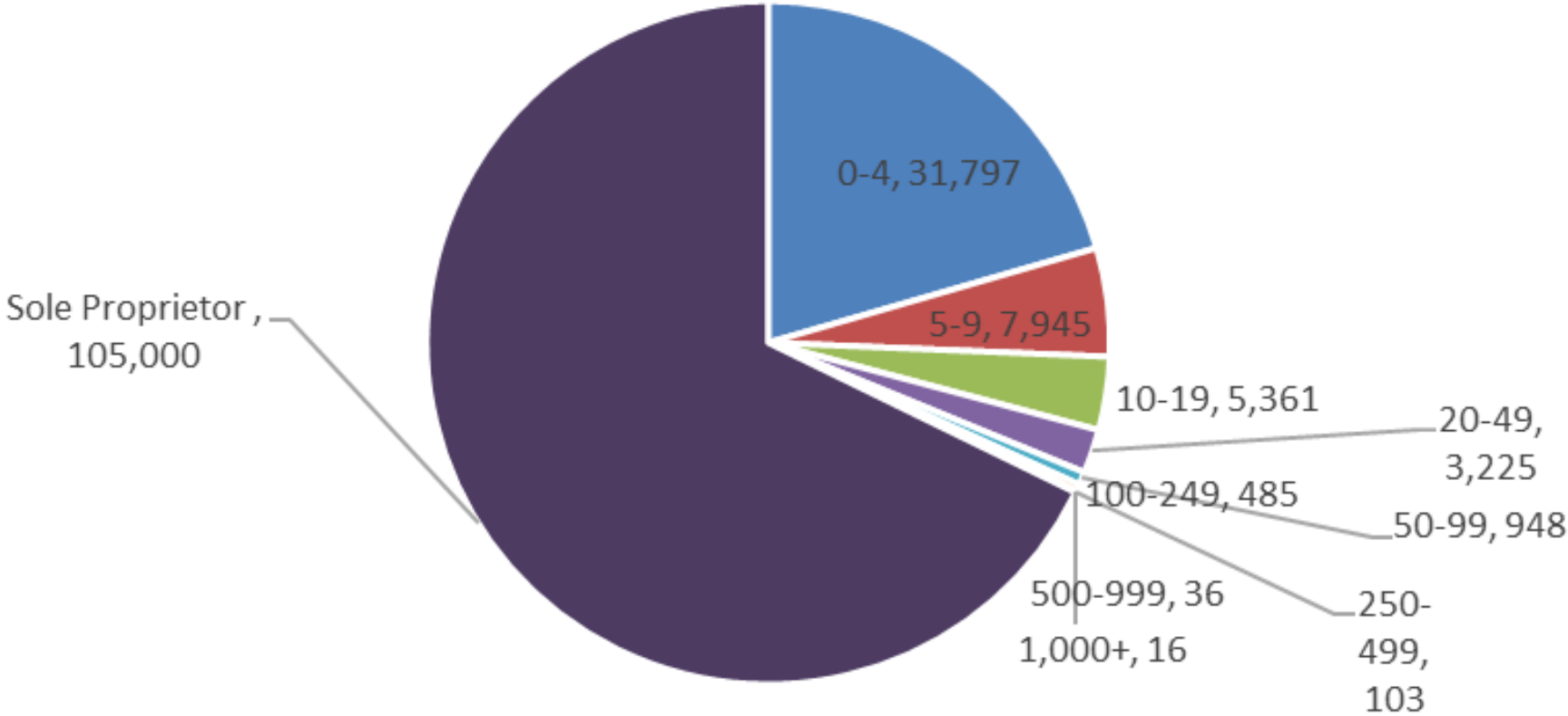


# Coronavirus Impact on Maine Businesses Update

Appropriations and Financial Affairs

