

# Impact of the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program on Tourism Industry in Sorsogon City

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**Abstract**— The tourism industry contributes significantly to economic development; however, the COVID-19 pandemic negatively affected the industry, making financial support a key measure to mitigate its impact. This study examined the implementation strategies of the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program in Sorsogon City's tourism industry, its impact, and the challenges encountered in accessing it. Purposive sampling was employed to select twenty-five (25) tourism industry owners or managers as respondents and only eighteen (18) completed survey questionnaire were retrieved. The researcher used a quantitative research method. The CARES Loan Program's significant implemented strategies are no collateral requirements, technical support provision, and focused on micro, small, and medium-sized businesses. The program's positive impacts include job retention, non-closure of business, and additional capital for business. The serious challenges encountered in the implementation are limited funding, constrained qualification criteria, and communication gaps. The researcher has proposed strategies to address challenges and extract learnings that can guide the tourism industry, government agencies, and other stakeholders to foster resilience and long-term sustainability amidst ongoing uncertainties. The provision of additional financial support and industry enhancement may be suggested to ensure long-term sustainability in the post-pandemic period. Further researches may be explored on the impact of the program on other industries.

**Keywords**— CARES Loan Program, Challenges, Impact, Strategies, Sustainability, Tourism Industry

## I. INTRODUCTION

Tourism is directly associated with people, places, travel, leisure, adventure, events, festivals, culture, history, and discovery. Unknown to many, tourism is in reality a broad industry involved in facilitating and promoting travel and related activities. It includes various businesses engaged in accommodation, transportation, food and beverage services, entertainment, tour operators, travel agencies, agritourism farms, and other tourism-related support services.

Tourism has become more and more popular through the years and so the tourism industry has been considered as one of the fastest growing and largest economic sectors globally. The industry has a great contribution to a country's economic growth by promoting cross-cultural understanding and communication, generating substantial revenues, and creating employment opportunities. The more popular a tourist destination is, the more money it brings and the more jobs it creates.

It is reported that the number of international tourists has increased before the pandemic. The United Nations World Tourism Organization reported that international

tourist arrivals increased by 3.5% in 2019 or approximately 1.5 billion, which is the highest number of international tourists ever recorded. The Association of Southeast Asian Nations predicted that tourism in Asia will grow further, with the number of tourists reaching 129 million, or an increase of 7.6% compared to 2017.

The trend is also true in travel receipts and employment within the tourism industry before the closing of international borders in early 2020. Income from tourism increased by 20.8% in 2019, reaching US\$ 9.3 billion from US\$7.7 billion in 2018 (Caynila et al., 2022). Statista researchers reported that 334 million people worked in the business sector in 2019, 19 million are from Asia-Pacific countries.

The Philippines has been one of the go-to places for foreign nationals because of its pristine beaches, scenic landscapes, delightful delicacies, and hospitable people. The country's natural beauty started to be explored and tourism began to flourish when Palawan's Underground River was recognized as one of the New 7 Wonders of Nature in 2012. Tourism reached its peak in 2015. According to Republic Act No. Law No. 9593 or the

"Tourism Law of 2009", the tourism industry is an important part of the country's economy and should be the engine of economic growth which needs to be harnessed to generate investment, foreign exchange, and employment, and to strengthen the national interest of all Filipinos for sustained tourism development.

The tourism industry is a major contributor to the Philippines' overall economic development, alongside overseas Filipino remittances and business process outsourcing (BPO). The Department of Tourism reported 8.2 million visitor arrivals in 2019, an increase of 15% from 2018, and Php482.15 billion in international tourism receipts. In 2019, the industry employed approximately 5.7 million people, accounting for 13.6% of all national employment (Caynila et. al., 2022). This corresponds to a 6.6% increase compared to tourism activity of 5.4 million people in 2018.

In the local setting, Sorsogon's tourism industry started to bloom because of its remarkable tourist locations, colorful festivals, rich history, and neoclassical architectural buildings. The province has a lot of tourist destinations like the Butanding in Donsol, Bulusan volcano and its lake, pinkish sand beach and fish sanctuary in Matnog, Barcelona ruins, Parola in Magallanes, old houses in Juban, hot spring in Irosin, surfing beaches in Gubat, and the newly constructed capitol building, sports complex and coastal road in Sorsogon City. The festivities and events celebrate the glory of its past, the grandeur of its present, and the gaiety of its future (Tourism - Sorsogon Provincial Government, 2024).

However, the tourism industry hit the rock bottom in 2020. The numbers and figures above have changed tremendously overnight with the spread of the Coronavirus Disease 2019 (COVID-19). The pandemic has created economic shocks all over the world. It led to a total economic disruption. The very fast transmission of the virus led to loss of life and has forced the governments of almost all countries in the world into lockdown. All industries faced difficulties in meeting their financial obligations. With the reduced economic activities, the pandemic caused revenues to decline, working capital to deteriorate, business operations to stop, and the unemployment rate to increase.

The lockdown has paralyzed the tourism industry due to the closing of borders and travel restrictions. The decrease in demand for travel and tourism activities led

to huge losses and unemployment throughout the economy. The global tourism industry suffered its worst year in history in 2020, with international tourist arrivals falling by 74%, according to new data from the World Tourism Organization. Due to the decrease in demand and international travel restrictions, destinations worldwide welcomed 1 billion fewer international arrivals in 2020 compared to the previous year. This compares with a 4% decline during the global economic crisis in 2009. It was estimated that the global travel and tourism market had lost roughly 63 million jobs in 2020 (Statista, 2023). The Asia-Pacific region was the region with the worst unemployment due to the Covid-19 pandemic, with 34.44 million people.

The Philippines was among the first countries to go on a lockdown in March 2020 and resorted to stricter restrictions. The Enhanced Community Quarantine (ECQ) led to a decline in domestic demand and production, international trade, and high unemployment. According to Caynila et. al. (2022), tourist arrivals decreased from 8.3 million recorded in 2019 to 1.5 million in 2020, translating to travel receipts amounting from 9.3 billion US dollars in 2019 to 1.6 billion US dollars in 2020. With the closure of many tourism enterprises, employment in the sector declined to 18.1 percent which is from 5.7 million workers employed in 2019 to 4.7 million workers in 2020.

Sorsogon City recorded 86,658 tourist arrivals in 2019 to zero in 2020. This abrupt decline in tourist arrivals has resulted in no sales, consequently disrupting the cash flow of tourism businesses. It created acute liquidity shortages, threatening the survival of the industry. To avoid further losses, some tourism businesses opted to stop operating either temporarily or permanently resulting in an increased unemployment rate.

