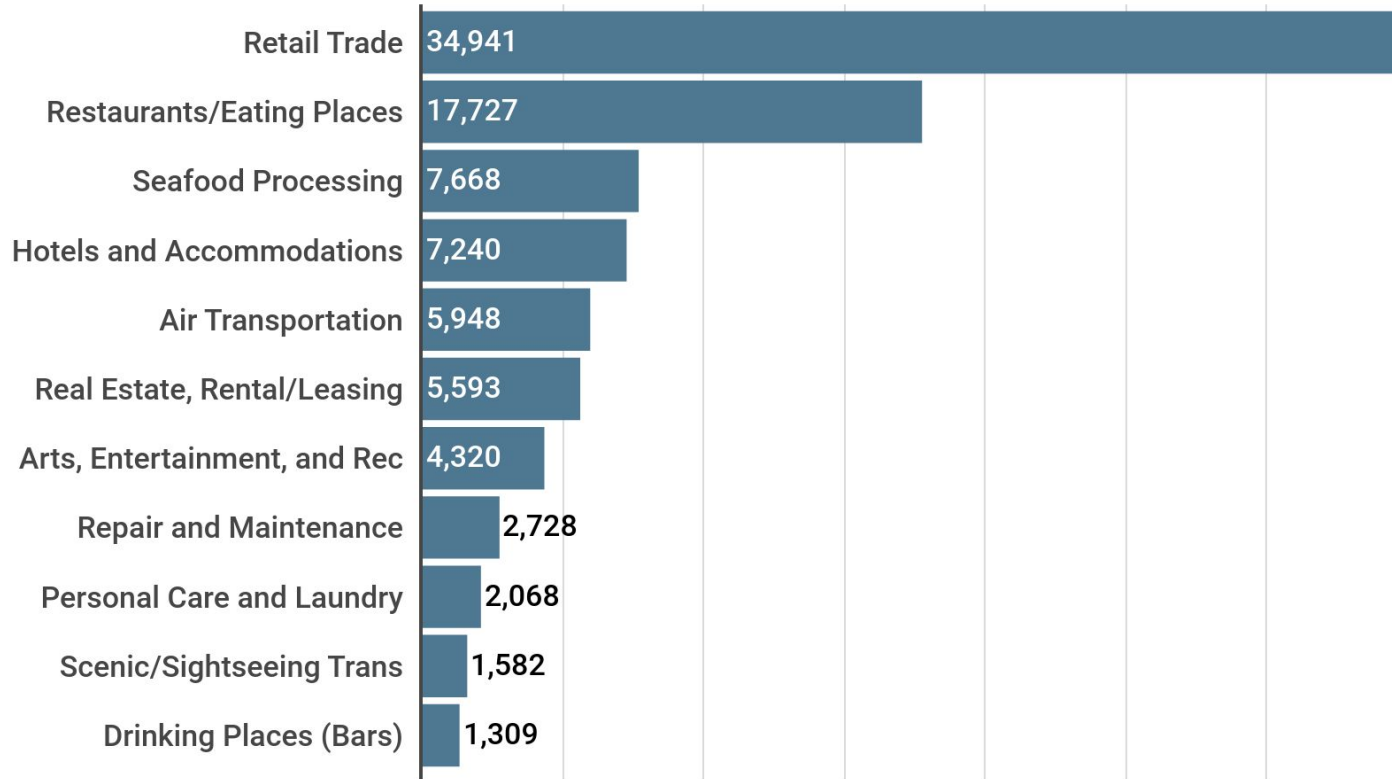




A perfect economic storm?