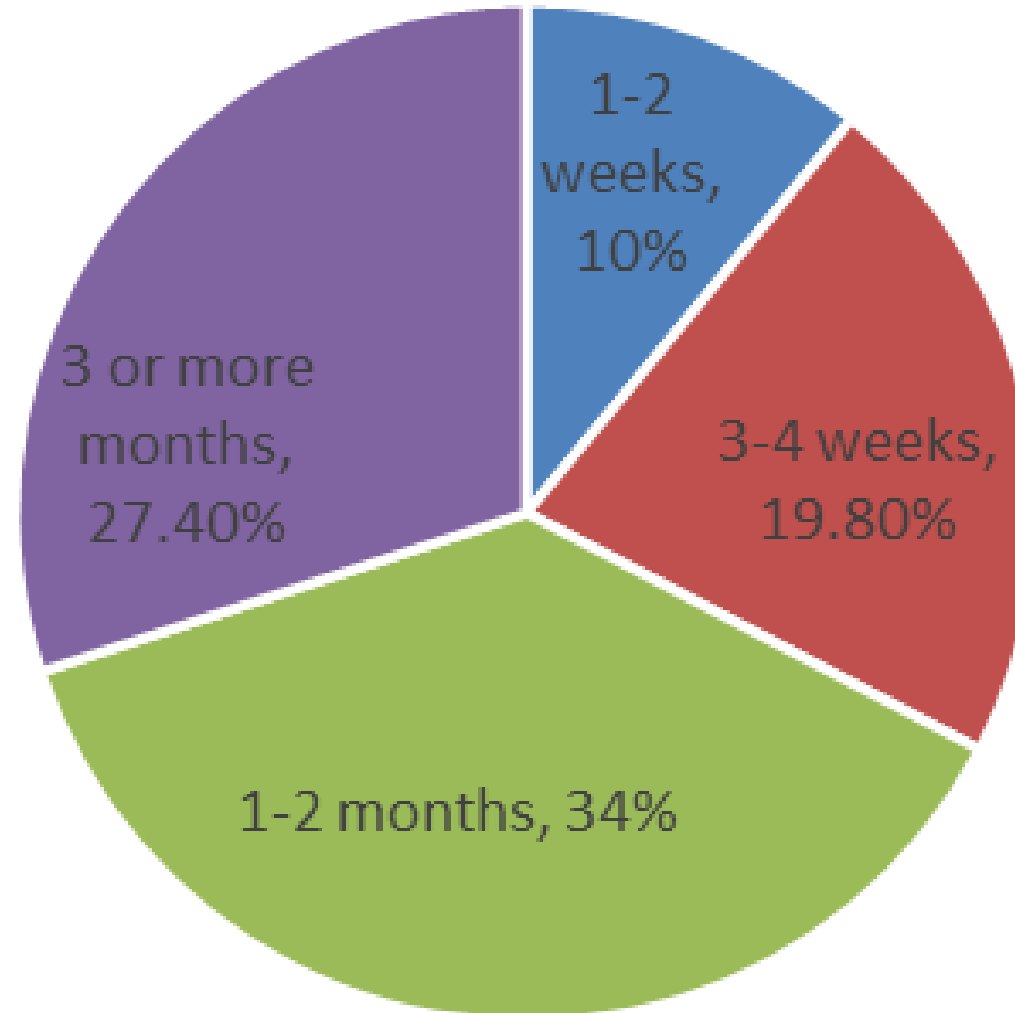
June 5, 2020

# Business by Size



■ 0-4 ■ 5-9 ■ 10-19 ■ 20-49 ■ 50-99 ■ 100-249 ■ 250-499 ■ 500-999 ■ 1,000+ ■ Sole Proprietor