Access to finance during the crisis has become a major concern for the global economy (OECD, 2020). However, many businesses experience difficulties accessing loans or credit facilities due to tighter lending and higher risks from financial institutions. Some relied on informal sources of financing which often come with high interest rates and limited terms. Public policies aimed at reducing this constraint can play an important role during financial distress.

Governments across nations have implemented various support packages, grants, and programs. These policies were typically delivered in a very short period and open

to a large number of beneficiaries. Given the unpredictable nature of the crisis, policymakers have demonstrated flexibility and willingness to adjust their approaches which often include simplifying schemes, loosening eligibility criteria, and lowering loan interests.

Among the key initiatives of the Philippine government include the enactment of Republic Act No. 11469 otherwise known as the “Bayanihan to Heal as One Act” or Bayanihan 1 and Republic Act No. 11494 otherwise known as the “Bayanihan to Recover as One Act” or Bayanihan 2. These laws encompassed provisions for financial aid, loan subsidies, and other forms of assistance to industries affected by the pandemic to stimulate and accelerate the recovery of the Philippine economy, such as but not limited to, lowering the effective lending rates of interest and reserve requirements of lending institutions.

The Bayanihan 2, in particular, expanded the loan programs for MSMEs, cooperatives, hospitals, tourism, and OFWs affected by the COVID-19 pandemic by increasing available loanable funds, reducing documentary requirements, increasing maximum loan amounts per borrower, reducing interest rates, extending loan terms, utilization of financial technologies to expand reach and increase access and set fast turn-around loan processing time; and allow the use of the loan proceeds for payroll costs, materials, and suppliers, mortgage payments, rents, utilities, including fuel and storage, creation of new supportive businesses, re-purposing of existing business capital, any other debt obligations that were incurred before the covered period or acquisition of new technologies and systems to adjust business processes for resiliency.

Small Business Corporation (SB Corp.), the Department of Trade and Industry’s financing arm, rolled out the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program in April 2020 to support businesses affected by the economic shock. Loans were extended initially to micro and small businesses, and later on included medium-sized enterprises, that have been operating continuously for at least a year before March 2020 and have experienced a decrease in sales during the pandemic period. The CARES Loan Program aims to protect Filipino workers by saving jobs, to capitalize on opportunities created by the health crisis by encouraging innovation and effective strategic decision-making, and to prepare for an immediate rebound by providing the

urgent relief needed to restart Micro, Small, and Medium Enterprises (MSMEs).

The tourism industry in general is still risk-averse to tapping loans because the future of the tourism industry is still very volatile and highly uncertain. As an implementor of the CARES Loan Program in the Province of Sorsogon, it is important to determine the impact of the program on the tourism industry, evaluate whether the program achieved its intended goals, and identify deficiencies or areas for improvement. This study determines the different strategies implemented by the CARES Loan Program in the tourism industry in Sorsogon City, the impact of implementation, the challenges encountered in accessing the program, and the proposed strategies to sustain the positive impact of the program.

## II. OBJECTIVES

This study assessed the impact of the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program on tourism industry in Sorsogon City. Specifically, the study identified the different strategies implemented by the CARES Loan Program, impact of its implementation, and challenges encountered in accessing the CARES funding. Moreover, various strategies have been proposed by the researcher to sustain the positive impact of the CARES Loan Program on tourism industry in Sorsogon City.

## III. METHODOLOGY

The researcher used the quantitative research method. The target respondents in this study were twenty-five (25) tourism industry owners or managers in Sorsogon City, however only eighteen (18) completed survey questionnaire were retrieved or a 72% response rate due to the unavailability and unwillingness of some respondents to participate in the research. The said samples were taken using a purposive sampling technique.

The frequency and percentage were used as statistical tools for the different strategies implemented by the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program in the tourism industry. These statistical tools showed the number of responses for each point and indicated the percentage of observations for each data point. The researcher utilized the sum of ranks and ranking as statistical measures for the impact of the implementation and the challenges encountered by the



tourism industry in accessing the CARES Loan Program in Sorsogon City.

**IV. RESULTS AND DISCUSSION**

The following results were gathered, analyzed and interpreted by the researcher based on the objectives of the study. Tabular presentation and textual analysis and interpretation were also used.

**I. Strategies Implemented by the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program in the Tourism Industry**

During the pandemic, financial institutions developed and implemented policies and strategies in their loan offerings to address the economic challenges faced by

various industries. These loan strategies differed in their implementation but shared a common goal of alleviating financial distress and supporting economic recovery during the pandemic. One such program that provided financial assistance to industries severely impacted by the pandemic, including tourism, was the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program. Recognizing the unique challenges faced by the tourism industry, this program implemented specific strategies to ensure that businesses affected by travel restrictions and border closures received the necessary support. Table 1 outlines the different strategies implemented by the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program in the tourism industry.

**Table 1. Strategies Implemented by the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program in the Tourism Industry**

STRATEGY	FREQUENCY	PERCENTAGE (%)
No collateral requirements	18	100.00
Provision of technical support	18	100.00
Focused on micro, small, and medium-sized enterprises	17	94.44
Online accessibility	16	88.89
Flexible repayment terms	15	83.33
Encouraging businesses to adapt to the new normal	15	83.33
Providing low-interest loans	13	72.22
Streamlined application process	13	72.22
Allowing loan restructuring	13	72.22
Promoting sustainability	13	72.22

One of the fears of the tourism industry during the pandemic was losing its valuable assets while seeking financial aid. One strategy that has helped support the tourism industry during this difficult time is the provision of collateral-free loans. Collateral-free loans benefit borrowers by not requiring assets as security, potentially increasing accessibility to credit, although they may pose higher risks for lenders due to increased default possibilities (Lee et al., 2017). Collateral-free loans have been instrumental in supporting tourism businesses that faced constraints in accessing loans due to collateral requirements imposed by banks and financial institutions.

Remarkably, the survey revealed that 18 out of 18 frequencies, or 100.00% of loans were granted with no

collateral requirements. One strategy to promote the growth of MSMEs is to provide them with financial support and assistance in accessing credit, without requiring collateral (Lohith et al., 2017). The study of Faisal et al. (2023) revealed that collateral-free loans benefit borrowers by providing financing without requiring assets as security, aligning with Islamic banking principles, and promoting financial inclusion. The CARES Loan Program is a collateral-free financing program designed to assist micro, small, and medium-sized enterprises (MSMEs) that have been adversely affected by the pandemic. Many tourism businesses in Sorsogon City have small asset sizes which hinder their ability to secure credit. By offering collateral-free CARES loans, the government has been able to support small tourism businesses in overcoming temporary cash flow problems, maintaining operations, sustaining

employment, and meeting financial obligations for economic recovery. Instead of collateral, the CARES Loan Program has required its borrowers to issue post-dated checks (PDCs) as a guarantee of their intention of fully repaying their loans amounting to P150 thousand and above.