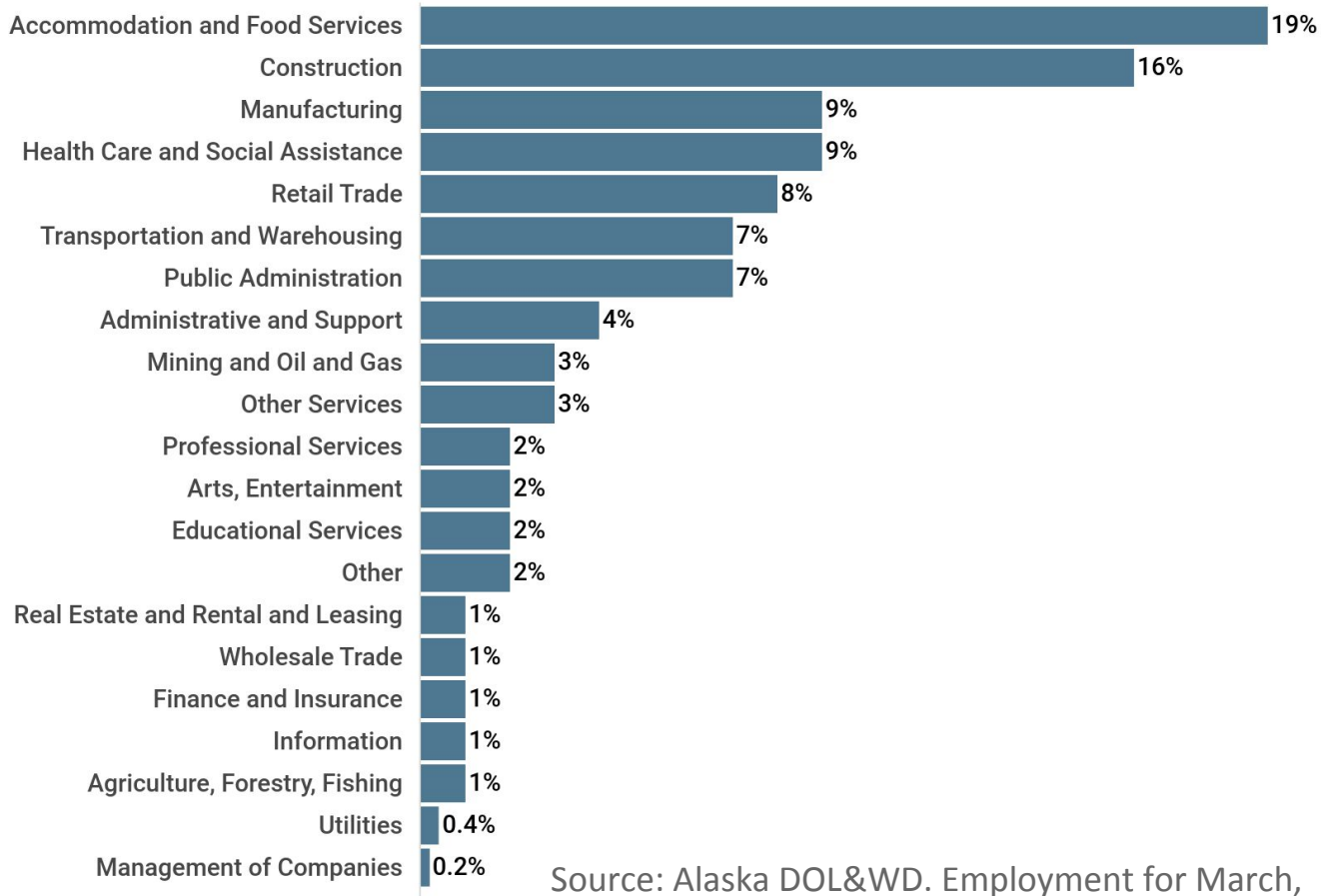


Most Vulnerable Sectors (jobs)



Source: Alaska DOL&WD. Employment for April, 2019

March UI Claims by Sector



Source: Alaska DOL&WD. Employment for March, 2020

The Latest Research on Small Biz

- Published April, 2020
- Survey of 5,800 US small businesses
- Most extensive look at COVID impacts to small businesses to date

HOW ARE SMALL BUSINESSES ADJUSTING TO COVID-19? EARLY EVIDENCE FROM A SURVEY

Alexander W. Bartik
Marianne Bertrand
Zoë B. Cullen
Edward L. Glaeser
Michael Luca
Christopher T. Stanton

