

Economic and Community Development Benefits of Healthy Food Retail

Healthy Eating Research

Building evidence to prevent childhood obesity

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Introduction

For more than two decades, researchers have been gathering evidence to determine whether there are connections between access to healthy food and decreased obesity rates and other diet-related diseases. In general, research shows that when communities have access to affordable, healthy foods, residents purchase and consume healthier foods over time. But improving access to healthy foods, especially in lower-income communities and communities of color in both rural and urban settings goes beyond improving diet and health outcomes: Bringing new food outlets into underserved areas also can provide an economic stimulus in communities that may need it most.

The Evidence

- Grocery stores can generate tax revenues, create jobs, improve housing values, and act as anchors for further commercial revitalization. The Pennsylvania Fresh Food Financing Initiative has spurred a new wave of financing strategies to help expand and attract grocery stores to underserved communities.
- Many neighborhoods do not have access to full-service grocery stores, and not all communities are able to support them. In these situations, corner stores or bodegas often serve as the primary source of food retail. Corner store conversions have been met with mixed results, but healthy corner stores can be profitable when owners are motivated and the appropriate technical assistance, tax incentives, and zoning provisions are provided to decrease barriers to stocking healthy choices and to drive consumer demand.
- Campaigns to promote buying local food can help increase sales of local produce, meat, and dairy products. In turn, small towns, rural communities, and smaller local farmers and ranchers tend to benefit economically from increased local purchasing.
- Urban farming has been reemerging as a strategy for improving food access and stimulating economic revitalization in underserved neighborhoods. Urban agriculture can improve economic health by creating jobs, providing job training and skills development, incubating and attracting new businesses, and helping families save money. Such projects can also serve as a strategy for bringing some of the hardest-to-employ groups into the labor force.



This issue brief is based on a commissioned paper prepared by Erin Hagan, PhD, MBA, Senior Associate, PolicyLink and Victor Rubin, PhD, MCP, Vice President of Research, PolicyLink.

The paper, which includes citations, is available at: littleurl.info/policylink

Alternate URL is: www.healthyeatingresearch.org



- Community gardens are typically smaller operations than urban farming programs, but they offer a relatively easy-entry model for improving healthy food access and generating economic and community development. Community gardens tend to yield a high return on investment—estimated at a one-to-six ratio of dollars invested to value of produce raised—and can generate revenues ranging upwards of \$90,000 per acre.
- Farmers' markets offer fresh local foods and goods, and they can often stimulate local entrepreneurship and serve as vibrant community gathering places that foster social cohesion. An increasing number of farmers' markets across the country also have begun accepting federal nutrition assistance benefits and have created incentive programs to leverage these funds and increase the purchasing power of lower-income consumers.
- The Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) are two federal programs that are designed to help lower-income families meet their nutrition needs. The redemption of SNAP and WIC benefits in local stores and markets provides an economic stimulus that impacts the broader community by generating jobs and additional spending.
- Recently, regional food hubs have garnered attention as a key mechanism supporting the economic sustainability of small-to-medium sized local farms by providing centralized coordination of supply chain logistics, such as aggregation, distribution, and marketing services.
- Agriculture/food systems and transportation systems are inextricably linked—food must be transported to retail outlets, consumers need transportation systems to access food retailers, and food wastes must be transported out of communities after consumption. However, policies regulating the two systems often do not work in concert, and neither system typically does an adequate job of serving people who live in lower-income households.

Conclusions

In addition to helping communities improve residents' health, increasing access to healthy foods confers equally important economic benefits, including providing new jobs and job training programs, increasing wages, creating new tax revenues, stimulating local economic activity, and improving the viability of neighborhood retail districts. Strategies to increase access to healthy foods have the potential to provide significant economic stimulus and community development, which is especially important during economic downturns. At a time when the country is barely out of a recession and when millions of people are still struggling to make ends meet, healthy food access is, and should continue to be, an effective tactic for boosting economic and community vitality.

For decades, both economic and social barriers have prevented many healthy food retailers from entering underserved communities, where the economic benefits that these retailers bring are most needed. However, the tide is starting to turn, as programs offering incentives to retailers, consumers, and producers are providing the encouragement needed to overcome some of these historical barriers. These initiatives often demonstrate positive economic impacts with just a small amount of initial seed capital.



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