Applying for a loan can be a daunting task, especially for first-time borrowers. Providing technical support to struggling borrowers is an essential part of the role of lenders. Technical support in online loan applications plays a crucial role in assisting borrowers with the application process, troubleshooting issues, and ensuring a smooth user experience throughout the borrowing journey (Manik & Samariadi, 2023). This involved providing guidance on how to use the platform, offering solutions to unfamiliar technical issues, or addressing questions and concerns related to the portal.

Across the board, 18 out of 18 frequencies, or 100.00% were provided with technical support, another pivotal strategy implemented by the CARES Loan Program. Technical support plays a crucial role in facilitating the automation and integration of loan application processes with insurance services, ensuring seamless user experience and efficient operations (Hongbo & Yan, 2020). FinTech lenders offer email and phone support, but the key difference is the ability for borrowers to complete the entire application without paper forms, emails, or phone assistance (Fuster et al., 2019). When the online application portal also known as the "Borrower Registration System" was introduced, many users faced unfamiliar problems and technical issues, like being unable to create a new account, cannot access the existing account, unable to receive one-time PIN (OTP), error in uploading file, among others. Technical assistance was provided by the Small Business Corporation field personnel and DTI Negosyo Center Business Counselors through various channels such as phone, email, chat, or in-person assistance, depending on the nature of the issue and the preferences of the clients.

Micro, small, and medium enterprises (MSMEs) comprise 99.5% of businesses in the Philippines, employing at least 63% of our labor force (5 DTI Loans for MSMEs, 2024). They must be prioritized as a strategy for economic growth and development and should have easier access to funding, which is vital for business sustainability. The pandemic exposed the vulnerability of these small enterprises and local

communities that depend on tourism for a livelihood (Strengthening Communities and MSMEs for a Resilient Tourism Recovery, 2022). Sadly, this sector suffers from a major lack of financing opportunities. By focusing on MSMEs and removing the collateral requirement, governments can foster a more inclusive and supportive environment for small businesses (Choudhury & Goswami, 2019).

The CARES Loan Program was focused on micro, small, and medium-sized enterprises with 17 out of 18 frequencies or a 94.44% confirmation rate. MSMEs form the backbone of the tourism industry and targeted support is crucial for their survival. The study of Naik & Patel (2022) reveals that government schemes, like Startup India, are focused on promoting entrepreneurship in MSMEs, offering support beyond just loans to foster economic development and growth. The Small Business Corporation (SB Corp.) rolled out the CARES Loan Program to extend loans, initially, to all micro and small enterprises with at least one year of continuous operation before March 2020, and later also covered medium enterprises.

The pandemic has allowed SB Corp. to pursue its mandate to cater to MSMEs that are so-called "unfinanceable" or those that pose higher risks that the private sector is unwilling or unable to finance. An amount of P6 billion or 60% of the budget under Bayanihan 2 was allocated for the tourism industry, a manifestation of its commitment to support tourism MSMEs in times of economic distress and even granted a longer grace period of up to two (2) years due to its prolonged recovery period. The minimum loan threshold has been raised from P10,000 to P30,000, while the loan ceiling has been increased from P500,000 to P5 million to cater to the needs of the MSMEs requiring higher additional capital to start over. According to the results of the study by Şengel & Erkan (2021), the financial and monetary policies developed by European Union countries to reduce the impact of the COVID-19 pandemic have provided support for tourism enterprises, mainly focused on SMEs, to continue their activities and make employment sustainable. Liquidity assistance is provided to eliminate cash shortages, especially in credit and employment support.

The pandemic has challenged the way financial institutions do business. Financial digitalization emerged as a sustainable way to enhance MSMEs' access to finance and respond to their liquidity issues in

times of crisis (Pellegrino & Abe, 2022). Accessing financial services, such as borrowing money through online loans, has become much easier thanks to the online application portal. An online application portal is a digital platform or website where users can submit applications or requests electronically over the Internet. It allows businesses to apply for loans online without the need for manual filing or in-person visits.

With 16 out of 18 frequencies or 88.89% confirmation rate, the CARES Loan Program embraced online accessibility. During the first two (2) months of implementation, the CARES Loan Program required manual filing in provincial offices. This was experienced by some tourism businesses in Sorsogon City who submitted loan applications from May to June 2020. Due to time and money constraints along with travel restrictions, it was observed that only a few loan applications were received in the first 2 months of implementation, resulting in a limited number of MSMEs receiving financial assistance. Thus, the SB Corp. decided to develop and introduce an online application portal called the "Borrower Registration System" to enhance accessibility. By providing an online platform to apply for loans, the program has enabled the tourism businesses in Sorsogon City to access additional capital for business survival and industry recovery. According to Barykin et al. (2021), government support programs are crucial for the tourism industry during the pandemic and the industry's digital transformation is essential for recovery and growth post-COVID-19 disruptions.

Flexibility in loan terms is a significant advantage for borrowers which allows them to customize their repayment schedule, interest rates, and other conditions according to their financial situation to avoid additional burdens in the future. From a borrower's perspective, flexible loan terms can provide better cash flow control to manage the finances, avoid default, and achieve greater financial stability. According to the descriptive evidence presented by Barboni & Theys (2023), the design of the flexible loan has achieved the desired effect of relaxing liquidity constraints for borrowers, demonstrated a ten percentage points increase in early loan repayment compared to those only offered a rigid contract, and the borrowers managed their businesses with greater efficiency, resulting in notably higher reported sales.

Another strategy observed in the CARES Loan Program is the flexible repayment terms, with 15 out of 18 frequencies or 83.33% adherence to this approach. The SB Corp. recognized the need for adaptable repayment schedules which allowed businesses to navigate the uncertainty and volatility of the situation while repaying their loans, fostering resilience. The CARES Loan Program offered a loan term period of up to four (4) years, including a corresponding grace period of up to two (2) years for tourism businesses accredited by the Department of Tourism. This gave the tourism industry the breathing room it needed to recover from the financial impact of the pandemic and resume its operations. According to Mosser (2020), this provided businesses with greater financial flexibility and reduce the risk of defaulting on loan payments. The program has concluded its implementation in December 2022 due to the full utilization of funds. Ten (10) out of the 18 respondents have fully repaid their loans while the rest continue to make payments on their loans up to the present date. This was the result of flexible repayment terms which acknowledged the fact that the recovery of the tourism industry may take some time, and businesses may need more time to repay their loans.

