

## 60 Decibels Releases CDFI PPP Customer Survey Results

The data analysis firm 60 Decibels released last month the results of a survey conducted with the Paycheck Protection Program (PPP) borrowers of six Community Development Financial Institutions (CDFIs), including CDBA members **Southern Bancorp** and **Optus Bank**. 60 Decibels interviewed 1,073 PPP borrowers for this survey, one third of whom originally sought assistance from a non-CDFI lender. Of the borrowers who initially sought assistance from another lender, 84% indicated that their experience with a CDFI bank was better than their experience with the other lender.

60 Decibels was founded in 2014 to gather high quality data on social impact and customer intelligence. Lindsay Smalling, Head of US Sales at 60 Decibels told CDBA, “Part of what differentiates 60 Decibels is the focus on collecting a mix of qualitative and quantitative data over the phone. Qualitative data brought the stories of small business owners to life in this set of PPP studies, giving voice to what borrowers are going through during the pandemic and the ‘why’ behind the numbers.”

The six CDFIs whose customers were interviewed by 60 Decibels processed over 6,000 PPP loans in Round 1 and Round 2 and distributed nearly \$275 million in PPP funds to businesses. The data collected by 60 Decibels reveals that these CDFIs were essential in reaching demographics often left out of PPP assistance nationally—45% of customers were black-owned businesses, 43% were woman-owned, and 88% were not banked with their CDFI before applying for assistance. Crucially, 43% of business owners were using their own personal savings to keep their business afloat during the pandemic, and 37% did not have enough adequate savings to fall back on in the event of an emergency.

“Having served over 1,200 paycheck protection customers in 2020, it was critical for us as a CDFI to develop a deeper understanding of both our customer’s experience and their economic situation,” said Southern Bancorp CEO Darrin Williams. “60 Decibels’ strategic approach to surveying our customers was both engaging and informative, as it provided us with relevant data that will inform how we continue to help our customers recover from the effects of the pandemic and drive our work for years to come.”

CEO Dominik Mjartan of Optus Bank agreed, adding that, “The in-depth survey provided us valuable insights into the impact of the PPP loans and our process on our customers. It also highlighted the disparate impact of the pandemic on minority- and woman-owned businesses. Most importantly, the results, based on a significant portion of our customer base, helped shape our program going forward to make it more effective.”

For more information on 60 Decibels’ partnership with CDFIs, including statistics, customer quotes, and methodology, see the graphic below. To learn more, contact Lindsay Smalling at [lindsay@60decibels.com](mailto:lindsay@60decibels.com).

# The PPP Experience for Small Business Owners at CDFIs



Insights from 1,073 Paycheck Protection Program Loan Recipients. These six CDFIs processed 6,013 PPP loans in Round 1 and 2 and distributed \$274,491,228 in COVID relief to businesses.



CDFIs were essential in reaching small business owners that were largely left out of PPP assistance nationally.



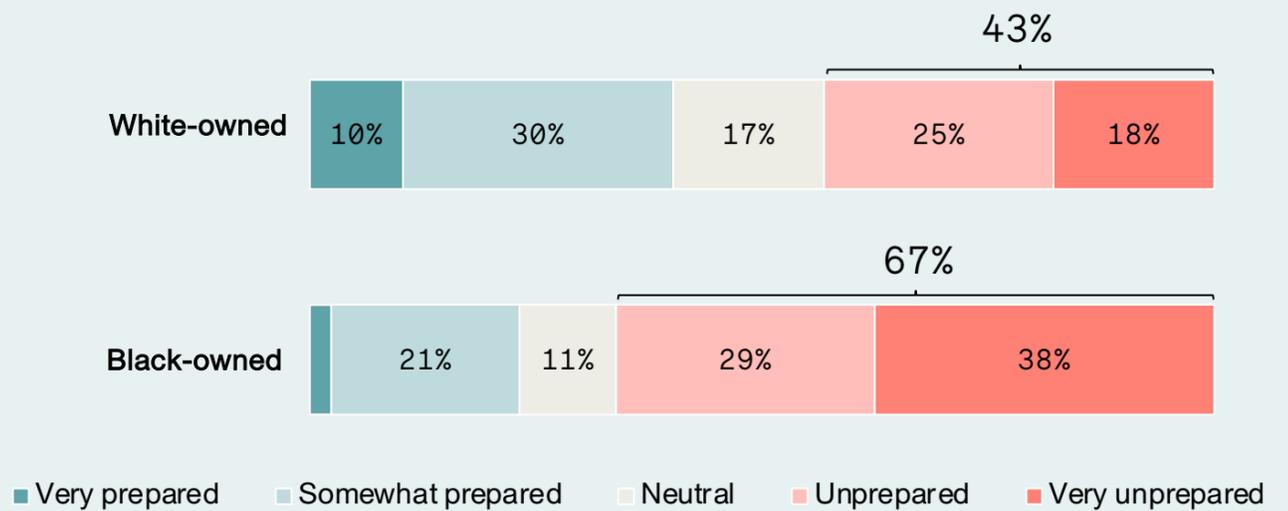
Black-owned businesses were far less prepared to deal with the challenges brought by COVID-19 compared to White-owned businesses.

## Business Preparedness

Q: How prepared would you say you were to respond to the challenges brought to your business by COVID-19? (n = 831; 422 Black, 280 White)

“Honestly, I truly believe we may have been forced to close for a while until it possibly slowed down. We probably would have lost all of our employees and been down to just my husband and me.”

