



# RESTART PHL LOAN PROGRAM

FINAL IMPACT ANALYSIS

AUGUST 2024



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## IMPACT ANALYSIS

### RESPONDING TO THE MOMENT

PIDC has a 65-year history of leading Philadelphia's economy through periods of economic change. In March 2020, when the COVID-19 pandemic prompted the city to restrict in-person activities to curb the disease's spread, PIDC promptly sprung into action, marshaling our capital to assist businesses in navigating an unparalleled crisis. PIDC developed the Restart PHL Loan program (Restart PHL) to provide COVID-19 relief financing for small businesses in Philadelphia affected by the COVID-19 pandemic. Through the Restart PHL loan product, PIDC delivered \$8.45 million in 0% financing to 75 small businesses and nonprofits across Philadelphia.

**\$8.45M**

in 0% financing to  
75 small business  
& nonprofits across  
Philadelphia

On July 6th, 2020, PIDC launched the Restart PHL loan program and dedicated nearly three years of unwavering effort to assist small businesses with this innovative product. To make our capital more accessible, we reduced our minimum loan amount from \$50,000 to \$25,000. Additionally, we introduced a new impact scoring matrix to guide our capital to historically disadvantaged businesses and businesses located in high-poverty and/or low- to moderate-income communities. We utilized flexible financing from public and private partners to lend patient capital at 0% interest and PIDC is thrilled to share in this report what our clients achieved with this affordable loan product.



*Businesses like Triple Bottom Brewing and Reading Terminal Market were impacted deeply by the pandemic and received funds from Restart PHL.*

Overall, our borrowers utilized Restart PHL funds to improve the resiliency of their businesses during an unprecedented pandemic and to sustain growth. Our capital financed a variety of uses such as fulfilling the need for working capital, purchasing inventory and equipment, enhancing technology, as well as rehiring and training employees.

With the end of the federal COVID-19 emergency in May 2023, it is important to highlight who PIDC served through Restart PHL and the impacts our emergency-driven investing had on small businesses in Philadelphia.



## A FOCUS ON SMALL BUSINESSES

The COVID-19 pandemic ravaged small businesses in Philadelphia; the total small business revenue for businesses in Philadelphia dropped by 33% and the number of small businesses in operation decreased by 31% (Urbane). PIDC also was keenly aware of how Philadelphia’s communities of color are drastically under-represented in the city’s formal small business networks.

While Black Philadelphians make-up 44% of the city’s population and Latino/a Philadelphians make-up 17%, they only own 5% and 4% of the city’s small employer businesses, respectively (Urbane).

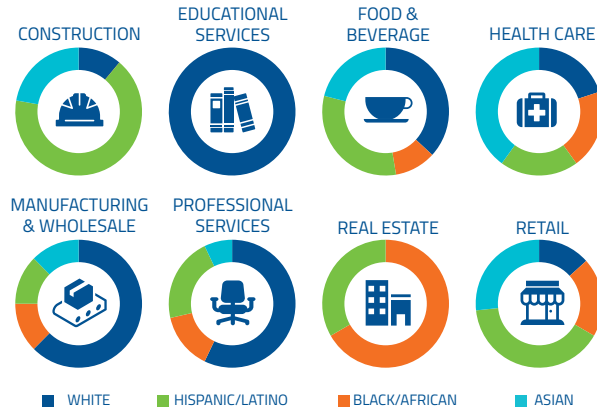


Figure 1: Restart PHL Borrowers by Industry and Race

PIDC designed Restart PHL to jointly address pandemic-related economic issues and to promote greater equity and access to opportunities for entrepreneurs, particularly for businesses owned by people of color. At the program’s onset, we committed to providing at least 50% of loans to businesses who historically lacked access to capital.



Catherine Dentino & Paul Yavarone, of Fireball Printing in East Kensington

The backbone of Philadelphia’s neighborhoods and economy are its small businesses. For this report, small businesses are defined as having 1 to 50 full-time equivalent employees and less than \$10 million in revenue (though most businesses we financed had less than \$1 million revenue). The financial condition of Philadelphia’s small businesses has historically been more tenuous than those in other cities, according to Pew. Factors like their gross receipts, commercial credit ratings, and on-time payment ratings were typically lower than peer businesses in

other cities during and after the Great Recession. Maintaining a vibrant and equitable small business ecosystem is crucial to PIDC’s mission, and Restart PHL financing was designed to offer flexible, low-cost capital to catalyze small businesses growth through the pandemic.

