

# PPE Research Seminar Series

The Philosophy, Politics, and Economics (PPE) Research Seminar Series provides a forum for eminent scholars across these disciplines to present their work in a flexible format with faculty and students.

## The Paycheck Protection Program & Small Business Performance: Evidence from Craft Breweries



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The Paycheck Protection Program (PPP) provided approximately \$790 billion in COVID-19 relief funds to nearly 12 million small businesses. We use data from the craft beer industry to explore the role of PPP funding on small business performance. By merging an industry dataset of producers with data from the Small Business Administration on PPP loan recipients, we examine the relationship between PPP funding, business survival, and changes in year-over-year production volume. Results suggest that firms that receive PPP funding are more likely to remain in operation and experience a smaller decline in annual production. Further, we use a quasi-experiment that exploits a natural break in the loan program to demonstrate that the average decrease in YoY production is smallest for breweries that receive the earliest funding. Using regression analysis and propensity score matching, results suggest towards a positive causal effect of the role of loan approval timing on short-run performance outcomes. These results provide evidence that the PPP alleviated losses induced by COVID-19, but questions remain about the program's distribution and long-term impacts.

**Friday October 7, 2022**

**3:30–5:00 p.m. PST**

**Via Zoom, Advanced Registration**

**SJSU** | DEPARTMENT OF  
ECONOMICS

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