



FEATURED SPEAKERS

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Food Access & Economic Impacts: Trends & New Research

June 27, 2013

WEBSITE

www.healthyfoodaccess.org





Pat Smith

Senior Policy Advisor

The Reinvestment Fund





PolicyLink is a national research and action institute advancing economic and social equity by Lifting Up What Works®. www.policylink.org

The Reinvestment Fund is a national leader in rebuilding America's distressed towns and cities and does this work through the innovative use of capital and information to finance projects related to housing, community facilities, food access, commercial real estate, and energy efficiency in the Mid-Atlantic. www.trfund.com

The Food Trust is a nonprofit founded in 1992 to make healthy food available to all by working with neighborhoods, schools, grocers, farmers and policymakers to develop a comprehensive approach that combines nutrition education and greater availability of affordable, healthy food. www.thefoodtrust.org



Healthy Food Access Portal

Healthy Food Access Portal

PolicyLink



Get Started

Resources

Find Money

Policy Efforts

Retail Strategy

News & Events



Welcome to the nation's first comprehensive healthy food access retail portal.

Find resources designed to improve healthy food access in communities, build local economies, and enhance public health. Tap into a learning network that's using retail strategies to connect consumers to healthy food.

Join the Discussion

"Food Access and Economic Opportunity: The Role of CDFIs," Don Hinkle-Brown, TRF



Resources

Find Money



WEBINAR-The Grocery Gap: A Training for Grocers

News

Events



Food-Stamp Use Rises From Year Ago
Food-stamp use rose 2.7% in the U.S. in

Policy Efforts

Retail Strategy



Massachusetts

Policy Efforts to Watch: Massachusetts

PolicyLink

The Food Trust

The Reinvestment Fund

Food Access & Economic Impacts

- Jobs creation
- Small business development
- Market opportunities for local farmers
- Revitalized neighborhoods
- Better health outcomes



Food Access & Economic Impacts

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2013

[Reports, Summary Case Studies](#)

Economic and Community Development Outcomes of Healthy Food Retail

This white paper contains select examples and evidence to illustrate the importance of considering the actual and projected economic impacts of healthy food retail. The paper seeks to encourage researchers and policymakers to consider the economic aspects of improving access to healthy food, in addition to the health impacts, which have been the traditional area of study.

[Go To Resource](#)

Tags: [Communities Of Color](#), [Low-income Communities](#), [Economic Impacts](#), [Healthy Food Access](#), [Health Impacts](#), [Community Revitalization](#)

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Dick Voith President & Principal Econsult Solutions



ECONSULT SOLUTIONS, INC. PROFILE

ECONOMICS | POLICY | STRATEGY

QUANTITATIVE AND STRATEGIC ANALYSIS

- Economic Development
- Real Estate
- Transportation
- Public Policy

RECENT PROJECTS

- The value of open space
- Strategic Investment in Chicago Retail Corridors
- The Economic Value of SEPTA
- Impact of Supermarkets on Urban Land Value

