Hidden Drivers Behind the Paycheck Protection Program: The Story of Georgia

The SBA introduced PPP to keep the workforce employed by providing businesses with uncollateralized, low-interest loans. But how this money was allocated and what types of businesses were actually benefited from the program remains the question, as many applications were removed from the application datasets without explanation. For our project, we analyzed 2 datasets containing information on approved and rejected loans of businesses from the state of Georgia. Our aim was to figure out whether there are any regional, economical, demographical, and political factors that affect the approval of the loan applications and whether there is any possibility of redlining. Our initial finding indicated that the majority of the removed applications come from congressional districts with a specific political affiliation and primarily were from areas of low income. To dig deep into our findings, we selected variables to identify the characteristics of the removed applications and what differs from the approved ones. Our preliminary analysis indicates that the number of jobs retained, Lender organization, Congressional district, Racial Demography, and Type of Business are influencing factors and may affect the allocation and approval of loans. Models like regression and decision trees will help to classify the influential factors behind an application's acceptance/removal and to predict whether or not a loan will be removed from the application dataset.