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Paycheck Protection Program Retains Thousands of Jobs in Tompkins County

*1,255 local businesses approved for PPP loans in Ithaca and Tompkins County,
12,739 projected retained jobs.*

ITHACA, N.Y. – July 16, 2020 – In response to the COVID-19 crisis, the Small Business Administration (SBA) implemented the Paycheck Protection Program (PPP) to help small businesses survive and retain jobs in very uncertain times. The SBA will forgive the loans if employee retention criteria are met and the funds are used for eligible expenses. Tompkins County Area Development (TCAD), the economic development organization for Ithaca and Tompkins County, NY, recently evaluated the PPP loan-level data released by the U.S. Department of the Treasury in July for all 56 states and territories.

The PPP loan information was sorted into two classes: Loans of \$150,000 or more (Class I), and; Loans less than \$150,000 (Class II). Class I includes the names of recipient businesses but categorizes their loans into five different ranges (\$150,000-350,000, \$350,000-\$1M, \$1-2M, \$2-5M, and \$5-10M), whereas Class II omits names but includes precise loan amounts. Additional information, including industry, lender, and jobs retained are provided for all loans and offer a glimpse into just how critical the PPP was in enabling businesses to retain jobs in Tompkins County.

Overall, 1,255 businesses in Tompkins County were approved for loans which are projected to retain 12,739 jobs. Although Class I loans comprised only 13.6% of all loans, they contributed 57.4% of jobs retained, with an average retention of 44 jobs per loan. More than half of the 171 Class I loans were in the \$150,000-\$300,000 range. Conversely, Class II loans comprised the vast majority of all loans at 86.4% yet contributed only 42.6% of jobs retained; they had an average loan size of \$36,925 and retention of 5.5 jobs per loan.

According to Heather McDaniel, President of TCAD, “The support of PPP certainly helped our economic outlook here in Ithaca and Tompkins County. Without this much needed assistance, unemployment rates would be much greater and likely more businesses would never reopen.”

By industry, Professional, Scientific, and Technical Services, Health Care and Social Assistance, Accommodation and Food Services, Other Services, and Retail Trade all exceeded 100 loans approved. Industries that surpassed 1,000 jobs retained were Accommodation and Food Services, Health Care and Social Assistance, Retail Trade, and Professional, Scientific and Technical Services.

“PPP helped keep The Computing Center’s 21 staff members employed and benefits fully paid”, said Larry Baum, TCAD Board Chair and Founder of The Computing Center. “It also allowed many of our clients to continue operations and keep their staff in place as well. The entire

program assisted us to stay fully operational throughout and able to deliver computer products as well as onsite and remote services to clients.”

Industries supported by TCAD, including Manufacturing, Wholesale Trade, Transportation and Warehousing, Information, and Professional, Scientific and Technical Services, comprised nearly one-quarter of all loans and jobs retained, with an average retention of 10 jobs per loan. Among those industries, the number of the smaller Class II loans exceeded the larger Class I loans by a ratio of over 5:1, yet jobs retained by Class I loans nearly doubled that of Class II loans. Class I had an average retention of 40 jobs per loan, whereas Class II retained only 4 jobs per loan.

Many local banks stepped up to be a conduit for the SBA program. Tompkins Trust Company approved a total of 414 loans which are projected to retain 6,049 jobs, with an average retention of nearly 15 jobs per loan. Both Elmira Savings Bank and M&T Bank each approved over 100 loans and each projected the retention of over 1,000 jobs. Combined, local lenders (also including Alternatives Federal Credit Union, CFCU Community Credit Union, Chemung Canal Trust Company, and KeyBank) approved nearly three-quarters of all loans with a projected job retention of 82% within Tompkins County.

“The Paycheck Protection Program has been an important resource to help small businesses remain open and keep people working,” said Peter Newman, Binghamton Regional President at M&T Bank. “We at M&T are proud of the role we’ve been able to play in helping businesses across our footprint to access these much-needed financial resources.”

About Tompkins County Area Development

TCAD is a private not for profit economic development organization serving Ithaca and Tompkins County. It is New York State’s first and only Accredited Economic Development Organization, one of only 70 across North America. The mission of TCAD is to build a thriving and sustainable economy by fostering business growth and employment. Since 1964, TCAD has worked tirelessly to grow, retain, and attract companies that provide high-quality employment opportunities and strives to create a supportive environment for entrepreneurship and business development. For more information, visit TCAD at: www.tcad.org.

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