PIDC financed 14 businesses (15%) that were nonemployee firm (0-1 employees) and 33 businesses (44%) which were microbusinesses (2-5 employees). Only 18% of businesses had more than 10 employees at the time of their Restart PHL application. On average, our businesses had approximately 6.5 full-time employees at the time of application.

# \$574K

Median revenue  
of businesses



6

Average  
Number of  
Employees

Of the 66 businesses we had 2019 revenue data from, 63% had gross revenues less than \$1 million at the time of application. 13 businesses (20%) had less than \$100,000 in revenue. Restart PHL targeted businesses that were at risk of substantial revenue losses. Based on a sample of 61 Restart PHL businesses for whom we had FY 2019 and FY 2020 income statements, it was shown that 37 borrowers (61%) saw a decrease in revenue between FY 2019 and FY 2020. In extreme cases, 5 borrowers lost as much as 75% of their revenue, illustrating the severe impact the pandemic had on businesses. Alternatively, 24 (39%) businesses experienced revenue growth. Restart PHL helped these businesses with flexible financing to meet increased demand, as well as pivot their business models to ensure long-term survival.

## WHO WE SERVED

In our commitment to serve business owners of all backgrounds, 61% of Restart PHL borrowers were Black-, Asian, or Hispanic-owned businesses. 27 Restart PHL businesses were white-owned, totaling \$2.85 million. We financed 24 Black-owned businesses for a total of \$2.65 million, \$13 Asian-owned businesses totaling \$1.1 million, and 10 Hispanic-owned businesses totaling \$607,500. Additionally, 36% were woman- or non-binary-owned businesses, regardless of race.

61%  
of businesses were  
diverse-owned

Restart PHL financed a diverse pool of borrowers across a variety of industries, including hard-hit industries like food and beverage and retail, shown in Figure 2. Traditionally businesses owned by Black, Asian, and Hispanic owners have been concentrated in the restaurant and storefront retail sectors (Urbane).

In the retail sector, we supported 15 businesses (20% of the total Restart PHL borrowers), 6 of which were Black-owned, 4 which were Asian-owned, and 3 that were Hispanic-owned. As the pandemic pushed brick-and-mortar retailers to utilize e-commerce, some of our retail clients utilized our funding to advance their businesses' online presence and digital marketing endeavors.



*Shani Newton, owner of Dolly's Boutique*

Shani Newton, owner of Dolly's Boutique, pivoted the business of her West Mt. Airy store to offer online sales and curbside pick-ups. Her flexible Restart PHL loan allowed Ms. Newton to make improvements to her store, purchase more inventory, and hire new employees. All the while, Dolly's Boutique maintained an attractive website and launched a new marketing campaign.

Restart PHL also supported 18 food & beverage establishments and 61% were owned by diverse borrowers.



## HOW WE SUPPORTED RESTAURANTS

Restart PHL delivered the most financing to the food & beverage industry. \$2,000,000 (24%) of our capital supported 18 Philadelphia establishments (61% representing BIPOC ownership) as they weathered pandemic-related obstacles. The timeline below shows how we worked with restaurants throughout the various stages when the City of Philadelphia lowered the occupancy level of indoor dining. We worked closely with our clients to flexibly finance their needs and poise them for growth as they navigated an everchanging business landscape,

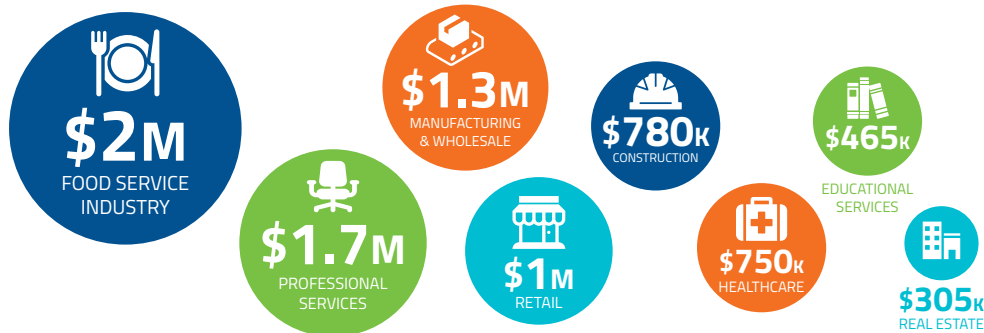


Figure 2: Restart businesses by Industry

through all stages of the occupancy mandates.