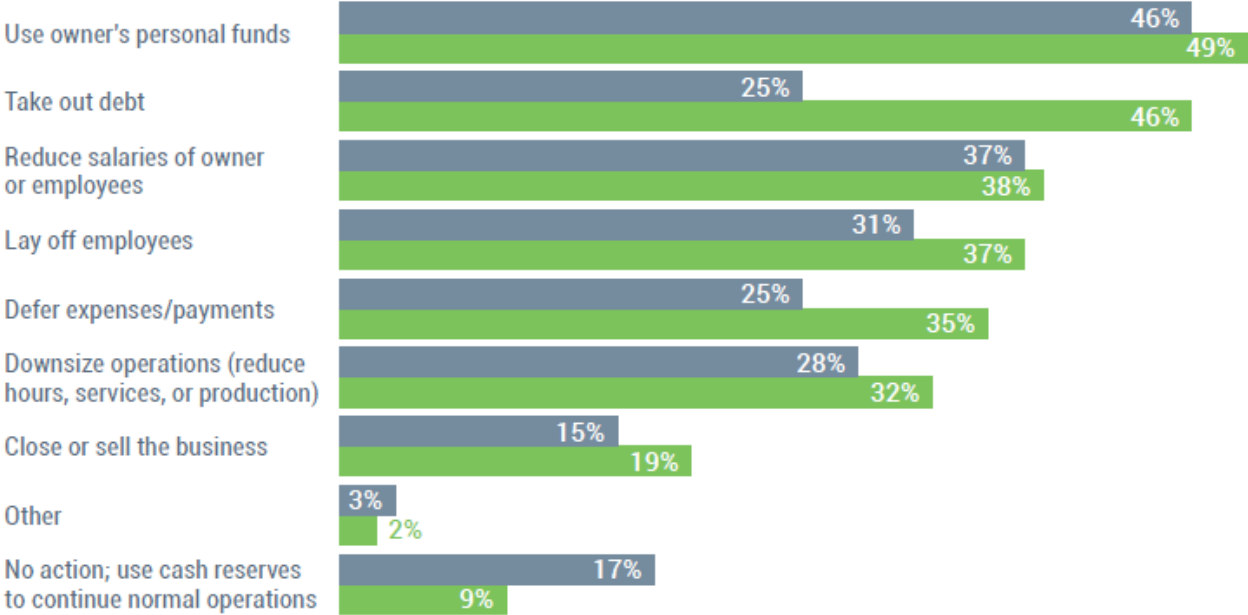
# Cash on hand



Economic impact began  
in March

If faced with a hypothetical two-month revenue loss, applicants were much more likely to say they would take out debt to deal with the loss compared to nonapplicants.

ACTIONS BUSINESS WOULD TAKE IN RESPONSE TO A 2-MONTH REVENUE LOSS<sup>1</sup> (% of nonapplicants and applicants)



■ Nonapplicants N=2,746 ■ Applicants N=2,393

<sup>1</sup> Respondents could select multiple options.  
<sup>2</sup> Approximately the second half of 2018 through the second half of 2019.



# Renter households are more likely to have a housing payment and have all adults employed in occupations with high layoff risk

## High-Risk Employment among Homeowners and Renters

New England states and United States

	Share of all homeowners			Share of all renters		
	With a monthly mortgage payment	With at least 1 employed person in high-risk occupation	With all employed persons in high-risk occupations	With a monthly rent payment	With at least 1 employed person in high-risk occupation	With all employed persons in high-risk occupations
United States	62	35	16	95	40	25
New England Region	66	35	15	96	36	22
Connecticut	66	34	14	96	38	26
Maine	60	37	17	94	34	23
Massachusetts	68	33	13	97	34	20
New Hampshire	64	39	16	97	40	26
Rhode Island	69	36	16	97	33	23
Vermont	63	36	17	94	43	26

*Note(s): Employed persons in a household are those at or above the age of 16 and employed in 2018. Households with housing payments are those with a mortgage (including second mortgages) or paying cash rent. Workers are at high risk of unemployment if their job is nonessential, cannot be done from home, and is paid hourly. The definition used here is based on one used in Gascon (2020), with adjustments made to essential occupations that better match Massachusetts's state-level policy.*

*Source(s): 2018 American Community Survey one-year estimates*

Recently published estimates of revenue shortfalls in New England vary widely and rely on a range of methods

	Expected Revenue Shortfall for FY 2020	Expected Revenue Shortfall for FY 2021
CT	\$500 million	\$1.4 billion
MA (Estimate 1)	\$500 million	\$4.4 billion
MA (Estimate 2)	\$540–\$753 million	\$1.2–\$2.6 billion
MA (Estimate 3)	\$4.2–\$4.8 billion	\$5.1–\$5.8 billion
VT	\$193 million	

*Sources: Connecticut: Connecticut Office of Policy and Management; Massachusetts: Massachusetts Taxpayers Foundation (Estimate 1); Tufts University's Center for State Policy Analysis (Estimate 2); Massachusetts Budget and Policy Center (Estimate 3); Vermont: Vermont Legislative Joint Fiscal Office*

# State revenue impacts

The same factors driving the reduction in economic activity will also lead to sharp declines in state government revenue.

