



First Step

Category: **BUSINESS** | Geography: **PENNSYLVANIA**

Reinvestment Fund is helping First Step provide employment opportunities for the homeless.

With Reinvestment Fund's financial help, First Step Philadelphia acquired OTS Staffing, a Philadelphia-based light industrial and services staffing firm, and converted company into a mission-driven, non-profit dedicated to finding employment for formerly homeless individuals.

First Step Philadelphia is a subsidiary of First Step Staffing, Inc., an Atlanta-based non-profit formed in 2006. Most of the parent company's associates have life experiences that have created significant barriers to workforce entry and re-entry, from formerly homeless or incarcerated individuals to veterans who have difficulty returning to civilian life.

The organization anticipates employing 750 mostly homeless and formerly incarcerated individuals daily in year one—a figure First Step anticipates will rise to 1,000 by the end of year three.

Reinvestment Fund has been engaged with First Step for nearly a year prior, first meeting through Invest Atlanta, and asked to provide some guidance as leadership considered options

FINANCING SUMMARY

- \$1.2 million mini-permanent loan

IMPACT

- 750 quality jobs for formerly homeless and incarcerated individuals in first year
- Increased labor supply for Philadelphia area businesses

for a first expansion city. Philadelphia was at the top of the list due to the composition of its labor market and homelessness issues and the city's already-existing social services infrastructure. With a per capita homeless population larger than any city besides Detroit, Philadelphia also offered good public transportation, an engaged group of public officials and nonprofit partners, many regional employers in the light industrial sector and several attractive acquisition targets.

Reinvestment Fund partnered on financing with Nonprofit Finance Fund, LISC and PIDC to purchase OTS' Philadelphia area operations and provide working capital to serve as liquidity in

the early days of its operations. A number of philanthropic funders and impact investors are also supporting the project.

Not only will Reinvestment Fund's loan help potential employees who have a difficult time securing a job, but it will also support employers in Reinvestment Fund's core market of Philadelphia.

This loan aligns closely with Reinvestment Fund's essential mission of directly providing economic opportunity for extremely low-income individuals who face various challenges to employment and stability.



REINVESTMENT FUND

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REINVESTMENT FUND is a catalyst for change in low-income communities. We integrate data, policy and strategic investments to improve the quality of life in low-income neighborhoods.

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