As the pandemic continues to reshape the tourism industry, businesses must adapt to the new normal which requires some infrastructure renovations, transformations to comply with safety protocols, and technological advancements. The paper of Yağmur & Demirel (2022) discussed the need for businesses in the tourism industry to adapt to changing conditions and develop strategies to provide tourists with an unforgettable experience. Drive-thru windows and delivery services emerged as feasible solutions to comply with quarantine measures while avoiding a complete shutdown of business activities.

With 15 out of 18 frequencies or 83.33% adherence to this strategy, the CARES Loan Program has encouraged businesses to adapt to the new normal. The study by Seyitoğlu & Ivanov (2022) revealed that the tourism industry needs to adapt to the "New Normal" to address supply-related elements and demand-related aspects, and technology is expected to play a major role in this adaptation. The paper of Zhou & He (2023) suggests that the tourism industry should adapt to the new normal by implementing coping strategies such as booking tourism, self-service tourism, and the construction of smart scenic spots. The paper of Jha (2022) discusses the need for the tourism industry to adapt to the new normal



to ensure its sustainability in the face of the COVID-19 pandemic. Fortunately, the CARES Loan Program allowed the usage of loan proceeds for the acquisition of new technologies and systems to adjust business processes for resiliency. The tourism industry in Sorsogon City used the loans for these purposes and by doing so, the businesses continued to operate and remain competitive beyond the crisis.

Lower interest rate loans are financial products that offer borrowers the opportunity to secure funds at a reduced cost. Lower interest rate loans can provide significant financial benefits to borrowers, helping them save money and manage their debt more effectively (Uzoma, 2023). With reduced loan rates, borrowers can allocate their funds towards savings, investments, or debt repayment, enhancing their financial stability.

Also, one of the key strategies implemented by the CARES Loan Program is providing low-interest loans, which has been observed in 13 out of 18 frequencies or a 72.22% adoption rate. This strategy aims to alleviate the financial burdens faced by businesses by offering loans at favorable interest rates. The CARES Loan Program not only lowered its interest rate but offered zero interest on principal loans, with a one-time service fee set at a maximum of 8% for a 4-year loan term. The program has provided much-needed financial support, allowing businesses to continue their operations during the difficult times without being burdened by high-interest payments. The tourism industry can focus on recovering from the pandemic's impact and regain its financial stability without worrying about mounting debts. The paper of Ocheni et al. (2020) highlighted that government support programs, such as low-interest loans and financial aid, are crucial for the survival of the tourism industry during the pandemic.

A streamlined application process refers to a simplified and efficient method for businesses to apply for loans. This typically involves minimized paperwork, reduced number of steps required, and utilized digital tools to expedite the application and approval process. The goal is to make it easier and quicker for applicants to access the funds they need while still ensuring a thorough evaluation of their eligibility and creditworthiness. The article by Melamedov (2021) revealed that 47% of borrowers felt it was either "difficult" or "very difficult" to apply for a loan during the coronavirus pandemic. Many financial institutions still rely on manual processes and banks are not providing sufficiently

streamlined loan processes leading to missed opportunities.

With a 13 out of 18 frequencies or 72.22% approval rate, the CARES Loan Program implemented a streamlined application process strategy to minimize bureaucratic hurdles. Streamlining the loan application process through a web-based method benefits users by enabling quick, one-click access to auto-filled applications, reducing manual data input, and simplifying the application process (Kay et al., 2015). This strategy reduced the burden on tourism businesses that may already be struggling with limited resources and time. This is a vital approach in financing as burdensome loan processes can often discourage businesses from seeking much-needed financial assistance. "We have streamlined the application process and made it online to ensure that more businesses can avail of this service," said former DTI Secretary Ramon Lopez in an interview. However, streamlining of the application process did not guarantee swift delivery of financial support as some of the borrowers of the CARES Loan Program experienced delays in loan disbursements.

The COVID-19 pandemic represents a situation full of economic uncertainty. Many businesses experienced financial setbacks causing them to fall behind in payment. Loan restructuring for debtors affected by the pandemic is the right solution because it provides flexibility and relief in repaying loans (Damayanthi et al., 2022). During the pandemic, the loan restructuring policy is a bank strategy and stimulus or government regulation to maintain the country's economic stability (OJK, 2020).

Based on the survey, 13 out of 18 frequencies, or 72.22% confirmed that one of the strategies of the CARES Loan Program is allowing loan restructuring. Loan restructuring is a financial strategy that allows businesses to make repayments more manageable by allowing temporary suspension of loan payments and extension of the repayment period, subject to the approval of the Credit Committee. The restructuring process is carried out when the debtor can pay and the loan restructuring request must be made by the debtor (Dewi & Eka, 2015). The restructuring process begins by analyzing the debtor's business status, the ability to repay the loans, and the debtor's willingness to repay the loans. Extension of the repayment period provided a much-needed breathing room for industry recovery until cash flow stabilizes. However, despite the availability of

the option to restructure, the borrowers were asking for amnesty or loan forgiveness, a request that the SB Corp. has not granted.

Government financial support programs provided businesses with access to capital that they may not have been able to obtain through banks or formal lending institutions. The financial assistance helped mitigate risk for businesses by providing them with additional capital to remain operational. It contributed to the long-term sustainability and competitiveness of the tourism industry by providing funding for businesses to enter new markets, expand their customer base, or develop new products or services vital in job creation, income generation, and overall economic growth.

The final strategy highlighted in Table 1 is promoting sustainability observed in 13 out of 18 frequencies or 72.22%. The CARES Loan Program promotes sustainability within the tourism industry by providing financial aid to sustain businesses that are vital for economic growth and job creation. Supporting small businesses during a crisis enhances economic resilience and stability, contributing to long-term economic sustainability. Access to finance improves organizations' sustainability by making market entry

easier, increasing entrepreneurial activities, boosting capacity for innovation, and improving risk management skills (Yang et al., 2019). The study of Stepanenko (2022) discussed the increase in financial flows for sustainable development in European countries, indicating that financial support plays a significant role in promoting sustainability.

**II. Impact of the Implementation of the CARES Loan Program on Tourism Industry**

The impacts of COVID-19 resulted in changes in finances, making the pandemic especially difficult for many businesses. Financial support has been provided to the tourism industry to mitigate the impact. This measure aims to help tourism enterprises continue their activities, address cash shortages, ensure liquidity, and sustain employment. The CARES Loan Program has been implemented to help MSMEs recover from the adverse effects of the pandemic. However, there is no data yet on the extent the program helped save jobs, the extent the program encouraged innovation and effective strategic decision-making, and the extent the program helped MSMEs rebound or restart businesses (COA, 2021). Table 2 presents the impacts of the CARES program on the tourism industry in Sorsogon City.