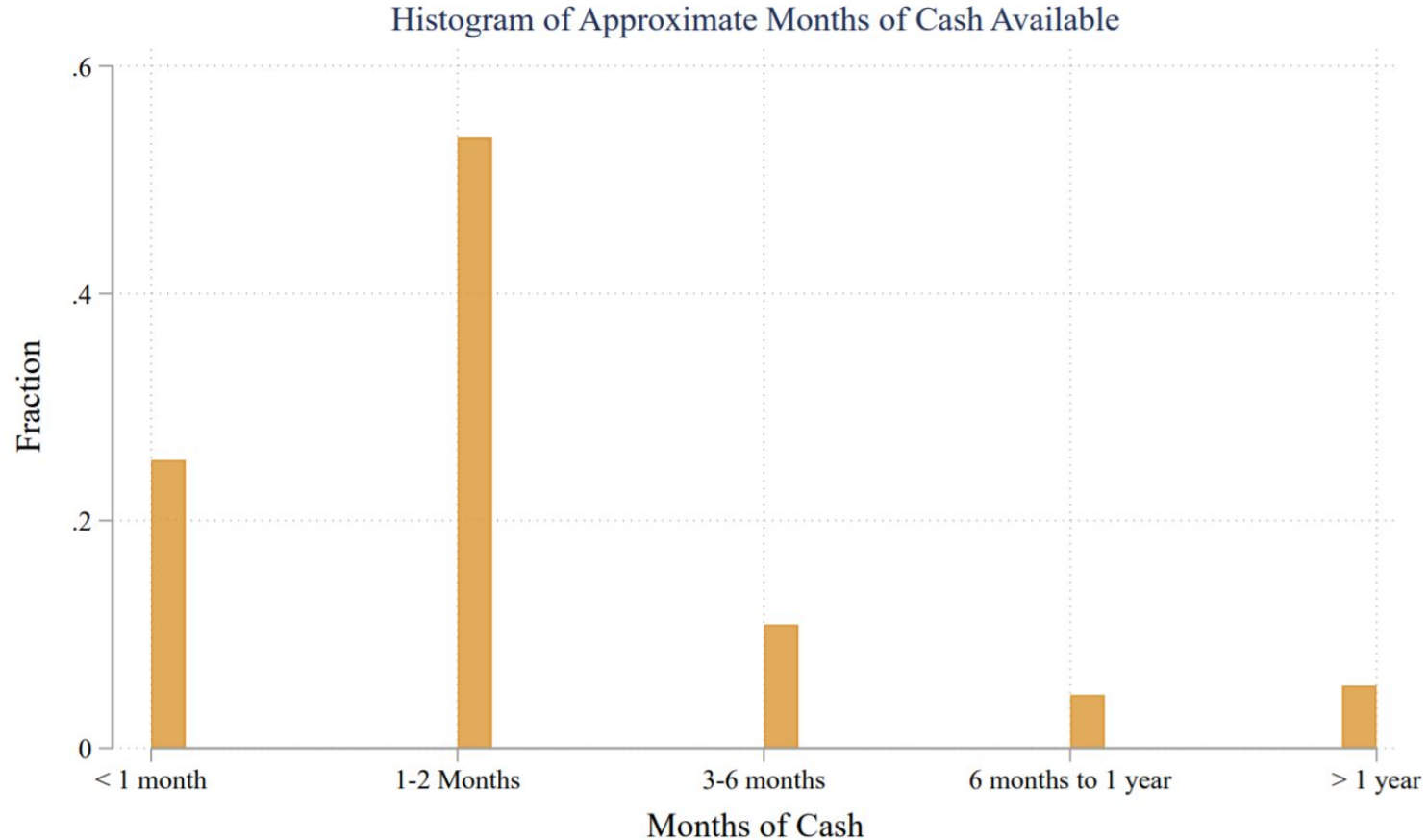
Working Paper 26989
<http://www.nber.org/papers/w26989>

NATIONAL BUREAU OF ECONOMIC RESEARCH
1050 Massachusetts Avenue
Cambridge, MA 02138
April 2020

