

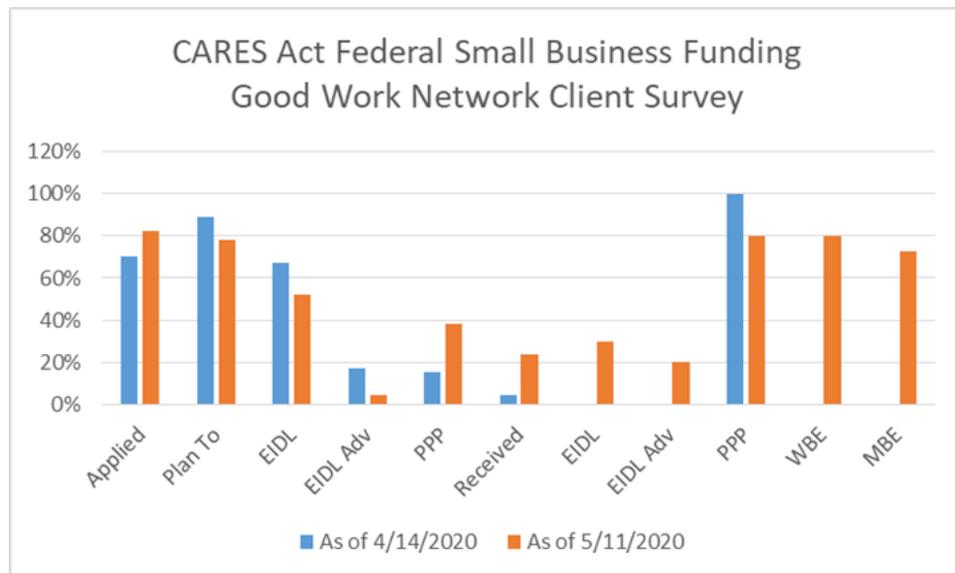


MINORITY ENTREPRENEURS REPORT INCREASED RATE OF APPLICATION FOR FEDERAL SMALL BUSINESS ASSISTANCE LOANS; LAG IN RECEIPT OF LOAN FUNDS

New Orleans, LA. (May 13, 2020) -- From the time the federal small business economic disaster loan products were announced, concerns of equity for minority-owned and microbusinesses were raised by advocates, entrepreneurs and elected officials. Interested in tracking how our clients and other local minority and women entrepreneurs experienced access to both the Paycheck Protection Program (PPP) loans and the SBA-run Economic Injury Disaster Loan (EIDL) products, Good Work Network began surveying its client network.

As of May 11, we have solicited feedback in two separate waves – one in mid-April and another in early May. The results show an increase both in the rate of application (82%, up from 70%) as well as the percent of firms securing loan funding. The April survey showed 4% of respondents had received funding (all PPP loans), while the May survey shows 24% of respondents have received funding from a mix of sources.

Application interest in April favored the EIDL loan – which 67% of respondents had applied to. By May, that figured had dropped to 52%, while submitted PPP applications rose from 15% in April to 38% in May.



While the majority of applications have gone to the EIDL program, as of the second survey, only 30% of respondents have received an EIDL loan and only 20% received the EIDL Advance – which was originally promised within 3 business days. In contrast, 80% of all loans received by survey respondents were awarded through the PPP, which represented 38% of loan applications overall.

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It isn't clear the date of application had any significant bearing on the securing of loan funds. The majority of those responding that they had received loans applied in the month of April. Of those who had not received loans yet, 37% applied in March.

It also isn't yet clear what role the lender played in loan success. Fidelity Bank represented the largest share of loans awarded among respondents at 30%. Hope Credit Union had a 20% share of loans awarded. Both were also listed as the lending institutions among those who had not received funding. The banks with the largest share of loans not yet closed among survey respondents were Chase Bank (15%) and Gulf Coast Bank & Trust (15%).

Of note is the continued strong interest in funding with 78% of respondents indicating they plan to apply for loans. Good Work will periodically survey its network of small business owners to track the flow of federal loan dollars to women and minority entrepreneurs.