**Table 2. Impacts of the CARES Loan Program on the Tourism Industry**

IMPACT	SUM OF RANKS	OVERALL RANK
Job Retention	21	1
Non-closure of Business	30	2
Additional Capital for Business	55	3
Industry Recovery	80	4
Increased Consumer Confidence	100	5
Support for Small Businesses	115	6
Improved Cash Flow	124	7
Encouraging Domestic Travel	134	8
Encouraging Innovation and Adaptation	167	9
Long-Term Benefits for the Industry	170	10



The tourism industry was among the sectors that have been severely affected by the COVID-19 pandemic. The closing of borders, airports, and hotels as well as restrictions on mass gatherings, land travel, and related services across the world put millions of jobs at risk. Many businesses were forced to close temporarily or permanently, leading to layoffs. To stop the increasing rate of unemployment, the government implemented financial support schemes for businesses to save jobs.

With a sum rank of 21 and an overall rank of 1, the CARES Loan Program has had a major impact on job retention in the tourism industry in Sorsogon City. The study by Knežević Cvelbar & Ogorevc (2020) revealed that government support programs, like staycation vouchers in Slovenia, have been beneficial for the tourism industry during the pandemic, aiding in revenue generation and job retention. The assistance of SBCorp to MSMEs is to help the enterprises to ensure that their workers would keep their jobs (Ganancial, 2021). The CARES Loan Program has aimed to provide financial support for businesses to help protect Filipino workers. Tourism businesses in Sorsogon City have been able to keep their employees which has been crucial for maintaining stability. Government support programs, including financial aid and employment assistance, are crucial for the tourism industry during the pandemic, as they help maintain business activities and sustain employment (Şengel & Erkan, 2021).

With travel restrictions and a decline in tourism, many businesses in this industry have been struggling to survive. The financial assistance has played a significant role in preventing mass closures and bankruptcies. This support has been especially vital during the pandemic, where many businesses have been struggling to stay afloat amidst the economic downturn.

One of the impacts of the CARES Loan Program in the tourism industry in Sorsogon City with a sum of ranks of 30 and an overall rank of 2 is non-closure of business. The CARES Loan Program has helped the tourism industry survive by providing them with much-needed financial assistance to cover operational expenses such as rent, utilities, and payroll. It also allowed the tourism industry to use the funds for investments in technology and infrastructure to adapt their operations to comply with health and safety regulations and encouraged businesses to diversify into new business and product offerings to reduce dependence on a single source of revenue and improve

long-term sustainability. Financial support programs in the Philippines have played a significant role in helping the continuity of the tourism industry (Lopez & Santos, 2023).

The benefits of loans for small businesses are clear—they allow quick funding for short-term or sudden issues (Guillaume, 2019). Low-cost government loans attempt to bridge this capital gap and enable long-term benefits for the recipients and the nation (Seth, 2023). The funds can help businesses bridge temporary cash flow constraints and maintain their operations during periods of financial distress.

The CARES Loan Program has provided additional capital for businesses in the tourism industry in Sorsogon City as this impact has a sum of ranks of 55 and an overall rank of 3. The Program has provided them with the necessary financial aid to keep their operations going. Loan proceeds are allowed to be utilized for: payroll cost; materials and suppliers; mortgage payments; rent; utilities, including fuel and storage; creation of new supportive businesses; re-purposing of existing business capital; and any other business debt obligations that were incurred before the covered period; or acquisition of new technologies and systems to adjust business processes for resiliency (“Bayanihan CARES”, 2021). The study of Simachev et al. (2017) revealed that financial support programs often lead to increased investment in new equipment, production of innovative products, and project acceleration, indicating additional capital provision for Russian firms. Moreover, the paper of Aluko and Bayai (2023) states that the government financial support program provided additional capital to small businesses in South Africa, positively impacting their revenue growth performance.

The government provides financial assistance to businesses to boost the economy and support specific industries. The provision of financial assistance to businesses affected by the pandemic demonstrated a commitment to mitigating the economic impact of COVID-19 and fostering recovery. Loans with favorable terms, including low-interest rates and flexible repayment options, enabled businesses to access the capital needed to recover from financial losses incurred during the pandemic. Government support programs are crucial for the tourism industry during the pandemic, as per the paper's analysis, to aid recovery and address sector challenges effectively (Kartiko, 2022).

With a sum rank of 80 and an overall rank of 4, the CARES Loan Program aided in industry recovery within the tourism industry in Sorsogon City. The relief assistance through the Bayanihan CARES program is a big help for the MSMEs to recover their businesses especially those businesses that have been temporarily and permanently closed (DTI-SBC Approves P13.3-M to Eastern Samar MSMEs, 2021). "With this microfinancing program providing collateral-free and interest-free loans to businesses affected by the pandemic, our MSMEs can begin to rebuild their respective businesses and take part in the recovery that has started around the world," former DTI Secretary Ramon Lopez said. The study of Reena & Joseph (2019) revealed that the financial support provided to small-scale industries in Chennai during the recession and depression helps the industries in recovery. Government support programs are crucial for tourism resilience during the pandemic, as governance types impact sector recovery significantly, as shown in the case study of Bukovina, Romania (Matei et al., 2021). The paper of Bulin & Tenie (2020) discussed that government support programs and policy responses are crucial for mitigating COVID-19's impact on the tourism industry to aid recovery and lessen the negative effects caused by the pandemic.

Consumer confidence is one of the foremost economic indicators that provide information on the current and future paths of the economy, stimulate economic activity, and predict changes in macroeconomic variables, especially during times of economic and political uncertainties (Karagöz & Aktaş, 2015). When the pandemic hit nations across the globe, various financial schemes were implemented. This assurance of government intervention likely instilled confidence in consumers about the prospects of economic recovery, leading to increased spending and investment.

With a sum rank of 100 and an overall rank of 5, this reflects that the CARES Loan Program has helped to boost consumer confidence in the tourism industry in Sorsogon City. Financial support from the government has a positive impact on consumer confidence (Gholipour et al., 2023). The study by Chung-Wei (2021) revealed that government support programs, such as revitalization plans and pandemic prevention policies, are crucial during the pandemic to boost tourism industry recovery and traveler confidence. The implementation of the CARES Loan Program signaled government support for economic recovery efforts. By

providing financial support to businesses, the program has instilled confidence in consumers, assuring them that the tourism industry is still viable and safe to engage in. This confidence is crucial for the industry's overall recovery, as it will lead to increased demand for travel and tourism services once restrictions ease and activities resume.