- ▶ Declining tourism → drop-off in room and meal taxes
- ▶ Employment losses → falling personal income taxes
- ▶ Decreased business activity → falling business income taxes
- ▶ Falling consumption → downturn in sales taxes

The magnitude of the revenue losses will depend on the depth and the duration of the economic downturn as well as the elements of the state tax system.

# Summary of PPP Approved Lending

<b>Loan Count</b>	<b>Net Dollars</b>	<b>Lender Count</b>
4,475,599	\$510,234,498,923	5,454

	Total Loan Value	Total Number of Loans	Average Loan Value
Total	\$ 510,234,498,923	4,475,599	\$ 114,004
Maine	\$ 2,215,851,252	25,721	\$ 86,149

About \$130 billion remains from the second round of \$320 billion that Congress approved for PPP. The initial round of \$349 billion was approved in just 13 days.



# States and Territories

~17% of Maine businesses were approved for PP loans

State	Loan Count	Net Dollars
AK	10,135	\$1,211,029,747
AL	60,909	\$6,112,333,061
AR	40,591	\$3,280,578,818
AS	132	\$6,860,666
AZ	74,409	\$8,446,594,216
CA	524,172	\$66,363,091,119
CO	98,072	\$10,202,797,396
CT	56,123	\$6,592,532,219
DC	11,247	\$2,103,048,960
DE	11,574	\$1,455,386,237
FL	343,442	\$30,512,350,550
GA	136,687	\$13,977,749,017
GU	1,950	\$191,528,826
HI	23,416	\$2,450,574,225
IA	54,928	\$5,009,203,064
ID	28,620	\$2,541,120,396
IL	183,674	\$22,002,678,908
IN	74,045	\$9,359,675,711
KS	49,375	\$4,928,731,185
KY	45,753	\$5,186,086,685

State	Loan Count	Net Dollars
LA	67,142	\$7,201,716,457
MA	106,126	\$14,167,776,556
MD	73,506	\$9,805,567,647
ME	25,721	\$2,215,851,252
MI	113,487	\$15,689,012,295
MN	92,090	\$11,027,450,349
MO	86,457	\$9,022,939,369
MP	362	\$35,679,198
MS	42,359	\$3,132,560,496
MT	22,124	\$1,742,270,456
NC	112,855	\$12,218,499,858
ND	18,925	\$1,744,330,636
NE	40,418	\$3,395,027,285
NH	22,506	\$2,516,773,863
NJ	133,366	\$16,800,063,375
NM	20,608	\$2,200,984,024
NV	38,259	\$4,031,674,600
NY	290,451	\$37,332,202,200
OH	130,736	\$18,136,107,594
OK	61,412	\$5,414,559,493

State	Loan Count	Net Dollars
OR	57,304	\$6,772,195,380
PA	156,443	\$20,456,338,186
PR	31,419	\$1,718,588,944
RI	16,158	\$1,851,641,511
SC	58,851	\$5,637,682,539
SD	21,154	\$1,641,088,140
TN	85,617	\$8,806,987,658
TX	356,757	\$40,163,384,025
UT	47,935	\$5,190,977,385
VA	100,925	\$12,378,222,348
VI	1,389	\$115,252,446
VT	11,222	\$1,170,104,201
WA	92,627	\$12,014,072,884
WI	80,341	\$9,755,939,820
WV	16,376	\$1,772,260,451
WY	12,741	\$1,017,610,088
To be confirmed	176	\$7,154,910

