A GRANT PROGRAM FOR
PHILADELPHIA SMALL
BUSINESSES IMPACTED
BY CIVIL UNREST
INITIAL FINDINGS

Background

Business Need

Business Size and Sector

Business Location and Poverty Rate

Business Ownership Characteristics
As part of the application, businesses had to submit photo evidence of the physical damage to their stores.

On May 25, 2020, the murder of George Floyd in Minneapolis sparked weeks of civil unrest in Philadelphia and across the nation, as millions of people protested the killings of Black Americans by police.

Already reeling from the impact of the COVID-19 pandemic, many small businesses in Philadelphia received a second financial blow from the significant property damaged that occurred during the unrest.

In response, the Philadelphia Department of Commerce partnered with The Merchants Fund to create the Restore and Reopen program. The goal of the program was to quickly distribute grants of up to $10,000 to qualifying small businesses that suffered physical damage during the civil unrest.

Applications were accepted on a rolling basis from June 22-29, 2020. This report is a summary of the demographic and business characteristics of the grant recipients.

In total, 186 businesses received grants. The most common grant size was $10,000. Over $1.5 million of grants were given out to businesses in need.

**Grant Breakdown**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businesses supported</td>
<td>186</td>
</tr>
<tr>
<td>Size of median award</td>
<td>$10,000</td>
</tr>
<tr>
<td>Total amount of grants given</td>
<td>$1,588,846</td>
</tr>
<tr>
<td>Size of average award</td>
<td>$8,542</td>
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</tbody>
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Almost a quarter of grant recipients did not have insurance, or lacked the coverage required, for their business. This meant they had to personally finance all costs related to property damage and inventory loss. Of the grant recipients who had insurance, only $5 million of the $8.9 million in damage was expected to be covered by insurance. Even insured businesses had to find outside funding sources to cover their deductibles and out-of-pocket costs beyond the limits of their policies. *Grant recipients who had inconsistencies in their insurance self-reporting were omitted from the insurance statistics.*
Small businesses are the backbone of Philadelphia’s local economy, providing the vast majority of jobs along with countless goods and services for residents. The businesses supported by the Restore and Reopen program account for 1,015 jobs in Philadelphia. Of those 1,015 jobs, 691 are full-time positions while 324 are part-time. 41 percent of businesses supported (77) are owned by a resident living in the neighborhood. Around half of all business employees (504) live in the neighborhood where they work and where the business is located. Grant recipients were concentrated in the retail sector, totaling 62 percent of all recipients.

The median annual revenue for grant recipients was just $188,500.
This map displays the businesses that received the Restore and Reopen grant funding overlaid with poverty rate of its neighborhood. Three-quarters of the grant funding was given to businesses in neighborhoods with a poverty rate above 30 percent, and half of the grant funding was given to businesses in neighborhoods with a poverty rate above 41 percent.
Grant funding was prioritized for businesses in areas with the highest poverty rates. Over 90 percent of the grant funding was given to non-white business owners, 4 percent to Hispanic business owners, 76 percent to foreign born business owners and 26 percent to female business owners.