

The Paycheck Protection Program: Working to Keep Dealership Employees on the Payroll

The Paycheck Protection Program, created by Congress as part of the CARES Act, has been invaluable in keeping dealership employees on the payroll during this extremely challenging time for vehicle sales (more information about the tremendous benefits of the PPP to dealership employees is available [here](#)).

In fact, **every dealer** NADA has heard from who received a PPP loan has used it to keep employees on the payroll, and/or bring back furloughed or terminated employees, even though economic conditions would have otherwise forced those dealers to make drastic and permanent workforce reductions.

Furthermore, a great many dealers will end up devoting 100% of their PPP loans to payroll expenses.

This is exactly what Congress intended when it created the program, meaning the program is working exactly as it should.

Before COVID-19 hit, America's franchised dealerships – the majority of which are small business as defined by the Small Business Administration – collectively employed more than 1.1 million Americans, and provided those employees with \$69 billion in wages.

That's 1.1 million households and families in rural, suburban and urban communities across the country who depend the excellent pay and benefits they receive from their dealership jobs to pay their bills, contribute to their local and the national economy, and achieve the American dream.

Because of the PPP, those wages have remained intact for hundreds of thousands of those dealership employees across the U.S.

Important Information Regarding How the PPP Is Working to Keep Dealership Employees on the Payroll

Above is the NADA all-dealer email containing important information regarding the [tremendous benefits that the Paycheck Protection Program \(PPP\)](#) has afforded to hundreds of thousands of dealership employees throughout the U.S. We encourage you to review this information.

Additionally, as you may know, the Small Business Administration and the Department of Treasury [recently announced](#) that SBA will be making publicly available additional information about the PPP program, including the business names, addresses, NAICS codes, zip codes, business type, demographic data, non-profit information, jobs supported, and loan amount in the following loan categories:

- \$150,000-350,000
- \$350,000-1 million
- \$1-2 million
- \$2-5 million
- \$5-10 million

According to SBA and Treasury, these categories account for nearly 75% of the loan dollars approved. For loans below \$150,000, totals will be released, aggregated by zip code, by industry, by business type and by various demographic categories.

As of June 20, 2020, 5,456 lenders have approved 4,666,560 Paycheck Protection Program loans totaling \$514 billion, with \$128 billion still available to be lent to qualifying businesses that apply prior to June 30, 2020. SBA's complete June 20 PPP report is available [here](#).

Additionally of note, industries that received the greatest percentage of PPP loan disbursements are:

- Health Care and Social Assistance: 487,386 loans totaling \$66.5 billion (12.93%)
- Professional, Scientific, and Technical Services: 608,025 loans totaling \$65.6 billion (12.74%)
- Construction: 446,670 loans totaling \$63.9 billion (12.41%)
- Manufacturing: 223,452 loans totaling \$53.6 billion (10.41%)
- Accommodation and Food Services: 354,085 loans totaling \$41.4 billion (8.06%)
- Retail Trade: 432,933 loans totaling \$39.9 billion (7.75%)

The PPP has been invaluable in keeping dealership employees on the payroll during this extremely challenging time for vehicle sales.

Before COVID-19 hit, America's franchised dealerships – the majority of which are small business as defined by the Small Business Administration – collectively employed more than 1.1 million Americans, and provided those employees with \$69 billion in wages. Because of the PPP, those wages have remained intact for hundreds of thousands of those dealership employees across the U.S.