One growing restaurant Restart PHL financed was Boricua, an authentic Puerto Rican restaurant in Northern Liberties that looked to expand to a second location in Port Richmond in 2021. With Restart PHL financing, Boricua anticipated creating 8-10 new jobs, purchasing equipment, and completing renovations on their second location. Despite the economic downturn of COVID-19, Boricua expanded, exceeded its sales goals, and continued to establish itself as the one of the most creative, innovative, and fresh dining options in Philadelphia. Restart PHL funds were used to reimburse the borrower for operating expenses.

## PROMOTING BUSINESS

### GROWTH IN HIGH POVERTY AREAS

Restart PHL focused on impacting small businesses located in high-poverty neighborhoods. PIDC has been serving Philadelphia for 65 years with the mission of supporting businesses to create jobs and economic opportunity across the city. PIDC recognizes that numerous neighborhoods in Philadelphia have a historical legacy of enduring systemic disinvestment, including practices like redlining and unequal access to credit. With Restart PHL, 42 of our 77 loans (55%), totaling \$4,542,500 (54%) of our investment, sustained businesses in Philadelphia neighborhoods with high poverty rates, which the USDA defines as a poverty rate over 20%.

**55%**  
of loans invested in high poverty neighborhoods



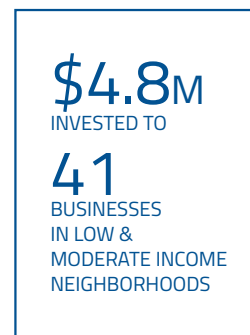
Through our investments, we helped create and/or retain over 1,000 full-time and 317 part-time jobs throughout Philadelphia. 2 out of 3 jobs supported were in high-poverty neighborhoods. Overall, Restart PHL created and/or retained 725 full-time and 209 part-time jobs in high-poverty neighborhoods in Philadelphia.

Banks have historically overlooked low- and moderate-income communities for credit, which is why PIDC directs our investments to these neighborhoods as identified by the Federal Reserve. PIDC leverages our long-term relationships and knowledge of Philadelphia communities to make impactful loans in low- and moderate-income areas of the city, defined as census tracts where the median family income less than 50% and 80%, respectively. Through Restart PHL, we invested \$4.8 million (57%) of our investment to 41 businesses in low- and moderate-income Philadelphia neighborhoods.



## RETHINKING RISK

Unlike other financial institutions, PIDC relies less on credit scores when providing loans and other financial products, and more on character-based factors to drive fair and equitable lending throughout the City of Philadelphia. PIDC also serves people in low-income communities who have historically been shut out of the financial system. While we typically review personal credit history for our borrowers, PIDC's flexible loan programs do not have a minimum credit score. Instead, PIDC prioritizes building long-term relationships with our borrowers and helps them access credit building tools and workshops, in addition to accessing affordable loans. Of our Restart PHL borrowers, credit scores ranged between 588 and 821. The median credit score was 741 while the average was 731.



## PORTFOLIO PERFORMANCE

As of Q3 2023, PIDC's Restart PHL portfolio continues to be high performing. Lending to low-income and low-wealth communities is considered risky to mainstream sources of credit, especially considering the economic uncertainty caused by the pandemic. However, the Restart PHL loan portfolio only has a 3.8% rate of delinquency, which is generally considered to be low. In a testament to Philadelphia's recovery, 5 borrowers have repaid early, and funds currently are being recycled to support more community development efforts in Philadelphia. We anticipate the last loan will be fully repaid by January 1st, 2029.



## BUSINESS SPOTLIGHT

The following businesses and nonprofits are a sample of the range of businesses PIDC was honored to support through the Restart PHL program.