Approvals through 05/30/2020

# Industry by NAICS Sector

NAICS Sector Description	Loan Count	Net Dollars	% of Amount
Health Care and Social Assistance	470,369	\$65,928,653,513	12.96%
Professional, Scientific, and Technical Services	581,708	\$65,086,484,846	12.79%
Construction	429,185	\$63,441,199,379	12.47%
Manufacturing	218,021	\$53,490,261,475	10.51%
Accommodation and Food Services	339,642	\$40,907,011,686	8.04%
Retail Trade	416,972	\$39,625,529,718	7.79%
Other Services (except Public Administration)	468,297	\$29,878,333,377	5.87%
Wholesale Trade	157,079	\$27,382,331,546	5.38%
Administrative and Support and Waste Management and Remediation Services	223,910	\$26,055,244,298	5.12%
Transportation and Warehousing	152,461	\$16,157,416,945	3.18%
Real Estate and Rental and Leasing	221,738	\$15,154,047,215	2.98%
Finance and Insurance	154,191	\$11,934,915,042	2.35%
Educational Services	73,098	\$11,735,623,051	2.31%
Information	63,252	\$9,092,576,913	1.79%
Arts, Entertainment, and Recreation	104,445	\$7,634,370,139	1.50%
Agriculture, Forestry, Fishing and Hunting	127,465	\$7,578,090,541	1.49%
To be confirmed	135,950	\$6,038,853,464	1.19%
Mining	20,389	\$4,467,023,832	0.88%
Unclassified Establishments	89,536	\$3,951,229,266	0.78%
Public Administration	12,359	\$1,713,673,248	0.34%
Management of Companies and Enterprises	8,195	\$1,548,656,297	0.30%
Utilities	7,337	\$1,432,973,132	0.28%

# SBA Disaster Assistance Update Nationwide EIDL Loans / COVID-19

<b>Loans Approved</b>	<b>707,613</b>	<b>Dollars Approved</b>	<b>\$ 55,792,697,609</b>
-----------------------	----------------	-------------------------	--------------------------

<u>STATE</u>	<u>APPROVED</u>	<u>DOLLARS</u>	<u>STATE</u>	<u>APPROVED</u>	<u>DOLLARS</u>
Alabama	7,941	\$ 565,867,150	Kansas	4,783	\$ 367,431,500
Alaska	1,933	\$ 143,065,400	Kentucky	5,438	\$ 379,354,400
Arkansas	4,392	\$ 307,554,600	Louisiana	14,038	\$ 1,064,649,600
Arizona	13,162	\$ 1,032,739,850	Maine	2,901	\$ 225,009,800
California	122,884	\$10,638,684,178	Maryland	11,609	\$ 938,559,800
Colorado	13,599	\$ 1,104,861,053	Massachusetts	13,620	\$ 1,120,842,600
Connecticut	8,435	\$ 742,668,000	Michigan	16,487	\$ 1,293,497,872
Delaware	1,799	\$ 148,933,500	Minnesota	9,441	\$ 781,624,200
Florida	65,400	\$ 4,624,482,110	Mississippi	5,139	\$ 342,879,100
Georgia	26,397	\$ 1,956,163,890	Missouri	8,276	\$ 619,466,200
Hawaii	5,063	\$ 340,279,600	Montana	2,522	\$ 174,452,400
Idaho	3,123	\$ 221,493,900	Nebraska	3,195	\$ 252,389,402
Illinois	23,702	\$ 1,867,007,050	Nevada	8,358	\$ 704,259,800
Indiana	7,860	\$ 622,351,100	New Hampshire	3,148	\$ 257,348,300
Iowa	4,221	\$ 329,206,000	New Jersey	23,463	\$ 1,934,894,958

Figures as of 5/29/2020



The guiding principles for this approach include:

## 1 PROTECTING PUBLIC HEALTH

The State will continue to use epidemiological data, such as case trends and hospitalization rates, to inform decisions about the appropriate time to lift restrictions.

## 2 MAINTAINING HEALTHCARE READINESS

Maine must be able to respond to any surge of COVID-19. To that end, the State will continue to work closely with hospitals and health systems to assess system capacity, including available hospital beds, ICU beds and ventilators, and to procure and distribute personal protective equipment to hospitals, nursing facilities, emergency services, and other frontline responders.

