PNC Commits $10M To Support Small Businesses In Pittsburgh

Community Development Banking program-related investment through the PNC Foundation aims to provide further economic relief to local minority-owned businesses and entrepreneurs

PITTSBURGH, Aug. 13, 2020 – Underserved Pittsburgh neighborhoods and struggling small business owners will benefit from three programs significantly supported through a $10 million program-related investment announced today by PNC Community Development Banking and the PNC Foundation.

The funding will be distributed as follows:

- $6.5 million will go toward the Emergency and Recovery Loan Fund. This fund was established to assist in mitigating the COVID-19 economic impact and to help small businesses stabilize in the face of current financial challenges.

- $2.5 million will be deployed to a nascent community development financial institution (CDFI) pending certification from the Treasury Department, which will focus on assisting businesses located in low- and moderate-income (LMI) communities, businesses located in predominantly minority communities that have historically experienced decades of disinvestment and difficulty accessing capital, and nonprofits that serve minority and LMI communities.

- $1 million will be used to expand Catapult: Startup to Storefront, an accelerator and retail business incubator for minority and women entrepreneurs who want to start or grow a business. The program plans to use this funding to bring its successful model to businesses in communities beyond the East Liberty neighborhood.

All three of these programs are operated or managed by the Urban Redevelopment Authority (URA) of Pittsburgh.

“Small businesses play a crucial role in our communities and the broader economy, and many are struggling right now,” said Cathy Niederberger, executive vice president of community development banking for PNC. “The pandemic has wreaked havoc on small businesses in general and certain neighborhoods in particular. Studies have shown a definite correlation between areas with high COVID-19 rates and where Black-owned businesses are struggling. The struggle, and even the failure rate, is more pronounced among these businesses nationally, and we can infer that the same situation exists here in Pittsburgh. We believe strongly in bolstering the economic empowerment and vibrancy of our communities and we continue to find opportunities to support small businesses, particularly in underserved neighborhoods.”

The vast majority of PNC’s funding will benefit minority-owned small businesses in low- and moderate-income neighborhoods, with 15 percent of the total investment directed toward childcare providers. This investment is aligned with the priorities of both PNC Community Development Banking and the PNC

Foundation, which have a sharp focus on boosting the quality of life in low- and moderate-income communities through neighborhood revitalization, economic development initiatives, early childhood education, financial education, consumer programs, and community development lending and investing. PNC's long history of economic empowerment efforts has earned the company an "Outstanding" rating under the Community Reinvestment Act since those examinations began more than 40 years ago.

"When the economic impact of the coronavirus pandemic began to take hold, PNC's employees jumped into action, working tirelessly to deliver for our small business clients and the communities in which we operate," said Lou Cestello, head of regional markets and regional president of Pittsburgh for PNC. "This $10 million investment is another example of our ongoing commitment to extending necessary support to Pittsburgh small business owners, particularly those in underserved neighborhoods during this time of heightened hardship."

The investment supplements several efforts already underway throughout the country to directly assist communities during this time of uncertainty and economic turbulence. In March 2020, to further support small businesses that may lack access to traditional financial institutions, PNC committed more than $50 million to eight community development financial institutions (CDFIs) across the country to support their own origination of PPP loans in potentially underserved geographies and sectors. In April, PNC announced $30 million in charitable support of coronavirus relief efforts, primarily directed toward basic needs and hardship relief programs across the markets in which PNC operates. In June, PNC announced a $1 billion commitment to help end systemic racism and support economic empowerment of African Americans and low- and moderate-income communities.

"PNC's investment will be a major boost to the tools the URA is creating to support Pittsburgh's diverse neighborhoods and businesses, including the nationally-recognized Catapult program helping minority and women entrepreneurs," said Mayor William Peduto. "This is exactly the kind of transformative partnership with the corporate community that we need to address deep racial and economic disparities in our city, especially in a time of great need for our residents."

The PNC Foundation, which receives its principal funding from The PNC Financial Services Group (www.pnc.com), actively supports organizations that provide services for the benefit of communities in which it has a significant presence. The foundation focuses its philanthropic mission on early childhood education and community and economic development, which includes the arts and culture. Through Grow Up Great, its signature cause that began in 2004, PNC has created a bilingual $500 million, multi-year initiative to help prepare children from birth to age 5 for success in school and life.

CONTACT:
Olivia Lammel
412-952-4880
olivia.lammel@pnc.com