ECONOMIC ANALYSIS OF PROJECT IMPACTS

OVERVIEW

1. MULTIPLIER ANALYSIS
2. ECONOMIC IMPACT ANALYSIS
3. FISCAL IMPACT ANALYSIS
4. COST BENEFIT ANALYSIS



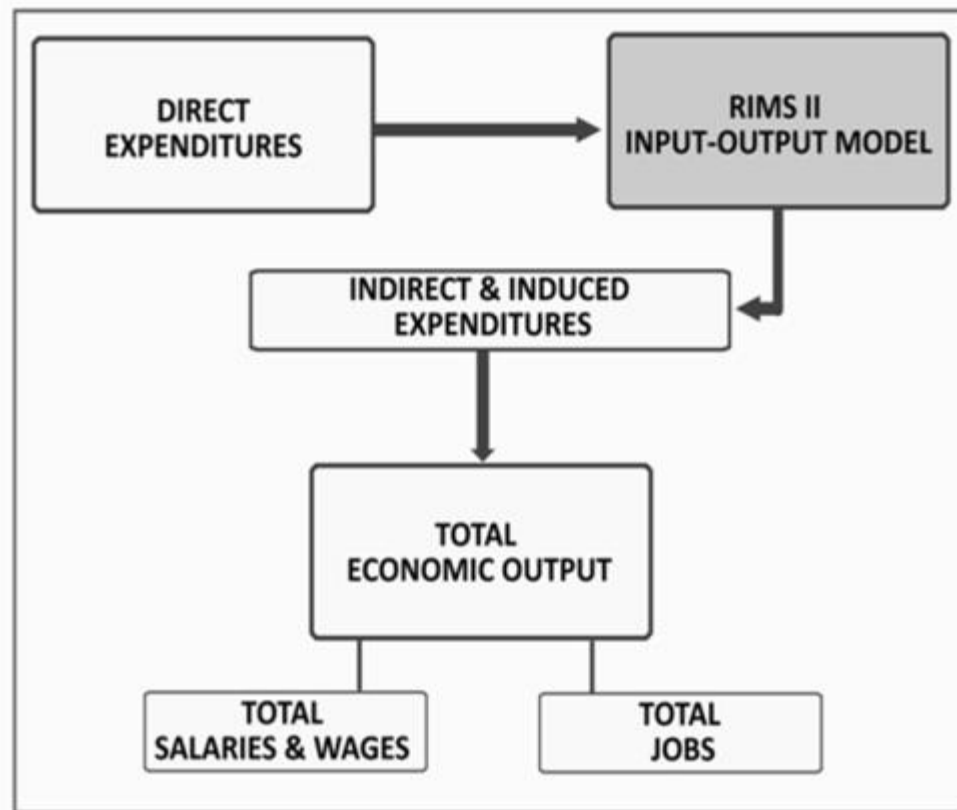
THE REINVESTMENT FUND
Capital at the point of impact.



MULTIPLIER ANALYSIS

- Simplest, most common analysis
 - Based on County or Larger “Input-Output” Models
- Methodology to estimate the impact of a project on
 - Employment
 - Economic Activity
- Direct and indirect impacts

MULTIPLIER ANALYSIS



Source: Econsult, 2009

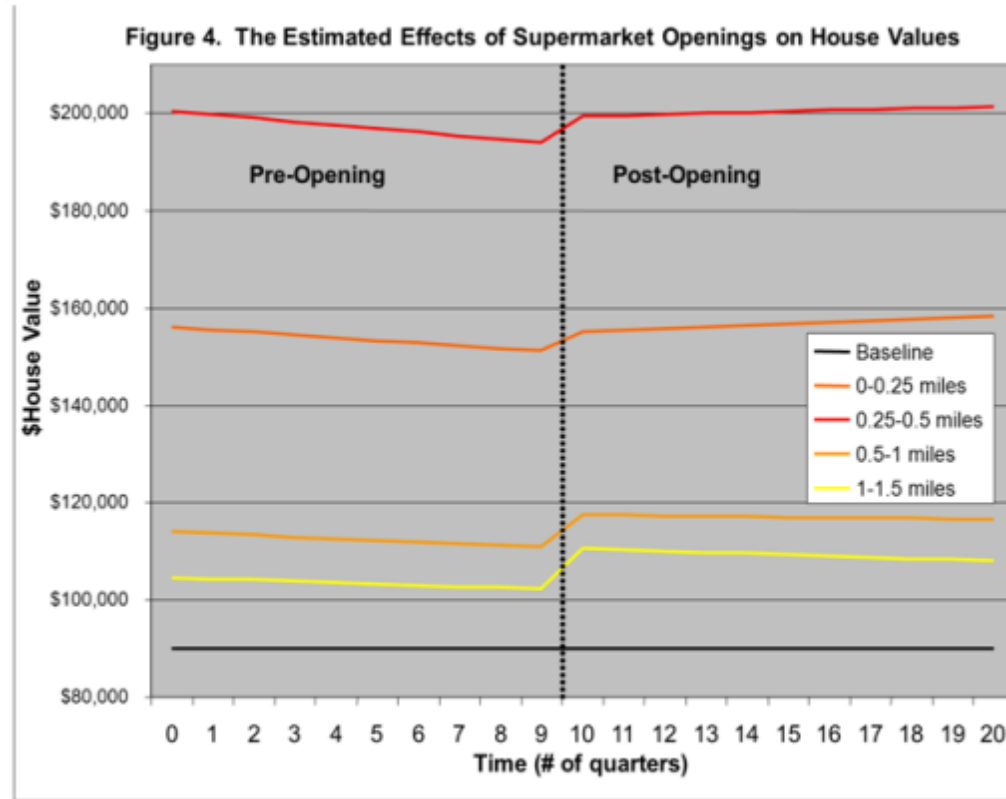
MULTIPLIER ANALYSIS

- Often abused
- Useful when properly conducted
- More importantly, useful when properly interpreted
- Measurements typically useful for larger geographic areas such as counties, metro areas or states