### WURD Radio

Neighborhood	Industry	Ethnicity
Mantua	Communications	Black/African American

WURD is engaged in the business of original content creation, marketing, and distribution across various communications platforms including radio, internet, and special events. The Restart PHL Loan will be used to reimburse WURD for operating expenses and/or expenses incurred as a result of COVID-19. This infusion of capital is expected

to support WURD's long-term investments in its programming and infrastructure here in Philadelphia.



### MFR Consultants

Neighborhood	Industry	Ethnicity
Old City	Professional Services	Black/African American

MFR Consultants, Inc. is a woman- and Black-owned technology and human resources consulting firm, operating in Philadelphia since 1989. Headquartered in Old City, MFR's client base consists of the City of Philadelphia, Accenture, and PFM Group, amongst others. Restart

PHL financing bridged MFR's cash flow and provided working capital. The financing helped MFR maintain its workforce of 22 full-time equivalent staff.



### First Step Staffing

Neighborhood	Industry	Ethnicity
Richmond	Professional Services	Black/African American

First Step Staffing is a nonprofit that provides companies with a socially responsible alternative to typical staffing agencies, while offering meaningful employment opportunities for individuals who are in transition. First Step has a presence in five other cities across the U.S. and its Philadelphia office is in Kensington. The flexibility of the

Restart PHL financing helped provide First Step cash flow support as they recovered from a sales decrease because of COVID-19.



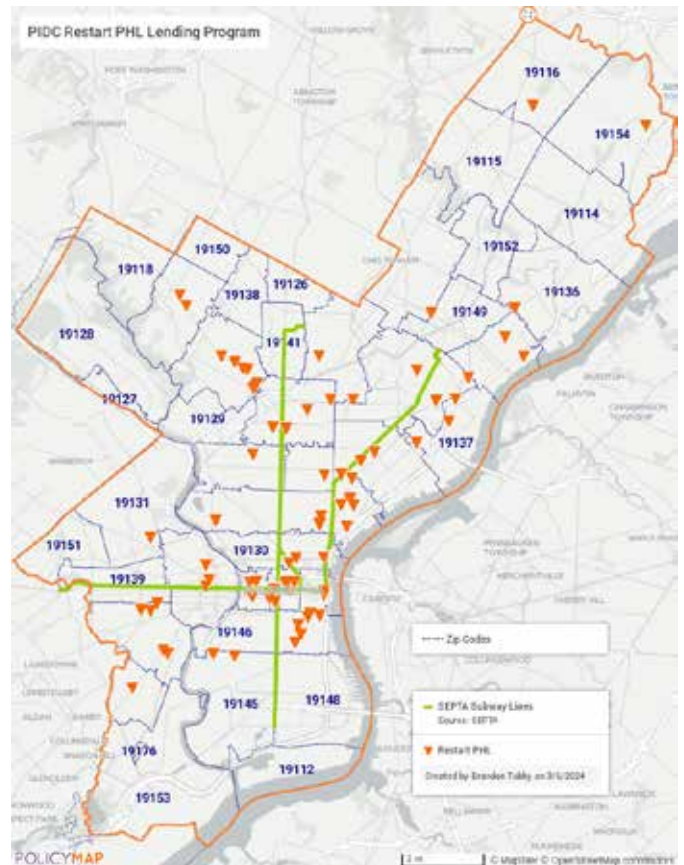
### Optimal Physical Therapy Gym

Neighborhood	Industry	Ethnicity
Passyunk Square	Healthcare	Asian

Optimal Physical Therapy Gym in East Passyunk focuses on providing clients, particularly elders in the immigrant community, with vital physical therapy services. They offer a wide range of programs and specialized services to help patients restore and maintain their physical strength, performance skills, and levels of function. They sought Restart PHL financing to support payroll expenses for the coming months and cover other working capital needs of the company to help weather the pandemic.

## THANK YOU, INVESTORS!

PIDC would like to thank U.S. Economic Development Administration (EDA), JP Morgan Chase Bank, TD Bank, and Wells Fargo for investing in PIDC and Philadelphia’s small businesses.







