2020 UPDATE

COLLECTIVE STRENGTH

The $5.4 Billion Local Impact of Philadelphia Community Development Corporations
Philadelphia’s Community Development Corporations (CDCs) are a vital part of the bedrock of the civic infrastructure of our city. Whether by building new homes for families, assisting small businesses, fixing up vacant properties, or providing vital social services to residents in need, our CDCs make Philadelphia a better place to live, work, and play.

Our city now faces a period of great strain and turmoil, and our solution must be to build upon what works—expand upon our successes while charting a new path toward a more equitable community.

CDCs have demonstrated they are up to the task when times are tough—supporting and bolstering our most economically marginalized neighbors, despite the hurdles. When private investors vanished during the Great Recession, CDCs created stable homes and places to shop. They kept people employed and spread wealth into the city, all while ensuring that folks got the services and compassion they needed and deserved.

As we look ahead, we must recall that CDCs work to improve the city for all, and they leverage essential partners and resources that will enhance the future of our city. We, and our leaders in Washington, Harrisburg, and City Hall, must ensure that CDCs are strong, funded, and have the capacity to see us through these challenging times.

In 2012, PACDC released an economic analysis that demonstrated the value of CDCs—in both times of challenge and prosperity. Facing challenging times again, we thought it appropriate to update it and share the substantial economic impact our members have made in our city. We invite you to join us.

CDCs are a consistent neighborhood investor

Our 2012 Collective Strength Report’s chart on New and Rehabilitated Housing Units Completed by CDCs vs. Private Sector demonstrates the reliability of CDC investments even in times of significant economic hardship in which private market investment stagnates.

Methodology

This report derives data from “Creating a Just and Inclusive Philadelphia: The Cumulative Economic Impact of CDCs,” an economic analysis prepared by Econsult Solutions in 2019. Econsult’s analysis explores the positive economic outcomes generated by the work of community development corporations (CDCs) in Philadelphia. The full economic analysis and methodology can be viewed at www.pacdc.org/CDCImpactReport. Data for Econsult’s analysis were obtained by surveying local CDCs. Sixty-five respondents provided detailed information on construction, rehabilitation and other physical investment projects they have undertaken, as well as annual programmatic and operating expenditures they have incurred. Additional data were obtained from city agencies, including the Division of Housing and Community Development, Philadelphia Housing Development Corporation, and the Department of Commerce, as well as CDC Federal tax returns. Since projects with incomplete information were not included in the analysis and there are other CDCs in the city that were not surveyed, the actual aggregate amounts and impacts associated with CDCs are larger than what is depicted in this report.
Philadelphia’s community development corporations (CDCs) are national leaders in promoting sustainable, equitable development to revitalize our communities, assist our neighbors, and strengthen our city. In the past 28 years, our CDC industry has been a vital part of our social service and economic fabric—offering continued investment even during the Great Recession. Their expenditures in affordable housing, economic development, community facilities, vacant property reuse, and more have added $5.4 billion to Philadelphia’s economy. CDC investments built household wealth, generated needed tax revenues for the City and School District, and created thousands of full-time equivalent jobs. While these numbers are impressive, they merely hint at the human impact that our CDCs have in helping individuals and families thrive, improving our neighborhoods, and making Philadelphia a more just and equitable city.

Over the past 28 years, CDCs in Philadelphia have directly invested more than $3.9 billion in Philadelphia’s communities to improve streetscapes, revitalize neighborhood shopping districts, and build/rehab affordable homes. In turn, this substantial investment in labor and materials realized an additional $1.5 billion in local economic activity in sectors ranging from retail to health and beyond. This work has created nearly 13,000 full-time equivalent jobs locally and generated $45 million in tax revenue for the city. These investments have also raised the values of nearby properties, creating $2.4 billion in new wealth for Philadelphia homeowners and generating more than $18 million annually for local schools. Statewide, these investments resulted in $9 billion in economic activity, $137 million in tax revenue for the Commonwealth, and nearly 46,000 full-time equivalent jobs.

“I want to recognize the dedication of PACDC and all our local CDCs—along with the community developers, investors, and activists—who have been doing this work for so long and will ensure Philadelphia comes back stronger than ever as our city and nation prepare for long-term economic recovery in the wake of COVID-19. I have no doubt that if we continue to promote equitable growth throughout our city and public spaces, we will grow our economy in ways that will benefit all of our residents and businesses.”

—Mayor Jim Kenney

“Philadelphia is home to vibrant neighborhoods of choice, and community development corporations are critical to that ongoing development. As our city continues to grow, CDCs are essential partners in our equitable development strategy to ensure that no community is left behind.”

—Council President Darrell Clarke
The $5.4 Billion Local Impact of Philadelphia Community Development Corporations

Direct expenditures of $3.9 Billion triggered indirect spending of $1.5 Billion.

**TOTAL PHILADELPHIA ECONOMIC IMPACT SINCE 1992**

$5.4 Billion

**EMPLOYMENT**

+12,790 Jobs*

*Full-Time Equivalent

**PROPERTY VALUES**

+$2.4 Billion

$33.2 Million Annual Increase in Property Tax Revenues
($15 million to the City and $18.2 million to the School District)

**ONE-TIME TAX REVENUE**

+$45 Million

**COLLECTIVE STRENGTH**

The $5.4 Billion Local Impact of Philadelphia Community Development Corporations

**Direct expenditures** of $3.9 Billion triggered indirect spending of $1.5 Billion.

**INDIRECT EXPENDITURES**

$1.5 Billion

Additional expenditures resulting from the direct investment that have significant economic impact.

**DIRECT EXPENDITURES**

$3.9 Billion

For new and rehabilitated homes, revitalized commercial corridors, community facilities, and more.
The $9 Billion Statewide Impact of Philadelphia Community Development Corporations

TOTAL PENNSYLVANIA ECONOMIC IMPACT SINCE 1992

$9 Billion

Direct expenditures of $3.9 Billion triggered indirect spending of $5.1 Billion.

DIRECT EXPENDITURES

$3.9 Billion
For new and rehabilitated homes, revitalized commercial corridors, community facilities, and more.

INDIRECT EXPENDITURES

$5.1 Billion
Additional expenditures resulting from the direct investment that have significant economic impact.

EMPLOYMENT

+45,820 Jobs*
* Full-Time Equivalent

ONE-TIME TAX REVENUE

+$137 Million
CDC INVESTMENTS REACH NEARLY ALL OF THE CITY’S NEIGHBORHOODS

Geographic Distribution of New Construction, Major Rehabilitation, and Other Community Investments Completed by CDCs 1992 to 2019

PHILADELPHIA CDC INVESTMENT ACTIVITIES 1992-2019

60%
HOME CONSTRUCTION & REHABILITATION

38%
SMALL BUSINESS CONSTRUCTION AND REHABILITATION

2%
OTHER*
*mixed-use, institutional, streetscape improvements, etc.

JOBS BREAKDOWN

40% Direct Construction
60% Indirect and Induced Jobs in Supported Industries

19.1% Retail
10.7% Healthcare
9% Manufacturing
7.8% Real Estate
6.6% Professional & Scientific
46.7% Other

IMPACT FROM CDC OPERATIONS AND PROGRAMS IN PHILADELPHIA AND PENNSYLVANIA

ANNUAL JOBS
2,240 | 4,370

ANNUAL ECONOMIC IMPACT
$302 Million
$415 Million

ANNUAL TAX REVENUE GENERATED
$2.8 Million
$6.6 Million

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