ECONOMIC IMPACT ANALYSIS

- Broader array of potential impacts:
 - Real estate impacts
 - Human capital development
 - Infrastructure investment
- Often with specialized geographic area of impact
- Frequently examine “leverage”
- Typically includes Multiplier Analysis

ECONOMIC IMPACT ANALYSIS



6

Source: Econsult, 2010



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FISCAL IMPACT ANALYSIS

- Examines the effect of a project or policy on
 - Government expenditures
 - Government tax and fee revenues
- Often based on data from Multiplier Analysis and Economic Impact Analysis
- Frequently used to justify subsidies or other government concessions needed for the project

COST BENEFIT ANALYSIS

- Rigorous comparison of project costs and benefits
 - Inclusive of all costs and benefits
 - Current and future flows evaluated
 - Present discounted value of future cost and benefits
- Frequently used in Europe for policy guidance
 - Expensive
 - Often requires judgment
 - Probably the best approach
- Rarely used for advocacy

USING ECONOMIC AND FISCAL IMPACT ANALYSIS

- Tool for communicating POTENTIAL BENEFITS in terms that leaders and public understand
- DEFENSIBLE if conducted and interpreted properly
- Leaders often focused on JOBS AND EARNINGS
- Leaders want to know impacts on GOVERNMENT FINANCES

GOVERNMENT PROGRAMS REQUIRING ECONOMIC ANALYSIS

- **FEDERAL:**
 - New Markets Tax Credit
 - Tiger Grants
 - EB5
- **PENNSYLVANIA**
 - Redevelopment Assistance Capital Program (RACP)

ECONOMIC IMPACTS URBAN FOOD INITIATIVES

- Health Benefits of food ACCESS
- LOWER PRICES for food
- JOBS for local residents
- SAVINGS generated by local production
- LINKS between urban and rural communities

ECONOMIC IMPACT STUDY



WAKEFERN FOOD DISTRIBUTION CENTER

TRF Investment + New Market Tax Credit Program

- Creates JOBS
- Catalyzes ECONOMIC GROWTH in area with very low development

EIS SUMMARY

- Generates economic activity for City, State, region
- NEW CONSTRUCTION produced one-time economic impacts
- CONTINUED OPERATIONS represent ongoing annual economic impacts

ECONOMIC IMPACT STUDY



SCHMIDT'S SUPERMARKET

TRF Investment + New Market Tax Credit Program

- Fund “POINTS OF IMPACT” – investment finance is scarce
- Trigger ECONOMIC GROWTH
- Create STRONGER COMMUNITIES

EIS Summary

- Generates economic activity for neighborhood and City
- NEW CONSTRUCTION produced surge in local agricultural producers, provide jobs
- Increased indirect Expenditures induced expenditures