Small businesses are the backbone of the economy and play a vital role in creating jobs and driving economic growth. However, operating a small business can be a challenge, as they often have limited resources and access to capital. This is where government assistance can make a difference. Government programs offer loans and grants to small businesses, which can help them with their start-up costs or expand their operations.

With a sum rank of 115 and an overall rank of 6, this indicator reflects the program's success in providing equal opportunities for smaller businesses to access financial support. The CARES Loan Program helped to level the playing field for smaller businesses that may have faced challenges in obtaining funds from other sources. Out of the 28,222 MSMEs served by the CARES Loan Program as of June 30, 2021, a total of 23,687 are micro-enterprises and 3,057 are small enterprises. Micro and small enterprises are businesses with asset sizes of not more than P3 million and P15 million, respectively, and most of them are considered by banks and other financial institutions as "unfinanceable" because of their limited sales and asset size. However, these enterprises have greatly benefited from the CARES Loan Program's support. To assess the program's effectiveness in supporting smaller businesses, we can analyze their received loan amounts and the subsequent economic effects on these enterprises. This will provide a better understanding of the program's impact on the industry's smaller players and how it has helped them stay afloat during these challenging times.

Small business owners across the world often face irregular cash flows due to seasonal fluctuations in demand and unexpected expenses, which can in turn hamper business growth and sustainability (The Impacts of Flexible Repayment Schedules: Evidence From Borrowers and Lenders in India, n.d.). Offering loans with flexible repayment schedules can improve outcomes for vulnerable borrowers while also reducing the risks faced by lending institutions.

With a sum rank of 124 and an overall rank of 7, the tourism industry in Sorsogon City noticed an improvement in its cash flow because of the CARES Loan Program. The research paper of Cerda et al. (2023) evaluates the impact of government-backed loans on MSMEs' liquidity and earnings during the Covid-19 pandemic, highlighting positive effects on total liquidity. The CARES Loan Program has provided businesses with additional capital to cover existing financial obligations and offered flexibility in loan repayment to provide more time to repay the loans. Repayment flexibility allows borrowers to manage their cash flows more effectively. The paper of Czura (2015) suggests that flexible repayment schedules in microcredit loans may improve the ability of borrowers to absorb shocks and have higher income, potentially improving cash flow management. However, the study only tracks those who borrow and there is limited evidence on default rates. To assess the effectiveness of this impact, we can analyze repayment patterns, loan default rates, and the overall financial stability of businesses that availed of this option. This will give us a better understanding of how financial support has helped businesses in the industry in improving their cash flow. One of the primary goals of the CARES program is to encourage domestic travel. This was achieved by providing financial support to businesses that rely on domestic travelers to generate much-needed revenue through the acquisition of new technologies and systems to adjust business processes. Many businesses within the tourism sector rely on infrastructure such as accommodations, transportation services, and tourist attractions to serve travelers. The financial support provided by the CARES Loan Program helped these businesses to improve essential infrastructure, making domestic travel more accessible and attractive to consumers. Businesses that received loans through the program, such as hotels, restaurants, and tour operators, have enhanced their service and even diversified their businesses in preparation for the "new normal".

As shown in Table 2, encouraging domestic travel has a sum of ranks of 134 and an overall rank of 8. The World Tourism and Travel Council in a report on the future of the industry said the pandemic has shifted travelers' focus to domestic trips or nature and outdoor destinations (Behsudi, 2020). According to the study by Miyawaki et al. (2020), financial support in the form of government subsidies for domestic travel has been implemented in various countries to encourage people to engage in economic activities such as travel, in Japan, a

large-scale government-funded program was introduced to subsidize up to 50% of all travel expenses to revive the travel industry. Japan's domestic travel subsidy during COVID-19 can help mitigate losses in the tourism industry by stimulating domestic travel and supporting businesses (Toyama, 2021). According to the Asian Development Bank, the use of digital technologies and the implementation of digital transactions would help the Philippines restart tourism activities and operations in the new normal implement, ensuring customers' confidence in their health, safety, and security as per the Department of Tourism (Supporting the Philippines' Tourism Recovery in the New Normal through Digital Solutions, 2020). To fully understand the program's impact, it is essential to examine the increase in tourism-related activities in Sorsogon. This includes hotel bookings, local transportation, and tourist attractions. By looking at these factors, we can gauge the program's success in attracting domestic travelers and stimulating economic activity. Technology and digital infrastructures have allowed businesses to enhance their online presence, implement e-commerce solutions, and adopt digital marketing strategies to reach customers in new ways. The financial support provided by the CARES Loan Program enabled businesses to develop innovative business models tailored to adapt to changing consumer behavior and market conditions.

With a sum rank of 167 and an overall rank of 9, the CARES Loan Program has encouraged innovation and adaptation in the tourism industry. The research of Tecson & Garcia-Vigonte (2022) on State Support Measures for the Tourism Industry during the Covid-19 Pandemic identified the acceleration of digitalization processes as one of the consequences of the pandemic, highlighting the importance of digital solutions in state support measures for the tourism sector. The CARES Loan Program has provided financial support to businesses that are looking to pivot and find new ways to generate revenue. Under its operational policies and guidelines, the program aims to capitalize on opportunities created by the health crisis by encouraging innovation and effective strategic decision-making (COA, 2021). Investment in technology is significant in the new normal. This not only benefits the businesses but also contributes to the diversification and growth of the tourism industry in Sorsogon City. Financial support has long-term benefits for the industry. The financial assistance provided by the CARES Loan Program helped tourism businesses weather the immediate



impact of the pandemic and maintain financial stability. This stability is essential for long-term sustainability, as it allows businesses to invest in growth opportunities.

With a sum rank of 170 and an overall rank of 10, the CARES Loan Program has indicated a long-term benefit to the tourism industry in Sorsogon City. Government support programs are crucial for sustainable tourism during the pandemic, focusing on health protocols and limiting mobility to safeguard the sector's future and aid in its recovery (Purnomo et al., 2022). The study of Gelashvili (2022) revealed that government support programs are crucial during pandemics for the tourism industry, aiding in recovery, job retention, and economic stability. With the financial assistance, there was sustained economic activity resulting in business continuity, employment preservation, and technological advancement. "Our efforts to provide relief and assistance to MSMEs through the CARES program are further strengthened, especially as we work towards the sustainable and inclusive recovery of our nation. Over 20,000 MSMEs have already benefitted from this loan portfolio, which has helped businesses survive permanent closure, recover from the effects of the pandemic, save or even create more jobs, and provide income to millions of Filipinos and their families. With this microfinancing program providing collateral-free and interest-free loans to businesses affected by the pandemic, our MSMEs can begin to rebuild their

respective businesses and take part in the recovery that has started around the world," former DTI Secretary Ramon Lopez said. Government support programs are crucial for the tourism industry post-pandemic, as per the study on the Samara region, emphasizing the need for effective state intervention to aid recovery (Polyanskova & Belyaeva, 2020). To fully understand the long-term benefits of the CARES program, it is essential to analyze industry growth, employment rates, and other economic indicators over time. This will provide a better understanding of how the program has contributed to the province's overall development and how it has positively impacted the lives of the locals.