Small businesses are going broke

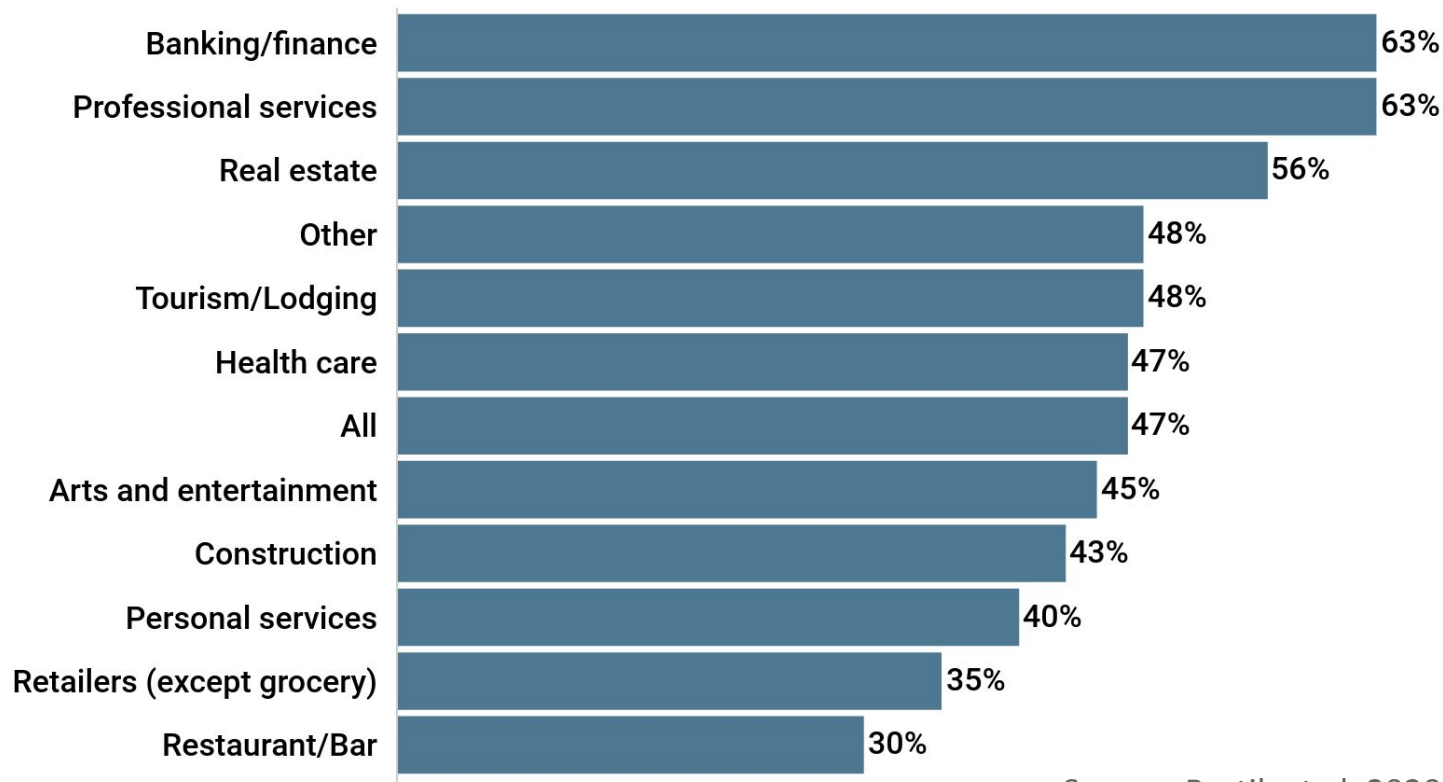
- 43% of businesses are currently closed
- Employee counts reduced by 40% on average
- \$10,000 in median monthly expenses
- Less than one month of cash in hand

