

The coronavirus, or COVID-19, pandemic is a global health concern, and in March 2020, Colorado Gov. Polis signed an executive order asking non-essential businesses to limit operations to flatten the curve, affecting a large share of the Colorado economy.

Similar to data on health impacts, timely economic indicators are limited and changing daily, but REDI compiled a set of data and frequently updated resource links to address COVID's spillovers to a wide array of Colorado sectors and public issues.

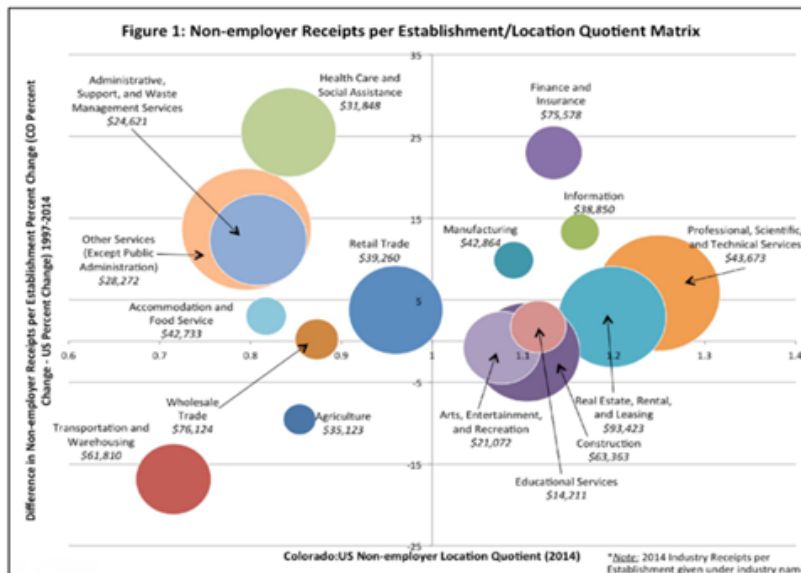
- Colorado is home to a greater number of entrepreneurs than the US average.
- Figure 1, below, shows that Colorado outpaces the US in revenue growth among nonemployers (the smallest businesses) in many sectors (professional services, healthcare, retail, tourism-based sectors)
- Many of these sectors were those most negatively impacted by recent slowdowns and closures.

Entrepreneurs and small businesses may be some of the most vulnerable to business disruption

because of “lean” cash flows and few relief programs that align with their challenges.

Public programs are particularly interested in supporting small businesses trying to retain their staff on payroll during this period of temporary restrictions.

“Gig” or “on demand” workers are an emerging cluster of workers with indirect attachments to firms. They may freelance or contract to a variety of firms given their preferences (independence) or needs (augment their sources of income). New programs address these workers who had previously been exempt from programs.



REDI focuses on engaged research-driven analyses, informing industry, policy and community development perspectives in service to Colorado, with a focus on shared challenges and opportunities to connect rural and urban places. We engage with public, private, and non-profit partners seeking to promote sustainable regional economic development by providing 1 apolitical, scholarly, and actionable research and policy perspectives.



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# COVID RESOURCES for Colorado's Small Business Community

## Small Business Administration

Beyond longstanding programs to support small businesses offered by the [US Small Business Administration](#), small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19) are now eligible for Economic Injury Disaster Loans based on Governor Polis' declaration.

Broader information on the Paycheck Protection Program (left) to retain workers and SBA's Economic Injury Disaster Loans (right) up to \$2 million is compared in the chart, below.

## Colorado COVID Relief Fund

On March 27, Governor Polis announced that small businesses in Colorado who have been affected by COVID-19 can now apply for grants through the \$7.7 million Colorado COVID Relief Fund. Applications are being accepted on rolling basis.

You can apply online [HERE](#)

Eligibility	Loan Amount	Purpose of Loan
<ul style="list-style-type: none"><li>Small and medium-sized businesses that were in operation on or before February 15, 2020 with 500 or fewer full- or part-time employees (independent contractors can apply on their own and do not count towards the employee count), are generally eligible to apply for this loan.</li><li>Additionally, the business must have paid salaries and payroll taxes or paid independent contractors (as reported on Form 1099-MISC)</li></ul>	<ul style="list-style-type: none"><li>2.5x average monthly payroll over last year with a maximum of \$10MM</li><li>Seasonal businesses and businesses not in operation from February 15, 2019, to June 30, 2019, are subject to a different measurement period for purposes of determining average monthly payroll</li><li>Your monthly payroll includes wages, tips, group health, retirement benefits and employer-paid taxes, but excludes the amount of compensation to individuals in excess of \$100,000.</li></ul>	<ul style="list-style-type: none"><li>U.S. businesses, 501(c)(3) nonprofits, tribal businesses, sole proprietors, contractors, ESOPs, small agricultural cooperatives with &lt;500 employees or meeting current SBA size standards</li><li>Affiliation rules do apply</li></ul>
	<ul style="list-style-type: none"><li>Payroll costs (at least 75% of all loan proceeds must be used for payroll costs)</li><li>Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums</li><li>Mortgage interest payments (but not mortgage prepayments or principal payments)</li><li>Rent payments</li><li>Utility payments</li><li>Interest payments on any other debt obligations that were incurred before February 15, 2020; and/or</li><li>Refinancing an SBA Economic Injury Disaster Loan (EIDL) made between January 31, 2020, and April 3, 2020.</li></ul>	<ul style="list-style-type: none"><li>Up to \$2MM as determined by the SBA based on need and repayment capacity</li><li>Working capital needed until resumption of normal operations, paid sick leave, payroll, increased costs to obtain materials due to interrupted supply chains, to pay obligations that cannot be met due to revenue loss and for other uses, rent or mortgage payments</li></ul>

Source: PNC Bank, April 3, 2020. <https://www.pnc.com/>

## Colorado COVID Relief Fund

All employers should be ready to implement strategies to protect their workforce. However, in some cases, such strategies require small businesses to temporarily cease operations and lay off staff, or for entrepreneurs who are non-employers, to quit offering their services and products, affecting households' livelihood. "Gig workers" are newly covered through Pandemic Emergency Unemployment Compensation (PEUC) if they are:

- Self-employed, 1099 workers, independent contractors, gig workers, or traditional employee in a field that has been directly affected by COVID restrictions;
- Have been diagnosed with COVID-19 or have a member of their household who has been diagnosed with COVID-19 or are providing care to a household or family member;
- Have primary caregiving responsibility for a child or other person who is unable to attend school or another facility as a result of COVID-19.

For more details see the [Colorado Department of Labor and Employment site for Unemployment](#)

## Work-Share Program: Trying to keep your staff during uncertain times?

The Colorado Work-Share Program provides an alternative to laying off employees by allowing them to keep working, but with fewer hours. While an employee is working fewer hours, he or she may still be eligible to collect part of his or her regular unemployment benefits.

Requirements and qualifications for employers:

Employer has reduced the normal weekly work hours by at least 10 percent, but by no more than 40 percent.

The reduction must affect at least two out of all employees in the business.

Firm must have paid as much in premiums as CDLE paid former employees in unemployment insurance benefits

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