



**Philadelphia
Anchors for
Growth and Equity**

Impact Report 2022
February 2023



**Economy
League**

GREATER
PHILADELPHIA

A LOOK AHEAD

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► OUR 2022 IMPACT

In 2022, PAGE supported **70+ businesses** through our programming and helped to unlock over **\$37MM+** in contract revenue for local, minority-owned firms.

► HOW WE MOVE THE NEEDLE

PAGE provides support to the anchor economy as a supplier diversity partner to our anchors (demand-side) and a resource hub to our minority business community (supply-side). We organize these activities into three pillars; PAGE Research and Development, PAGE Prep, and PAGE Capital.

PAGE R&D

is working to build trust with local anchor institutions, assess anchor procurement spend, advocate spend shift, and map contract opportunities for local, diverse businesses. We help anchors make and measure progress by convening cross-sector leaders to advance innovative solutions and promote best practices, connect qualified minority suppliers to anchor opportunities through direct introductions, and communicate the needs of our diverse supplier community.

PAGE PREP

is the Economy League's capacity-building initiative that fuels business growth for small, local and diverse firms and prepares them to compete for and secure business contracts from Philadelphia's anchor institutions and major suppliers. PAGE also serves an ecosystem developer, building partnerships with other business support organizations and financial institutions so that our suppliers can access the resources they need.

PAGE CAPITAL

works to cultivate an interdisciplinary investor network to advance racial equity, map capital opportunities, and connect capital resources to minority-owned businesses.

▶ ABOUT THE ECONOMY LEAGUE'S PAGE INITIATIVE

Philadelphia Anchors for Growth & Equity (PAGE) is a partnership between the Economy League of Greater Philadelphia, the City of Philadelphia and more than a dozen regional hospitals and universities. As a supplier diversity collaborative, PAGE is focused on growing local businesses and creating jobs by increasing local purchasing amongst large institutional buyers.

Contracting with anchor institutions provides sustainable pathways to growth for many small and medium enterprises. According to data provided by the Anchor Economy Initiative at the Federal Reserve Bank of Philadelphia (FRBP), anchor institutions in Greater Philadelphia produce 12.8% of total employment, 8.4% of total income, and 11.4% of total GVA.¹ Despite this impact, Philadelphia's anchor economy holds significant unrealized opportunity to drive equitable growth in the local, minority business community through increasing supplier diversity participation. PAGE's 2019 Supplier Landscape showed that only 4.4% of the 1424 unique, local suppliers utilized by 9 participating anchors carry a minority-ownership designation.²

Those of us who work in the business support sector understand that business density is critical to job and wealth creation and consequently, the city's capacity to rebound from the coronavirus-induced recession. Business ownership has been shown to build wealth faster than employment across race, gender, and socioeconomic status.³ Moreover, a report by the Association for Enterprise Opportunity (AEO) highlights how important entrepreneurship is to closing the racial wealth gap.⁴ While the median net worth for white adults is 13 times higher than that of Black adults in the general population, this multiplier is reduced to 3 when comparing Black and white business owners.⁵

Philadelphia's business density in the general population is the lowest among other major U.S. cities including Atlanta, New York, Boston, and Washington.⁶ Despite being a so-called 'majority-minority' city, Black and brown people are vastly under-represented as business owners in Philadelphia. According to the 2018 Annual Business Survey by the U.S. Census Bureau, Philadelphia hosts approximately 1.8 Black-owned businesses per 1000 Black residents, compared with 12.1 businesses per 1000 residents in the general population and 21.6 white-owned businesses per 1000 white residents.

The reasons for this disparity are no doubt complex and manifold but are eloquently summarized by the AEO report as three major barriers including the Wealth Gap, the Credit Gap, and the Trust Gap.⁷ Minority-owned businesses tend to be smaller and less well-capitalized compared to majority-owned businesses, particularly because of the centuries of structural disparities that have prevented residents of color from building wealth and owning assets.⁸ As such, Black business ownership is concentrated in fields that have low barriers to entry, and therefore are typically low-revenue sectors.⁹ This means that there is less likelihood those businesses will grow and create jobs. In our work at PAGE, we also recognize a 'Contract Gap' that exists in Philadelphia's anchor economy, greatly impeding the opportunity for minority-owned businesses to grow sustainably and take on the risk necessary to invest in capacity-building assets.