Likelihood of remaining open after 4 months



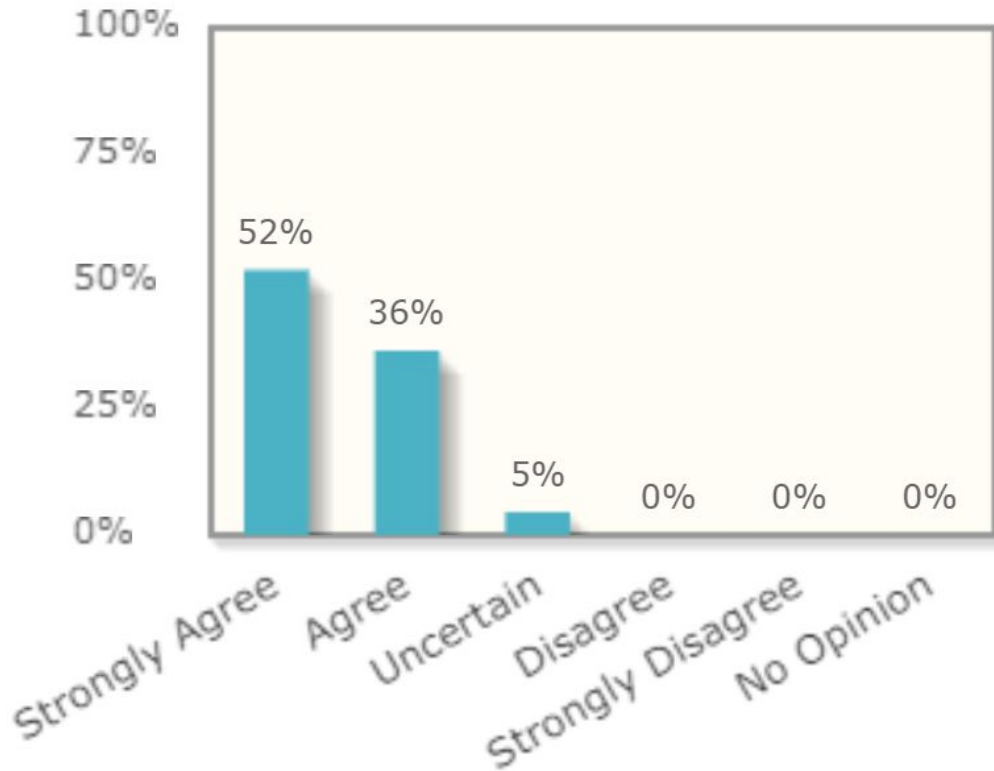
Source: Bartik et al, 2020

Likelihood of remaining open after 4 months



Source: Bartik et al, 2020

Economists: Stay the course



Source: IGM Economic Experts Panel

“A comprehensive policy response to the coronavirus will involve tolerating a very large contraction in economic activity until the spread of infections has dropped significantly.”

CARES small business relief

Paycheck Protection Program (PPP)

- 4,800 AK loans
- About \$190K average loan

Economic Injury Disaster Loan (EIDL)

- 1,600 loan advances
- \$4,600 average advance (grant)



CARES relief challenges

- “Conduit” issues and volume
- Lenders and access
- Focused on payroll for forgiveness
- Debt repayment concerns
- Not suited well to seasonal businesses
- Quickly depleted

April 23, 2020

To: The Honorable Cathy Giessel

The Honorable Bryce Edgmon


Governor Mike Dunleavy

CC: Members of the Alaska State Legislature

RE: Economic development organizations requesting cash grants to employers

Our recommendation: grants

 Jon Bittner - SBDC

 Brittany Smart - F...



Senator Dan Sullivan



Senator Lisa Murkow...

Economic development network

- Juneau Economic Development Council*
- Anchorage Economic Development Corporation*
- Fairbanks Economic Development Corporation*
- Fairbanks North Star Borough
- Southeast Conference*
- Haines Economic Development Corporation*
- Kenai Peninsula Economic Development District*
- Prince William Sound Economic Development District*
- Kawerak
- Association of Village Council Presidents
- Southwest Alaska Municipal Conference*

- DCCED
- Alaska Small Business Development Center*
- Alaska Manufacturing Extension Partnership*
- Center for Economic Development*
- UAA Business Enterprise Institute*
- Denali Commission
- US Economic Development Administration
- Foraker Group

*=signed letter recommending grants

Members



ALASKA
MEP
Manufacturing
Solutions



UAA Business
Enterprise Institute
UNIVERSITY *of* ALASKA ANCHORAGE



Alaska Small Business
Development Center

UAA BUSINESS ENTERPRISE INSTITUTE

The University role



Thank You!



UNIVERSITY
of ALASKA
Many Traditions One Alaska