# RESTART BUSINESSES NEAR YOU

Business Name	Neighborhood in Philadelphia	Minority-Owned	Women-Owned
Atelier Salon and Day Spa, Inc.	Bella Vista	x	
Jenkintown Building Services, Inc.	Brewerytown		
BJK Mechanical Services, LLC	Bridesburg	x	x
JNC 1120 LLC	Callowhill	x	
Divine Creations Unisex Salon	Cedar Park	x	
Electrical Hazards, Inc.	Cedar Park	x	
Pho Street 2, LLC	Center City East	x	x
Reading Terminal Market Corporation	Center City East	x	
Chushang Spicy, Inc.	Chinatown	x	
Fireball Printing LLC	East Kensington		x
Cherish LLC	East Mount Airy	x	
La Fortaleza Physical Therapy Centers	Feltonville	x	x
Star Medical Transport Services LLC	Feltonville	x	x
AAA School of Trucking, Inc.	Fishtown		x
Northwest Holdings LLC	Fishtown	x	
Pixel Parlor LLC	Fishtown		x
Riverwards Produce	Fishtown		
Capricorn Guild LLC	Frankford		
Gaetano Pace	Frankford		
Rolo Vinyl LLC	Franklinville	x	
Smokin' Sone's Fresh Grill, LLC	Garden Court	x	x
Lighting Beauty Supplies, Inc.	Germantown	x	x
Couzins Enterprises, LLC	Glenwood		
3 Boys Catch, LLC	Grays Ferry		
Vpro Construction, LLC	Grays Ferry	x	
Boricua Restaurant LLC	Harrowgate	x	
Ramon Dollar Store	Hunting Park	x	x
Greene Towne School, Incorporated	Logan Square	x	
Perryman Building and Construction Services, Inc.	Logan Square	x	
WURD Radio, LLC	Mantua	x	
Mayfair Family Dentistry	Mayfair	x	
Christini Accessory Group, LLC	Northern Liberties		
Rivera Financial Consulting Services	Northwood	x	x
MFR Consultants, Inc.	Old City	x	x
MVP Interactive, LLC	Old City		
Millstone Spirits Group LLC	Old Kensington		
ReAnimator Coffee Roasters, LLC	Old Kensington		
Veyko, Inc.	Old Kensington		
Wilco Electronic Systems, Inc.	Olney	x	x



# RESTART BUSINESSES NEAR YOU

Business Name	Neighborhood in Philadelphia	Minority-Owned	Women-Owned
Magaly Spa LLC	Oxford Circle	x	x
Rocks & Cornerstones LLC	Parkwood Manor	x	x
DK Dollar Grocery Store Inc	Paschall	x	
Milk Jawn LLC	Passyunk Square		x
Optimal Physical Therapy Gym, LLC	Passyunk Square	x	
Grant Blvd LLC	Powelton	x	x
SJ Kaufman, LLC	Queen Village	x	
YOWIE LLC	Queen Village	x	x
First Step Staffing	Richmond	x	
Printfresh LLC	Richmond		
Printfresh LLC	Richmond		
Diversified Human Solutions Inc.	Rittenhouse	x	
Floss Barber, Inc.	Rittenhouse		x
Limited Edition CBC, LLC	Rittenhouse	x	
On the Goga, Inc.	Rittenhouse		x
Tilwawala, Inc.	Rittenhouse	x	
Bario Neal, LLC	Society Hill		x
A & I Security, LLC	Somerton	x	
Attic Brewing Company	Germantown		
Daaiyah's Delicious, LLC	Germantown	x	x
Mosaic Development Partners, LLC	Germantown	x	
Philly Bread LLC	Germantown		
Jeanne's Restaurant	Southwest Schuylkill	x	x
Peacock Laboratories, Inc.	Southwest Schuylkill	x	
David Gvinianidze Arts & Music Center Inc.	Tacony		
DL Metal Design, LLC	Tacony	x	
IVN Sound & Communication, LLC	Tioga	x	
Two Locals Brewing, LLC	University City	x	
On the Goga, Inc.	Washington Square West		x
N & N FAMILY, INC.	West Kensington	x	
Rehobot Real Estate, LLC	West Kensington	x	
Dolly's Boutique & Consignment	West Mount Airy	x	x
SUPRA Office Solutions, Inc. / Emsco	West Parkside	x	
Triple Bottom Brewing	West Poplar		x
Elite Touch Floors, Inc.	Wissinoming	x	
Morgen Cheshire, Esquire LLC	Wister		x