Source: Econsult, 2012

ECONOMIC IMPACT STUDY

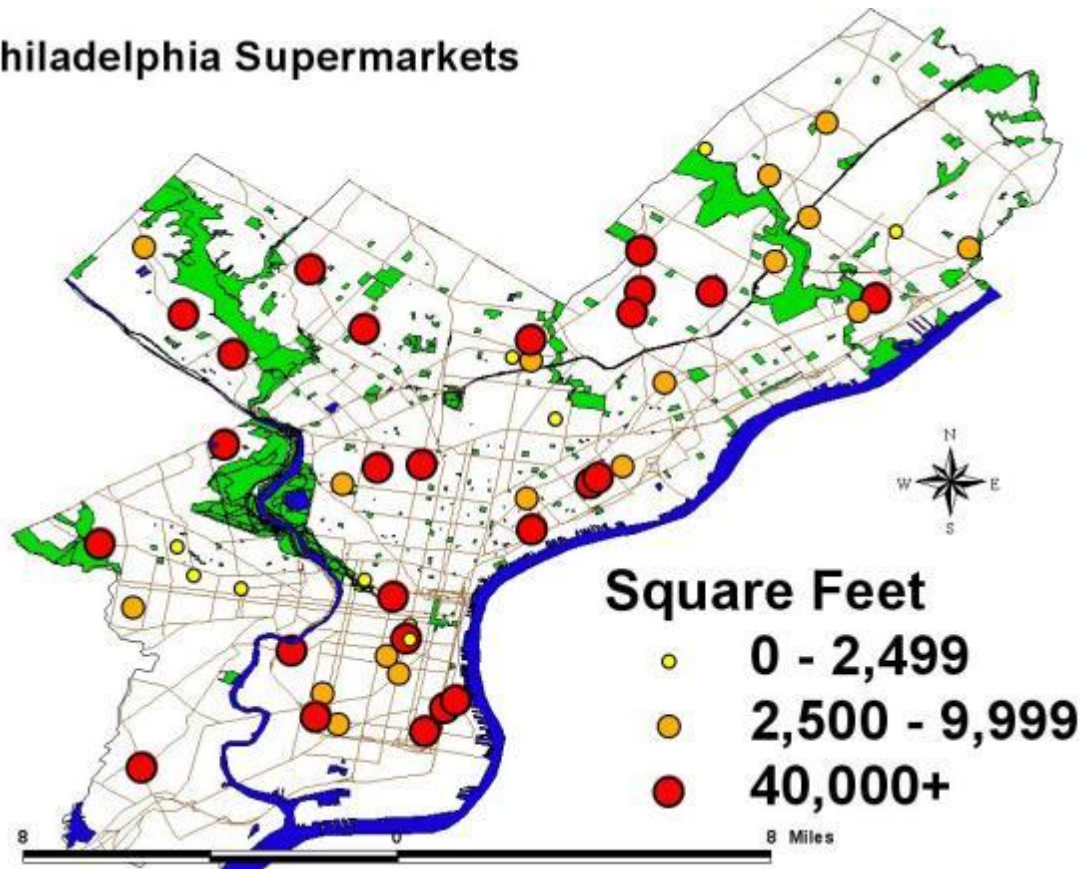


THE ECONOMIC IMPACTS OF SUPERMARKETS ON THEIR SURROUNDING COMMUNITIES

- Diminished value of properties lacking a Supermarket in the vicinity.
- Substantial increases in property values of nearby homes
- Positive impact on price levels