Thus, even where demand exists, Philadelphia does not currently have a robust pipeline of local and diverse businesses to meet demand from anchor institutions and capitalize on their localization efforts. This under-representation of minority-owned businesses with sufficient capacity has wide ranging consequences. Because minority-owned businesses tend to hire and invest in their own communities, every minority-owned business that does not reach its full potential means fewer job opportunities and less wealth-creation in a city that struggles with low labor force participation and concentrated poverty.¹⁰

It is essential that we create a conducive environment for growth of all businesses while placing a particular emphasis on the support of minority-owned firms through accountability mechanisms and the removal of barriers that impede their success.¹¹

Our work at PAGE is to attempt to remove and reduce these barriers through several strategic interventions. Capturing just a small fraction of this addressable opportunity for local, diverse firms would translate into thousands of jobs throughout Philadelphia. We know that when economic opportunities are available to everyone, we will live in a safer, stronger, more resilient city. But change from the status quo requires collaboration at every level. As such, PAGE is lucky to benefit from a large community of stakeholders.

▶ OUR COMMUNITY

Anchor Partners



Community Partners



Supporting Funders



Darlene Jones, owner of StarFusion Express, stands with her team at their West Philadelphia establishment. StarFusion Express received a Hurdle Fund grant in December 2022 that supported catering and vending contracts with two local universities. See PAGE Capital for more information about the Hurdle Fund.

► PAGE R&D

12

anchor institutions engaged through PAGE programming

60

meetings and events hosted or co-hosted by PAGE that convened supplier diversity, impact investment, and/or industry leaders from across the city

2

policy proposals submitted to Philadelphia's city government

22

speaking engagements to raise awareness about our services and the barriers facing our community

3

press releases featured in 6 regional and national publications

27

bi-weekly newsletters sent to over 650 subscribers

177

press mentions

A simple question posed during an informal conversation can spark the creative innovation needed to address complex issues affecting our broader community. Sometimes called 'the world's largest village,' Philadelphia is characterized by many organizations operating in siloes and can greatly benefit from deeper interconnectivity. PAGE brings together leaders from the worlds of procurement, technology, workforce development, DEI, and city government to encourage cross-sector relationships and knowledge exchange. We believe these convenings are critical to finding common ground and identifying creative and strategic initiatives when it comes to supporting the minority business community in greater Philadelphia.

How have these convenings impacted our supplier community?

At a recent check-in with one of our anchor partners we found out that the head of supplier diversity learned about a zero-day payment policy for diverse suppliers that has recently been instituted at a fellow anchor institution. Upon learning about this policy, he quickly went about implementing it at his own institution. There are now two anchors that promise zero-day net payment terms of minority-owned vendors.



Kenyatta James moderates a panel at the Total Impact Summit, May 2022

PAGE R&D

Advocacy is another way in which the PAGE program contributes to the exchange of ideas and coalition building within the city. We leverage our relationships with institutions and individuals across the city to foster respect and solidarity for important issues concerning our stakeholder community. In listening to the difficulties other organizations and individuals face, PAGE can better understand where advocacy efforts may be most effective.

- ▶ **Working with industry leaders and partners like the General Building Contractors Association**, the PAGE team developed a policy framework for calculating spend percentages on projects that feature minority construction managers. Existing corporate strategies varied, and the PAGE team used its network to develop an equitable solution to this complicated issue. We then submitted a policy proposal to clarify the role of minority general contractors and construction managers.

- ▶ **Creating a city commitment to an Anchor Institution Growth Strategy.** We called for hearings of the City Council's Commerce & Economic Development Committee on progress toward localizing and diversifying institutional supply chains.

The **real estate and construction** industry is a focus for PAGE because it provides a vast opportunity sector for minority enterprise growth. For truly equitable economic growth to occur with the swell of development that is coming, diversity is required at every level of the industry including general contracting and construction management, subcontracting and supply, workforce, and development. PAGE has been hard at work behind the scenes to support this sort of systems-level change.

Initiatives undertaken in 2022 include 1) the development of a supplier prequalification form to help diverse firms get the right kind of support at the right time and access targeted opportunities with local construction management firms, developers, and anchor institutions 2) the development of a partnership with Everybody Builds that will spearhead DEI programming across multiple vectors. The blueprint for the universal prequalification came out of PAGE's Real Estate and Construction Committee Meetings. Philadelphia's construction management community is now raising the bar for what it means to be a leader in DEI in this city. They are competing to drive diverse spend performance. By bringing together a group of industry leaders, we were able to leverage competition and coalition to increase ambition, share vetted suppliers, and problem solve around issues related to bonding.

