



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

110 WILLIAM STREET, 14TH FLOOR
NEW YORK, NEW YORK 10038
(212) 442-0632 • EMAIL: press@ibo.nyc.ny.us
<http://www.ibo.nyc.ny.us>

FOR IMMEDIATE RELEASE
October 12, 2023

Press Contact
Tainá Guarda: press@ibo.nyc.ny.us
(917) 513-7488

[IBO Analysis Reveals Details about the Federal Paycheck Protection Program and Its Effectiveness in Preserving Jobs Among New York City Small Businesses That Received Loans](#)

An Independent Budget Office (IBO) [analysis](#) evaluates the employment effects of the \$30.3 billion in Paycheck Protection Program (PPP) loans distributed to New York City employers in 2020 and 2021. The loans were intended to preserve jobs in small businesses affected by the Covid-19 pandemic. The results indicate that PPP loans had a positive and sustained impact overall on employment, at a lower cost per employee than previously estimated for the program nationally.

IBO estimates that approximately 691,000 job-years (a job-year is the equivalent of one job for one year) were saved in New York City through 2022. The cost per job retained, annually, is estimated at between \$40,000 and \$65,000. These estimates can be compared with the median earnings in New York City of \$43,000 in 2021, indicating that the program was relatively efficient in terms of preserving jobs in the city, compared to its cost. While the impact from the first round of loans in 2020 was positive, the benefit of the second round of loans in 2021 was even more pronounced. The research demonstrates that loans' benefits had longevity, with jobs retained through the end of 2022 in firms that received loans, and that better targeting is associated with even stronger and longer-lasting positive outcomes.

New York City Independent Budget Office

The New York City Independent Budget Office (IBO) is authorized under the New York City Charter to provide nonpartisan budgetary, economic, and policy analysis for the residents of New York City and their elected officials. IBO helps to increase New Yorkers' understanding of and participation in the budget process.