### **III. Challenges Encountered by the Tourism Industry in Accessing the CARES Loan Program**

Many tourism businesses suffered losses and encountered challenges due to the suspension of operations and a decrease in consumer spending, hence the implementation of the CARES Loan Program was critical. Implementing a loan program for the first time may not always proceed smoothly. Several factors can contribute to challenges or shortcomings during the initial implementation phase like unclear guidelines, limited outreach and awareness, insufficient funding, complexity of processes, and delays in disbursement, among others. Table 3 presents the challenges encountered by the tourism industry in accessing the CARES Loan Program in Sorsogon City.

**Table 3. Challenges Encountered by the Tourism Industry in Accessing the CARES Loan Program**

CHALLENGE	SUM OF RANKS	OVERALL RANK
Limited funding	23	1
Constrained qualification criteria	30	2
Communication gaps	53	3
Limited understanding of loan terms and conditions	85	4
Technological barriers	95	5
Delays in loan disbursements	117	6
Absence of loan forgiveness	122	7
Requirements for post-dated checks	141	8
Limited outreach to minority-owned businesses	155	9
Uncertainty about the future	175	10

It can be noted that limited funding, with a sum of ranks of 23 and an overall rank of 1, is the most serious challenge the tourism industry in Sorsogon City has encountered. The respondents reveal that they are still in need of additional capital to sustain their business operations and further improve their infrastructures for better service delivery, however, the fund allocated for the CARES Loan Program was quickly exhausted. The paper of Rogerson & Rogerson (2020) exposed that government support programs during the pandemic are aimed at aiding survivalist Black-owned tourism small and micro-enterprises in South Africa, but frustrations exist due to changing policy regulations and limited financial assistance. Government support programs during the pandemic were criticized for not being sufficient in aiding the tourism sector in Lithuania, with some businesses using the support for innovation (Pociute-Sereikiene et al., 2022). The study by Harb et al. (2022) revealed that government support programs during the pandemic were insufficient in fully aiding Jordan's tourism sector, failing to meet the sector's needs for liquidity, SME support, and workforce empowerment post-Covid-19. As of end-2021, meanwhile, SB Corp. said the lending funds for the multi-sectoral micro, small, and medium enterprises (MSMEs) currently struggling because of the pandemic were fully utilized already (Piad, 2022). Many policies targeting vulnerable sectors were not sustainable, providing only temporary solutions as some policies provided limited financial assistance or in-kind support for a maximum of two months, which was insufficient for a lockdown that lasted almost 16 months (Duma et al., 2022). Some tourism businesses still needing additional capital were unable to reapply for the program and few were left without the necessary financial assistance they needed to cope with pandemic-related challenges. The tourism businesses are hoping that a loan program with similar features as the CARES Loan Program would be offered to them for their sustainable recovery.

With a sum of ranks of 30 and an overall rank of 2, constrained qualification criteria are also one of the main challenges in accessing CARES funding. The program was initially designed to target micro and small businesses with fewer than 50 employees and business assets of not more than P15 million. The implementing agency's decision to initially limit the qualification criteria has allowed it to reach and serve more micro and small enterprises given the limited funding allocation. However, this limited scope posed difficulties for larger

businesses or those with more extensive assets, excluding them from accessing the program. Furthermore, only MSMEs with at least one year of continuous operation before March 2020 were eligible to apply, demonstrating that the business had previously established stability before the pandemic. This caused an issue of discrimination against legitimate start-up businesses and those with less than a year in operation since they were automatically disqualified to apply in the program. They, too, have been affected by the pandemic.

The communication gaps with a sum of ranks of 53 and an overall rank of 3 also became a challenge for the tourism industry during the implementation of the CARES Loan Program. The process starts with an online application portal wherein applicants complete a loan application and upload documentary requirements. When the application and documents are submitted, it follows an automated data routing process that spans the various phases of the loan processing workflow, covering credit standing assessment (CSA), borrower information assessment (BIA), and financial performance assessment (FPA). The CSA Team reviews applicants' credit histories. Those with negative credit histories must provide additional documents, while those with clear histories proceed to the BIA Team. The BIA Team ensures the completeness, accuracy, and correctness of applications and documents. If issues are found, applicants are notified to comply with them. Once compliant, applications move to the FPA Team, which evaluates business and financials. The FPA also recommends loan amount which is subject to approval by the appropriate authority. For each finding, the applicant has a maximum of fifteen (15) days to comply or confirm. Failure to do so will result in an immediate disqualification. The applicant is normally notified via email, text, or phone call; however, in some cases, they were unable to get one or checked it late, resulting in loan application denial.

Technological issues such as slow or intermittent internet connectivity and weak telecommunication service network signals have resulted in communication gaps and delays in processing. As a result, the field offices received an excessive number of follow-ups and many businesses submitted multiple applications because of denial of their initial application. In the evaluation conducted by the Small Business Administration (SBA, 2020) on the CARES Act, data showed that 5.3 million applications were duplicates and

to help address challenges, they recommended that a comprehensive communication strategy must be developed which includes details about how and when it will reach out to the public about its disaster response programs must be developed. This informational gap has created confusion and uncertainty for lenders and borrowers and has made it difficult for them to make management decisions. The paper of Nagańska & Cichocki (2022) highlights that communication gaps, especially due to complex financial language, can limit trust in financial institutions, impacting participation in financial support programs.

Limited understanding of loan terms and conditions has a sum of ranks of 85 and an overall rank of 4. A streamlined application process and digital accessibility can present both benefits and challenges. While streamlining and digitalization aided in simplifying and expediting the borrowing process, they also created certain challenges on the part of the borrower. Many tourism businesses reported a lack of clear information on the CARES Loan Program's terms and conditions. The borrowers have overlooked important terms and conditions of the loan agreement due to limited face-to-face interaction. Failure to fully understand the terms resulted in defaults of loan payments, unexpected fees, and penalties. Furthermore, the study of Cruzado et al. (2023) highlights that a limited understanding of loan terms and conditions in financial support programs impacts MSMEs' access to financing in Calapan City.