At right:
The PAGE team visits EMSCO's new headquarters, March 2022



Accountability Framework Logic Model:

Inputs:

Anchor Spend Data

MBE Supplier Data from other sources

Stimulus Platform

PAGE Team

➤ Outputs:

Common understanding of diverse spend metrics and terminology

Aggregated baselines and procurement spend trends

Collaborative frameworks to identify best practices and opportunities

Shared targets for diverse and local spend performance

➤ Outcomes:

Shorter Term:

Increased diverse spend transparency

Increased opportunities for equitable participation

Enhanced procurement practices

Longer Term:

Improved diverse spend performance

Enhanced supply chain resilience

Growth in minority-owned business density and revenue

Improved economic opportunity for all

Accountability/Performance Measurement

In late 2021, on the heels of billions of dollars in corporate promises to fight racial injustice, PAGE understood that to be the best accountability partner to our anchor and community partners, we needed to develop a common framework for measuring diverse spend performance.

With the support of Mayor Kenney, we announced our 2022 Impact Challenge at last year's PAGE Summit – a goal of \$75MM in net new local, diverse spend.

“What gets measured, gets managed.”

In April, we released the PAGE Accountability Framework. This paper outlined the metrics and methodology we would use to track our Anchor partners' collective progress towards our 2022 Impact Challenge and beyond.

Together with our technology partner, Stimulus, we have collected 2021 and 2022 spend data from half of our anchor community and are actively working on solutions to make data collection and aggregation a more effective and efficient process. In-depth spend reports have been provided to anchors that submitted data, allowing them to analyze their diverse spend performance at the industry and identity-category level. PAGE continues to work with individual procurement officers, data personnel, and other data collection efforts throughout the city in order to better understand how we can support high submission rates in 2023.

If you'd like to learn more about our convening and advocacy work, get in touch with Kenyatta James!

kjames@economyleague.org



7

Businesses sponsored to attend CEO's ThinkTank Scaling Up Program

59

Businesses supported via consulting and referral services

18

Businesses supported through tailored consulting and wrap-around support services

\$35MM+

in contract revenue unlocked through these services

In 2022 PAGE Prep supported local minority businesses in growing their revenue and scaling their operations through free, tailored **consulting services** such as:

- ▶ Facilitating direct introductions between minority-owned enterprises and procurement leaders, supplier diversity managers, and local distributors
- ▶ Supporting suppliers and anchor institutions in navigating payment issues and capital access bottlenecks
- ▶ Providing pre-vetting services to help diverse entrepreneurs understand what contracts they are best suited to tackle and to make sure procurement professionals are speaking with the right supplier for the job
- ▶ Providing insights on the procurement sales process, upcoming anchor opportunities, and various types of anchor contracts, their structures, terms, etc.
- ▶ Advising and supporting suppliers in taking on new investments or acquisitions

If you'd like to learn more about PAGE Prep or the Scaling Up Program, get in touch with Jonathan Sterling!
jsterling@economyleague.org



PAGE PREP

Scaling Up Philly is a six-month, cohort-based program offered by CEO Think Tank that provides participants with the Business Foundations and Operating System to be successful, profitable, and sustainable.

The curriculum is based on Scaling Up™ 2.0: The Rules of Smart Scaling by Verne Harnish, a proven operating system used by thousands of companies around the world to grow and scale. The program includes individual coaching and facilitated group sessions. In partnership with CEO Think Tank, Episcopal Community Services, the Economy League sponsored **7 minority businesses** to join this year's Scaling Up Philly program at a fraction of the cost. At the time of this publication, cohort members are more than halfway the program. Soon, these businesses will be ready to take on larger procurement opportunities and scale their businesses!



PAGE community members and the Scaling Up Philly cohort gather at Episcopal Community Services to celebrate the program's commencement, October 2022

▶ PAGE CAPITAL

7

grant recipients

\$127,500

grant dollars awarded

10

anchor institutions engaged to work local, diverse suppliers made possible by these grant dollars