- PPP Recipient, Sept 2020



PPP was critical for keeping businesses open and maintaining jobs. The anticipated outcomes if not for receiving PPP were significantly worse for Black-owned businesses.

82%

could not have easily found an alternative to PPP assistance.

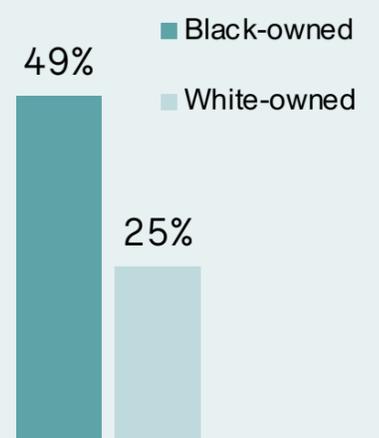
## Anticipated Business Closures Without PPP

“I’d be out of business, no doubt about that, and I would be in the street, no place to live and no place to work, it would be terrible, they literally saved me.”

- PPP Recipient, Nov 2020

93%

indicated the PPP helped maintain jobs and keep employees on payroll.



Business closures

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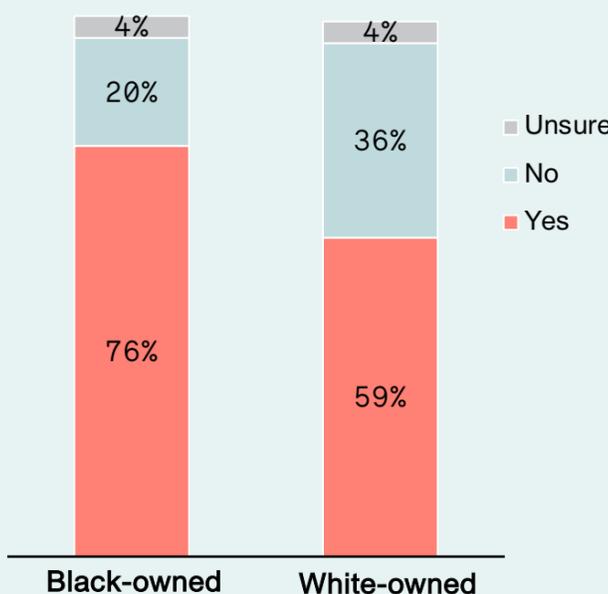
**More Black-owned businesses anticipate needing additional financial support in the months ahead. 2 in 5 respondents have used funds from their personal savings in the past year for their business.**

“Every time I needed to talk to someone at [CDFI], I was able to. They took a chance on me way back. If they had not taken a chance, I would not have a business.”

PPP Recipient, Jan 2021

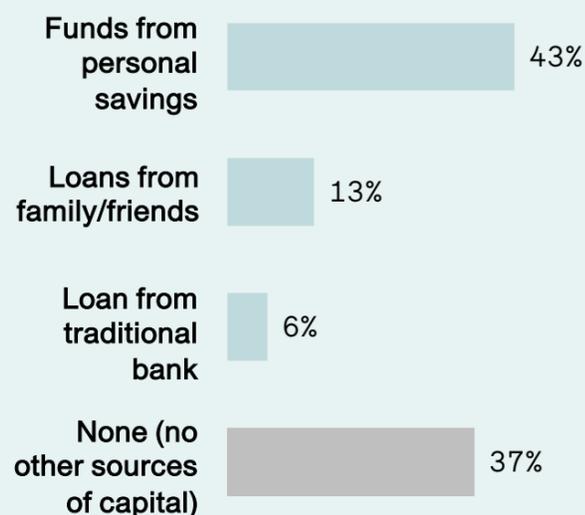
## Need for Future Support

Q: In the next 6-12 months, will your business require additional capital? (n = 517; 379 Black, 138 White)



## Sources of Capital (Top 4)

Q: In the past 12 months, have you used any of the following sources of capital for your business? (n = 239)



**CDFIs went beyond basic distribution of PPP funds to support small business owners in navigating PPP application and forgiveness.**

“I’ve been recommending [CDFI]. Their staff were so willing to work with you. They are there to assist you and when they assist you, they don't make you feel like you're not qualified to speak with them.”

- PPP Recipient, Oct 2020

**79**

average Net Promoter Score (NPS), indicating excellent service and support by CDFIs. Any NPS above 50 is considered very good.

**84%**

said their experience with their respective CDFI was better than the other lender, of those that tried to access PPP from another source.

**1.9**

**HOURS**  
average time customers estimated CDFI staff spent helping them with their PPP application.

## About This Initiative:

60 Decibels is partnering with CDFIs to understand the impact of COVID-19 on small businesses and the experience of PPP by listening directly to business owners. Respondents are customers of six CDFIs that processed a combined 6,013 PPP loans in Round 1 and 2 and distributed \$274,491,228 in COVID relief to businesses. By better understanding small business owners' experience and outlook, banks, investors, and policymakers can be responsive and supportive to preserve businesses and jobs.

While racial disparities of COVID-19 impacts are well-documented, we lack a clear understanding of how small business owners of color are managing through the pandemic and what they need to survive and recover. Without direct insights from underserved small business owners, we risk an inadequate response that widens the racial wealth gap.

## Research Methodology

Survey mode	Phone
Dates	August 2020 – January 2021
Responses	1,073
Average length of calls	18 mins

## Acknowledgements:

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