DATA & MAPPING

Philadelphia Supermarkets

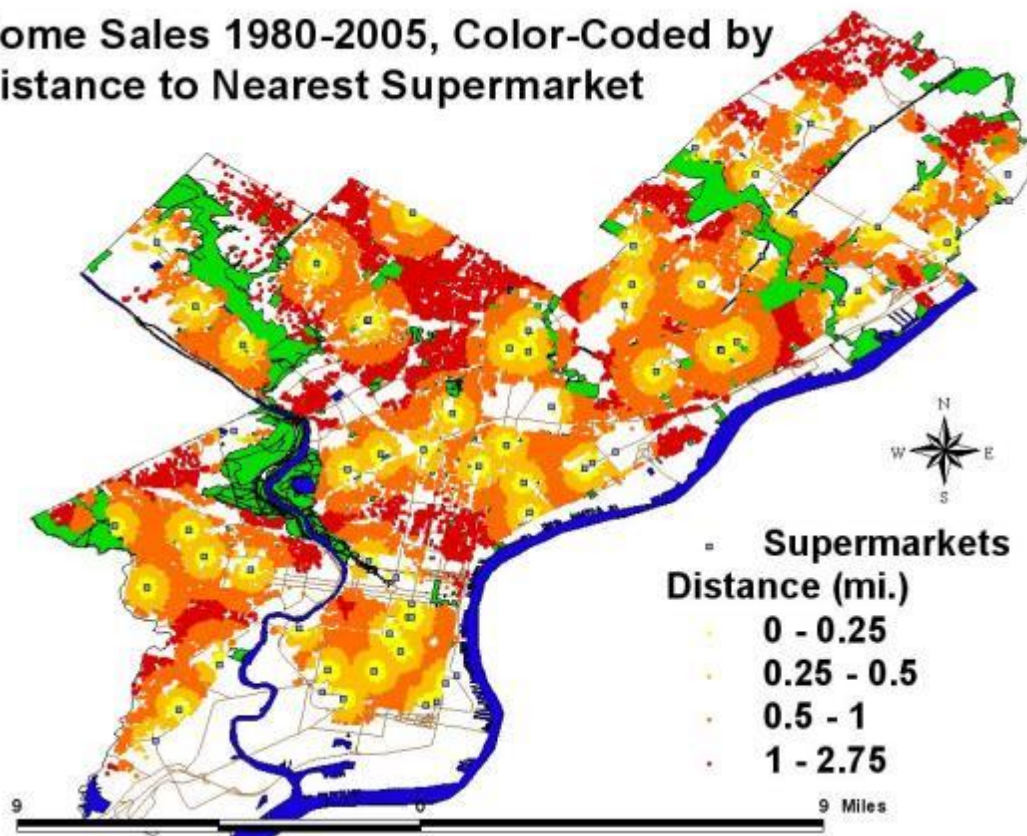


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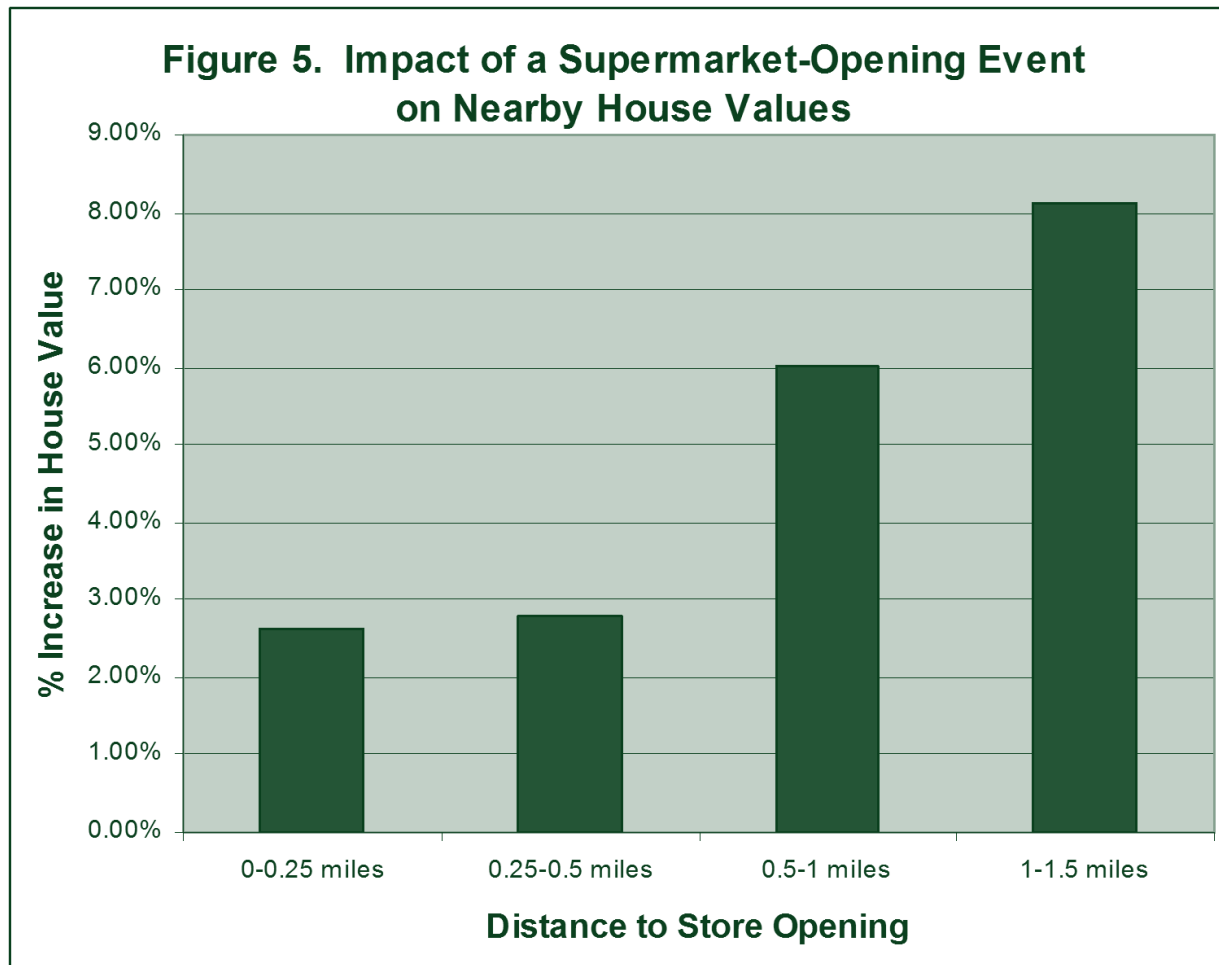