\$2,013,400

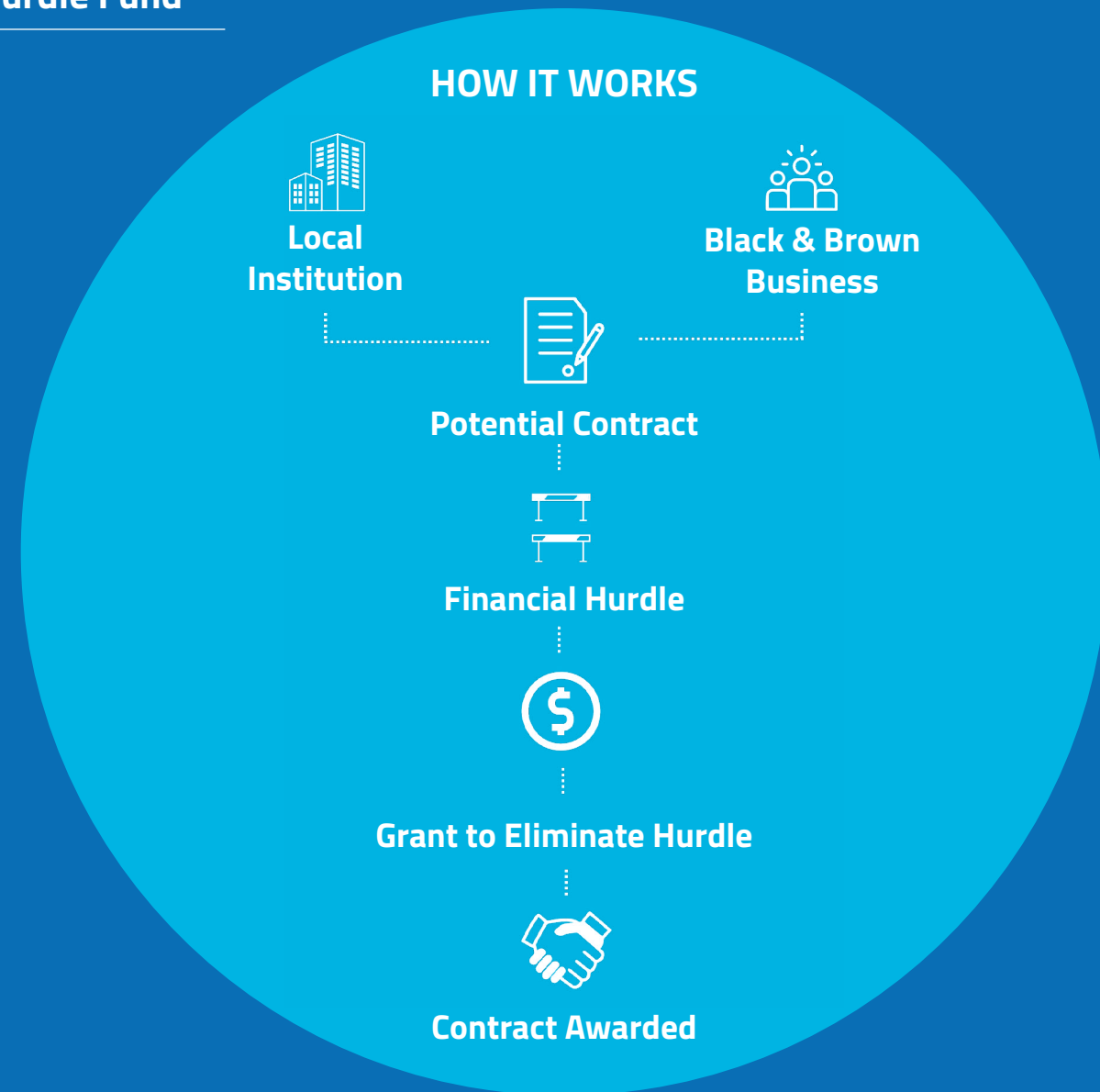
in contract revenue unlocked

1

Social Innovation Award

PAGE CAPITAL

The Hurdle Fund



“The Hurdle Fund presents a unique and exciting opportunity to address challenges standing in the way of capitalizing on available opportunities for suppliers and prospective suppliers.. [it] gave us the ability to support supplier development in a new and unprecedented way.”

Allen Riddick, Executive Director
Economic Impacts & Workforce Inclusion at Drexel University

In partnership with ImpactPHL and the American Sustainable Business Network and with partial funding from an EDA Build to Scale grant, PAGE launched the **Hurdle Fund** in early 2022 in order to eliminate small, low-cost hurdles – including insurance, equipment, certification, and more – that prevent minority-owned businesses from starting new or growing existing contracts with local institutions.

The impact outcomes presented on the previous page are a positive signal that The PAGE Hurdle Fund – capitalized by local impact investors – has modeled a potentially scalable and/or replicable philanthropic solution to close a critical capital gap for minority-business growth. The collaboration between aligned, Philadelphia-based impact investors, local hospitals and universities dedicated to improving outcomes for diverse entrepreneurs, and the leadership of ImpactPHL and the Economy League’s PAGE program is the cornerstone of this innovation.