Meanwhile, a technological barrier has a sum of ranks of 95 and an overall rank of 5. The entire application process for the CARES Loan Program was conducted online through the application portal. This became a challenge for businesses with limited technical capabilities, especially older establishments that lacked a strong online presence. The conducted survey of the Commission on Audit on selected MSMEs with canceled loan status as of June 30, 2021, revealed that 2 out of 6 MSMEs had technical difficulty during the loan application. SB Corp. acknowledged these observations and shared a list of technological challenges encountered by loan applicants, which have caused delays in the past, such as 1) lack of valid email address; 2) lack of smartphones; 3) need for assistance or companion during filing out of online loan application; 4) no internet or insufficient data credits; 5) slow or intermittent internet connectivity; and 6) weak telecommunication service network signal (COA, 2021).

It can also be noted that delays in loan disbursement have a sum rank of 117 and an overall rank of 6. Due to the high volume of loan applications being processed and communication gaps, there have been substantial delays in loan disbursements. This posed a major challenge for businesses that urgently require financial support to stay afloat. According to the COA (2021), the turnaround time was from two (2) weeks up to one (1) month, depending on the requested loan amount. Applying for a higher loan amount than the default amount entailed a longer processing time since the account had to go through deliberation by SB Corp.'s credit committee. However, SB Corp. stated that certain issues and constraints needed action from the loan applicants. In many cases with data corrections and documentary deficiencies, the back-and-forth communications with the loan applicants took some time. It added that the common issues and constraints that need corrective action at the client's end significantly contributed to the downtime and delays which eventually prolonged the loan processing time. Delayed processing of loans can have significant adverse effects on the tourism industry, ranging from missed revenue opportunities and reduced competitiveness to long-term impacts on sustainability and economic development. According to Peter et al. (2018), delays in the disbursement of financial support hinder SMEs' performance despite its positive impact; bureaucratic details and inadequacies in support programs contribute to this issue.

The absence of loan forgiveness registered a sum of ranks of 122 and an overall rank of 7 simply could point out that the CARES program did not allow loan forgiveness or amnesty for the tourism industry placing a significant financial burden on borrowers. Unfortunately, this was not implemented in the CARES loan program. However, the borrowers may request loan restructuring if they are experiencing tight finances and financial crises to allow them to manage their cash flows. The study of Rwigema (2020) revealed that the absence of loan forgiveness during COVID-19 significantly impacted MSMEs in Rwanda, leading to increased business failures and financial sector challenges.

Meanwhile, requirements for post-dated checks have a sum of ranks of 141 and an overall rank of 8. Many businesses in the tourism industry found it challenging to fulfill the prerequisites for post-dated checks (PDCs), primarily because of the laborious process involved in



opening a checking account, the costly initial deposit demanded, and the substantial maintenance balance required. While PDCs can provide some assurance to lenders, it adds risks and inconveniences to borrowers, making them a less favorable option for loan repayment. In the Philippines, the issuance of postdated checks is governed by Batas Pambansa Blg. 22, or the Bouncing Checks Law. The law penalizes any person who issues a check that is later dishonored due to insufficient funds or a closed account (Respicio, 2023). Issuing a check as collateral for a loan with an unattended interest rate has serious legal implications. Understanding the law is imperative for both the lender and the borrower to avoid potential litigation and financial losses.

Limited outreach to minority-owned businesses registered a sum of ranks of 155 with an overall rank of 9. The pandemic has made for a difficult landscape for almost every small business owner but the challenges and impact on minority-owned businesses have been even greater (Why Minority-Owned Businesses Are Important to Drive Innovation, n.d.). There are many reasons why minority-owned businesses are important: they provide opportunities for minorities to become entrepreneurs and create jobs for their communities; minority-owned businesses help to diversify the economy and provide products and services that may be different from those offered by mainstream businesses; and minority-owned businesses can help to promote social and economic inclusion by providing goods and services to underserved communities (The power and potential of minority-owned businesses, n.d.). The CARES loan program has been criticized for its limited outreach to minority-owned businesses in the tourism industry. This has created a disparity in access to financial assistance, further exacerbating the challenges faced by minority-owned businesses. The eligibility criteria of the program disadvantaged minority-owned businesses.

And lastly, uncertainty about the future has a sum rank of 175 and an overall rank of 10. The tourism industry faced unprecedented challenges due to the COVID-19 pandemic and the industry's recovery was slow. In 2020, many businesses were uncertain about the future, which has made it challenging to make long-term financial decisions, including taking on loans. The decision to apply for a loan under the CARES Program lies solely upon the risk appetite and discernment of individual MSMEs given still highly uncertain times (COA, 2021). According to media reports, potential

borrowers were reluctant and worried about the repayment of loans due to uncertainties in their businesses brought about by the COVID-19 pandemic. This premise was true in Sorsogon City's tourism industry. The tourism industry in general is still risk-averse to tapping loans with the future of the tourism industry still very volatile and highly uncertain.

## V. CONCLUSIONS AND RECOMMENDATIONS

Based on the preceding findings, the researcher concludes that the key strategies implemented by the COVID-19 Assistance to Restart Enterprises (CARES) Loan Program which facilitated easier access to much-needed financial assistance and significantly supported Sorsogon City's tourism industry to navigate the crisis are no collateral requirements, provision of technical support, and focused on micro, small, and medium-sized enterprises. The top three (3) positive impacts of the implementation of the CARES Loan Program on the tourism industry in Sorsogon City are job retention, non-closure of business, and additional capital for business. The top three (3) serious challenges in accessing the CARES Loan Program are limited funding, constrained qualification criteria, and communication gaps.

From the findings and conclusions, the following recommendations are forwarded as follows: (1) Microfinance institutions be suggested to incorporate some significant strategies like no collateral requirements and online accessibility in their loan products and services; (2) Small Business Corporation be advised to sustain the key strategies such as no collateral requirements, provision of technical support, and focus on micro, small, and medium-sized enterprises, online accessibility, and flexible repayment terms as they are deemed beneficial for the tourism industry; (3) National Government Agencies (NGAs) be proposed to provide additional financial support to ensure the tourism industry's long-term sustainability in the post-pandemic period; (4) Local Government Units (LGUs) be encouraged to support community-based tourism projects and strengthen community involvement in environmental protection and local tourism promotion; (5) Private institutions be tapped to conduct workforce development sessions or training programs for skills enhancement for better service delivery within the tourism industry; (6) Tourism business owners, government agencies, and other stakeholders be encouraged to adopt the proposed strategies to ensure long-term sustainability within the tourism industry; and (7) Further research be explored on the impact of the

CARES Loan Program on other industries and outside Sorsogon City.

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