DATA & MAPPING

Home Sales 1980-2005, Color-Coded by Distance to Nearest Supermarket



DATA & MAPPING





Lance Loethen Research Associate The Reinvestment Fund



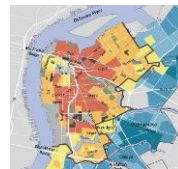
TRF PROFILE

THE REINVESTMENT FUND BUILDS WEALTH AND OPPORTUNITY FOR LOW-WEALTH PEOPLE AND PLACES THROUGH THE PROMOTION OF SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT.

- Over **\$1 billion** in cumulative investments and loans throughout the Mid-Atlantic
- Currently manage nearly **\$700 million** in capital, with 830 investors



Lending and Investing



Policy & Information Services



Real Estate Development



PolicyMap

TRF AND SUPERMARKETS

TRF works to reduce inequitable access to healthy foods by:

- **Underwriting loans and providing grants** to support viable food retail options
- **Conducting policy research** related to supermarket development, food systems and free/reduced price lunch programs
- **Providing technical assistance services** to CDFIs, Foundations and other organizations to close the gap in access/knowledge

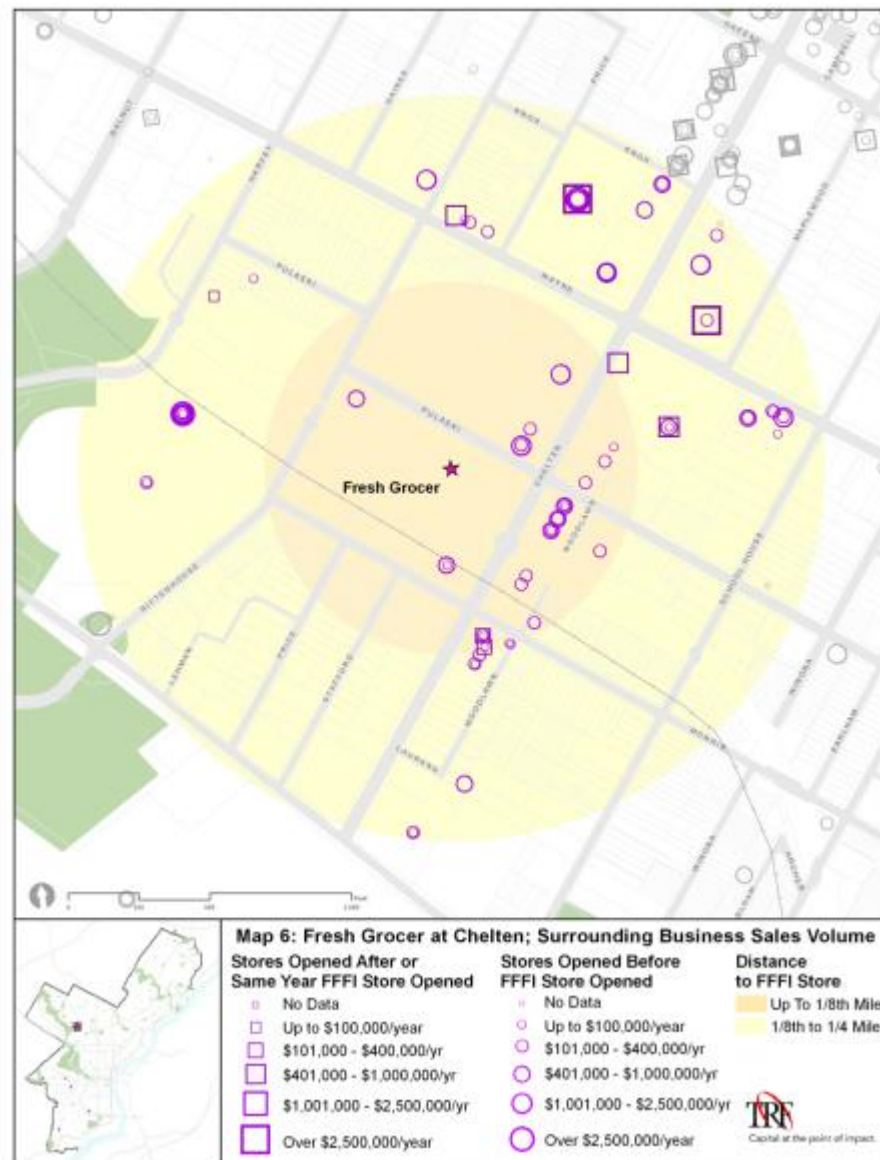
EXISTING TRF RESEARCH

- Brown's ShopRite Case Study
- FFFI Rural Grocery Case Study
- Limited Supermarket Access (LSA) Study
- Projected Outcomes for HFFI
- Food Systems Research (beyond retail)