If you’d like to learn more about our PAGE Capital efforts, get in touch with Melina Harris!

mharris@economyleague.org



Kenyatta James and the PAGE program were recently awarded 2nd place for the 2022 Social Innovation Awards in the category of *Social Investors: Innovative Investor Strategies that lead to Diversity, Equity and Inclusion* for their role in developing this grant program.



Hurdle Fund Grantee Stories

SUPREME OASIS DELI AND BAKERY is a Black and women-owned family business based in West Philadelphia that has served their community for over 50 years. The deli provides homestyle, vegan food and dessert pies as a catering partner to Drexel University. After its pie crust machine broke down, Supreme Oasis struggled to fulfill current contracts and was unable to grow or pursue further opportunities in the wholesale market. Drexel connected Supreme Oasis with the Hurdle Fund, the company needed \$9,000 to purchase a new machine. The machine would reduce 6-8 hours of manual labor to a simple 20-minute process. As a result of the equipment investment, the company soon acquired an indefinite contract with a local retailer that agreed to purchase 300 pies per week from the business. In addition, Supreme Oasis was identified by Drexel for new opportunities, including catering monthly community dinners and stand-up vending on 30th street. Owners, Shon and NuYen, said that they'd previously held off on entering any additional agreements with the university before receiving the grant, but now felt comfortable and excited to take advantage of these new opportunities.

In the future, the owners hope to purchase a large manufacturing facility that is separate from their restaurant. Above all, honoring their father's 60-year-old pie recipe while offering updated versions of their beloved pie is their primary focus. "I really want to keep his legacy going, it means a lot to us," Shon said in a recent interview. While the original recipe remains, the shop now offers vegan pies as well as low-carb and gluten-free options.



DESSERTS BY DANA is an award-winning bakery located in Newark, DE. Dana Herbert's business was recently invited to set up an on-campus kiosk at the University of Delaware through Aramark's Restaurant Row program. After three successful months of operation, the bakery was asked to expand into two other Philadelphia universities. Unfortunately, without a large-capacity refrigerator to store the necessary inventory, Dana would have been unable to take advantage of this opportunity. With a \$25,000 grant from the Hurdle Fund, Herbert was able to purchase the walk-in refrigerator from a local restaurant-equipment company. Desserts by Dana now plans to expand operations into Drexel and Temple Universities' campuses. The company was recently awarded business with Children's Hospital of Philadelphia and has completed several successful tastings with local corporate headquarters and universities.



PEOPLEJOY was founded by Emeka Oguh to help large institutions create student debt management and relief strategies for their employees. Dubbed "the Turbo Tax for student loans," PeopleJoy provides financial and mental wellness for employees and helps their employers to retain and attract talent. In the first 9 months of 2022, the company provided over \$3MM in student debt relief to their clients. PeopleJoy was already working with several anchors in PAGE's network but would need to implement certain security and integration enhancements to move forward on a contract with the University of Pennsylvania. The Hurdle Fund approved PeopleJoy for a \$25,000 grant in September, which will allow the company the opportunity to secure a 3-year contract with the University.



► CONCLUSION

We are thrilled to bring you the first annual impact report for the PAGE program. That said, we understand that data can only go so far in communicating the work that we do. To fully understand our impact, we recommend you visit Shon and Nuyen at Supreme Oasis Deli & Bakery and try one of their delicious pies. Perhaps you need a batch of posters or flyers printed for an upcoming event? Andrew and Britten of Hurdle Fund grantee BTC Envelopes and Printing LLC are just about the friendliest people you could ask to help you with this job.

And now it's time for 2023. There is much work ahead and we are ready for it. If you'd like to learn more about the ways we intend to shift our impact tracking methodology, new and exciting programs that are underway, or any of the work you read about in this report, please get in touch with us!



KENYATTA JAMES
PAGE Director

kjames@economyleague.org



MELINA HARRIS
PAGE Analyst and Capital Access Coordinator

mharris@economyleague.org



JOHNATHAN STERLING
PAGE Community Manager

jsterling@economyleague.org



JEFF HORNSTEIN
Executive Director
Economy League of Greater Philadelphia

jhornstein@economyleague.org



J'NELLE LAWRENCE
Deputy Executive Director
Economy League of Greater Philadelphia

jlawrence@economyleague.org

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