.

[LEARN MORE ABOUT THE PAYCHECK PROTECTION PROGRAM](#)

### SBA Debt Relief



The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.

Under this program:

- The SBA will also pay the principal and interest of new 7(a) loans issued prior to September 27, 2020.
- The SBA will pay the principal and interest of current 7(a) loans for a period of six months.

### Economic Injury Disaster Loans (EIDL)



**LOAN ADVANCE UP TO \$10,000** | In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.

**LOANS UP TO \$2 million** | The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue.

**FUNDS WITHIN 3 days** | Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

### SBA Express Bridge Loans

Allow small businesses who currently have a business relationship with an SBA Express Lender to

**ACCESS UP TO \$25,000 WITH LESS PAPERWORK**

These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan.

Find an Express Bridge Loan Lender by connecting with your local SBA District Office at [www.SBA.gov](http://www.SBA.gov).

# State and Local Funding for Small Businesses

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Washtenaw County Small Business Emergency Relief Fund

Michigan Small Business Relief Program

# Small Business Grant Funding

Washtenaw County Small Business Emergency Relief Fund (county)

Application period closed – still processing

Washtenaw County Grant

**1,435**  
*applications*

\$4.7+ million requested

**\$1.3 million available**

Grants range from **\$2,500-\$5,000**

**109** companies awarded grants (so far)

## Contributors:



**The Song Foundation**



# Small Business Grant Funding

Michigan Small Business Relief Program (state)

Application closed

MEDC Grant

**1,534**

*applications*

Grants up to \$10,000  
\$15+ million requested

\$327,000 available

*Employees before March 16:* **13,356**

*Employees laid off after March 16:* **5,482**

*Avg revenue lost:* **\$52,461**

**66** companies awarded grants of **\$5000**

*# of jobs retained as a result of funding:* **844**





# Bulk of Washtenaw County Applicants in Ann Arbor and Ypsilanti

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Ann Arbor	62.9%
Ypsilanti	17.2%
Saline	5.8%
Dexter	3.2%
Chelsea	2.4%
Manchester	2.1%
Milan	1.7%
Superior	0.7%
Scio	0.2%
Salem	0.2%
Northfield	0.2%

## Industry Breakdown

- Of those that filled out this field, the vast majority were restaurants, retail, personal care providers (hair stylists, manicurists, massage therapists), childcare providers, and fitness studios

Personal services	100.0%
Childcares	50.0%
Restaurants	40.0%
Fitness	40.0%
Retail	37.5%
Landscape design and contractors	27.3%
Salons	26.7%

# Michigan Business Establishments with 50 or less employees

County	Restaurants	% of total Establishments	Other Personal Services	% of total establishments	Gyms/Rec Center	% of Total	Total
Washtenaw	990	3.53%	83	0.30%	230	.82%	28,036
Livingston	359	2.80%	47	0.37%	104	.82%	12,804
<b>Statewide Total</b>	24,894		1,786		4,478		701,203

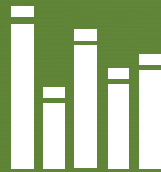
Source: Dun & Bradstreet Hoovers, March 2020. Provided by MEDC's Corporate Research, March 2020.

# Current SPARK Activity and Plans



## Commitment

Continue to serve as fiduciary for grant opportunities, and for A2 Helps and A2 Neighbors. Assisting and sponsoring applications to various state programs such as the Business Accelerator Fund, Tech Stabilization Fund, etc. Some are for relief and some are to directly assist local Covid-19 related technologies and innovations.



## Pipeline

Economic development pipeline continues to move forward with projects considering expansion/location



## Open to New Ideas

Ann Arbor could become a hub for remote work in the future, or for a new supply chain



## Convene and Provide Expertise

We are providing a steady stream of virtual events and content to help our clients during this time. Most are both publicly available to attend as well and the recordings being made available to the public post event.



## Serving Startups

Startup clients are saying they are committed to surviving this downturn, continuing to drive sales activities, and we are still seeing new company activity. Proof point: our Entrepreneur Boot Camp is fully subscribed with 12 new startups.