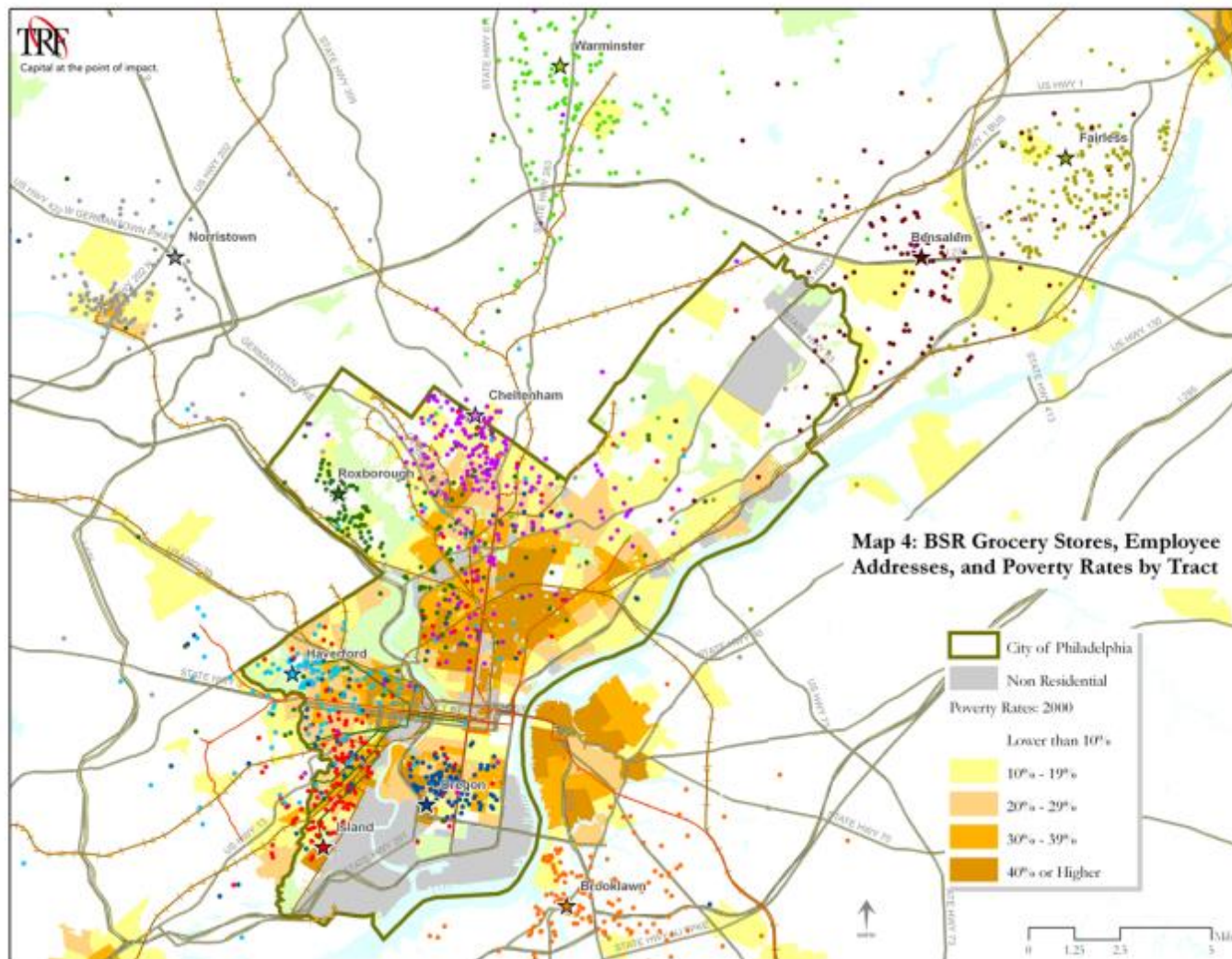
BROWN'S SHOPRITE CASE STUDY

- Place-based impacts: store location
 - Income/poverty characteristics of surrounding area
 - Potential to attract additional commercial development
- People-based impacts: employees and customers
 - Where do employees and customers reside?
 - Job tenure, turnover rates, advancement, and wages
- Development and operating costs
 - Low-cost financing helps close the gap in distressed urban areas

Surrounding Business Sales Volume



