

Overview

The Merchants Fund (TMF) is a Philadelphia nonprofit established in 1854 to provide charitable gifts to businesspersons facing financial hardship. After a leadership transition in 2018, TMF worked to deepen its role in the local small business ecosystem, aiming to be a trusted and values-led partner. In Fall 2021, it began developing a multi-year strategic plan, emphasizing support for historically marginalized small business owners and reinforcing its commitment to equity. The plan aims to clarify TMF's role as a trust-based philanthropic organization and enhance its infrastructure to support a thriving small business ecosystem in Philadelphia.

Context

From 2019-2022, TMF focused on addressing disparities in the small business community, prioritizing BIPOC-, immigrant-, and women-owned businesses. In 2020, over 91% of grants were awarded to BIPOC merchants. TMF's grant programs, including Beyond the Grant (BtG), provide both capital and technical assistance to combat historical inequities.

TMF transitioned from a private foundation to a public charity in October 2022. The strategic framework addresses the implications of this change while reinforcing TMF's commitment to its mission. Governed by a 16-member board with nearly 75% identifying as BIPOC, TMF aims to maintain a board that is reflective of the community it serves. Led by Jill Fink, the team includes an Operations Manager and a BtG Coach.

Desired State

Over the next three years, TMF's priority is supporting BIPOC, women, and immigrant-owned businesses, aiming to address historical challenges in accessing traditional capital. With a commitment to equity, TMF plans to leverage its leadership's connectivity and financial resources to amplify its impact. It emphasizes collaboration, a trust-based high-touch model, and meeting businesses where they are.

Board:

- Maintain board engagement levels
- Ensure diversity reflective of served communities
- Sustain high-functioning board-led committees
- Establish effective term durations and succession planning
- Foster a culture of learning and accountability

Team:

- Minimal staff growth during implementation
- Consider additional support for key programmatic activities
- Prioritize engaging staff or contractors with small business experience

Organization:

- Transition from private foundation to public charity without changing the funding model
- Avoid becoming a traditional non-profit fundraising organization
- Remain nimble and able to serve as a funding intermediary
- Regularly review and refine internal policies
- Invest in training for staff and board, emphasizing anti-racist and equitable practices

Vision

We envision a future where Philadelphia small businesses and their owners thrive, and where talented and diverse merchants have equitable access to meaningful assistance, capital, and other resources necessary to build business, family, and community wealth.

Mission

The Merchants Fund provides grants and other support to merchants and small businesses in Philadelphia.

Values

➤ *Justice*

We acknowledge that structural inequities have limited access to opportunities for historically marginalized communities and have stifled overall economic development in Philadelphia. We intentionally direct resources to people in these communities, strive to center their voices throughout the decision-making process, and adopt policies and practices that advance diversity, equity, inclusion, and belonging.

➤ *Service*

We are servant leaders. We approach our work from a place of humility, respect, empathy, approachability, and deep listening. We recognize that as stewards of community resources, we are accountable to those we serve, and thus actively work to mitigate power differentials in grantmaking.

➤ *Relationships*

We prioritize the time to invest in people and build authentic relationships grounded in trust, integrity, openness, and kindness. We encourage opportunities for collaborations that will enhance shared goals and foster meaningful community-building.

➤ *Courage*

We celebrate the entrepreneurial spirit. We take risks and recognize failure as an opportunity to evolve and create new approaches to advance our mission. We embrace the inevitability of change with a commitment to be adaptive, responsive, and nimble.

North Star

TMF's North Star is rooted in recognizing its privilege as a funder and addressing historical disinvestment in communities of color, especially the community of BIPOC business owners. To achieve this, TMF aims to leverage its leadership's access, involve small business owners in decision-making, align its corpus with values, and provide flexible grants to build wealth within these communities.

The plan allocates 85% of total annual grantmaking to address historic disparities and support BIPOC, immigrant, and women merchants.

Guided by this North Star, TMF will measure its impact based on three key criteria:

1. **Centering People:** TMF aims to center people in its operations, decision-making, and values. This involves engaging the board, leadership, merchants, and partners in thoughtful and meaningful ways to address historical systems of oppression and break down inequities in funder/funded relationships.
2. **Commitment to Amplification:** TMF will leverage its community and financial resources to build partnerships supporting small businesses in Philadelphia. The focus is on creating an ecosystem that highlights merchants' stories, trials, and successes as vital assets to the city's prosperity.
3. **Flexible Capital Use:** TMF will utilize its funds as flexible capital, aligning with its founders' ambitions. This includes grantmaking and mission-driven investments that are responsive, flexible, and aligned with the evolving needs of small business owners.

Key Priorities

TMF identified four key priorities through a literature review, stakeholder interviews, and a Board retreat. These priorities represent significant areas of focus, broken down into smaller initiatives and tactics within the Strategic Framework. Each key priority is defined by a strategic objective, indicating TMF's desired state. Strategic initiatives – annual tactics supporting each priority – are designated to TMF team members or standing committees. Aligned with TMF's commitment to equity, these priorities encompass impacts, emphasizing the implementation of strategic initiatives throughout the plan's duration.

- 1. Community:**
 - Strategic Objective: Define, deepen, and transparently engage with Philadelphia's micro and small business communities.
 - Strategic Initiatives: New grant strategy, collaboration with the Department of Commerce, and enhancing business coaching capacity.
- 2. Convener:**
 - Strategic Objective: Leverage the expertise of the Board and leadership to convene trusted partners.
 - Strategic Initiatives: Deepen relationships within the small business ecosystem, leverage Board experience for organized partnership building, and align intern/fellowship projects with TMF values and goals.
- 3. Catalyst:**
 - Strategic Objective: Use capital to create equitable and innovative points of access beyond traditional grantmaking.
 - Strategic Initiatives: Adopt a new grantmaking program, ensure values alignment within investments, and engage merchants in grantmaking decisions.
- 4. Capacity:**
 - Strategic Objective: Invest resources in internal capacity to bolster the Philadelphia small business ecosystem.
 - Strategic Initiatives: Develop and implement a marketing and communications strategy, seek funding partners, align human resources with the Strategic Framework, and engage the Board in annual enrichment activities.

SUPPORT

Since our founding in 1854, TMF remains the only organization in the Philadelphia region whose sole mission is to provide direct financial support to struggling merchants and small businesses. If you believe - as we do - that small businesses are vital to our neighborhoods and the lifeblood of our communities, please consider a tax-deductible donation to The Merchants Fund by visiting www.merchantsfund.org/donate

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Team

Jill Fink, Executive Director	George Pitsakis, Business Coach	Simon Wellman, Operations Mgr
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