## 3 BUILDING RELIABLE AND ACCESSIBLE TESTING

Testing for all symptomatic people and sentinel disease surveillance are key foundations for opening the economy. While the widespread availability of rapid testing remains a challenge, the State is actively seeking to expand testing to make it more accessible to Maine people.

## 4 PRIORITIZING PUBLIC-PRIVATE COLLABORATION

Opening Maine's economy depends on close collaboration among businesses, employees, government, and the public to develop, implement, oversee, and accept guidelines and safe practices. A new Economic Recovery task force will be appointed to ensure this occurs.





#### Designated Essential and Have Remained Open

- All Utilities Such as Electricity, Water, Wastewater and Telecommunications
- Animal Feed and Pet Supply Stores
- Automobile Repair
- Banks and Credit Unions
- Behavioral Health, Health Care, Dental Care, and Long-Term Services and Supports Providers and Organizations
- Bicycle Repair
- Biomedical
- Boat Builders
- Child Care Providers
- Construction, Maintenance and Property Management
- Convenience Stores and Gas Stations
- Electronics and Communications
- Federal Firearms Licensee
- Fishing and Aquaculture
- Fishing Supply and Bait Shops
- Food Banks and Food Pantries
- Food Processing and Agriculture
- Forest Products
- Fully Automated Car Washes Only
- Garden Stores and Green Houses
- Grocery Stores
- Group Homes and Residential Treatment Facilities
- Hardware Stores and Home Repair
- Heating Fuel Maintenance and Delivery
- Hotel and Commercial Lodging
- Household Goods
- Industrial Manufacturing
- Laundromats and Dry Cleaning
- Legal, Business, Professional, Environmental Permitting and Insurance Services

## Open Businesses as of June 5, 2020

- Life Science
- Medical Marijuana Dispensaries and Caregivers
- Office Supplies
- Pharmacy and Other Medical Supply Stores
- Plumbers and Electricians
- Pool Construction and Maintenance
- Post Offices and Shipping Outlets
- Psychiatric and Long-Term Care Facilities
- Public Transportation
- Real Estate Activities
- Rental Centers – Appliances Only
- Restaurants and Bars – Curbside Pickup, Takeout, and Delivery Only
- School Employees and Child Nutrition Programs
- Spa Maintenance
- Trash Collection, Transfer Stations and Redemption Centers
- Truck Delivery and Distribution of Goods
- Veterinary Clinics and Animal Welfare

#### Open May 1, 2020

- Auto Dealerships
- Barber Shops & Hair Salons
- Car Washes
- Disk Golf Courses
- Dog Grooming
- Drive-In Theatres
- Golf Courses
- Gyms and Fitness Studios
  - 1:1 fitness instruction
  - Outdoor classes of 10 or fewer
- Hunting, Fishing, Boating, and Outdoor Activities
- Marinas

#### Open June 1, 2020

- All Restaurants
  - Outdoor Dining only in Androscoggin, Cumberland & York Counties
- All Retail
- Auctions
- Barbering and cosmetology schools
- Campgrounds and RV parks
- Charter boats
- Community Sports
- Dance studios
- Day Camps and Summer Recreation
- Dog trainers
- Driver's education
- Film and photography studios
- Gymnastics
- Lodging
  - Maine residents
  - Out of state residents that have completed the quarantine requirement.
- Martial arts studios
- Mini golf courses
- Museums
- Tanning Salons
- Weddings

Where we are today

The Federal Recovery Coordinator for FEMA Region 1 has approached the Maine Department of Economic & Community Development and the Maine Emergency Management Agency to offer the state assistance in developing a needs assessment and a plan that can guide and expedite the flow of federal assistance to support community economic needs arising from the COVID-19 emergency. Given the urgency and seriousness of the COVID-19 outbreak, FEMA has awarded a contract to the Global Resilience Institute at Northeastern University in collaboration with MIT Lincoln Laboratory to help the State of Maine execute an accelerated process for preparing the state's required needs assessment and plan. This involves the Global Resilience Institute undertaking a quick assessment of three communities in Maine – Portland, Belfast and Millinocket.