BROWN'S SHOPRITE CASE STUDY



BSR Stores Receiving TRF Funding Sales by Zip Code and Poverty Rate

Brown's ShopRite Stores

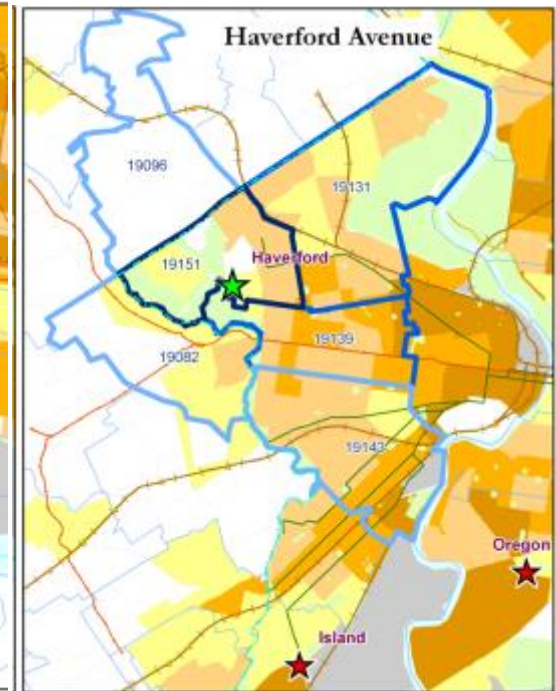
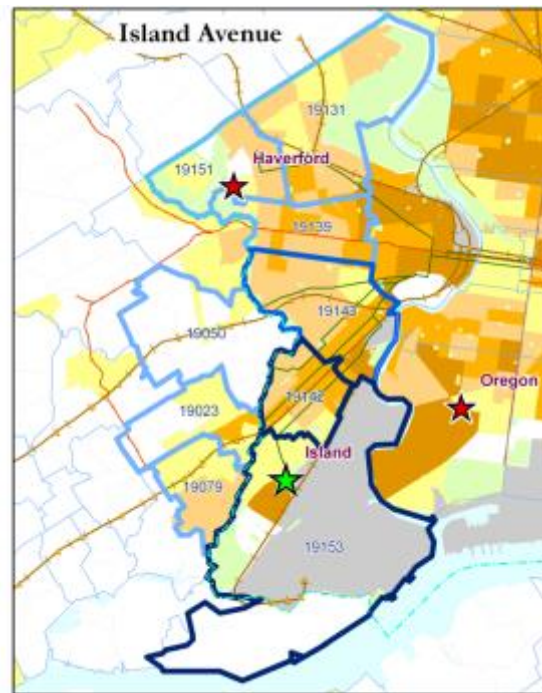
- ★ Featured Store
- ★ Other BSR Funded by TRF
- ★ Other BSR Not Funded by TRF

Annual Sales by Zip Code: 2007

- Tier 1
- Tier 2
- Tier 3
- Tier 4
- City of Philadelphia Boundary

Poverty Rates: 2000

- Lower than 10%
- 10% - 19%
- 20% - 29%
- 30% - 39%
- 40% or Higher
- Non Residential



FFFI RURAL GROCERY CASE STUDY

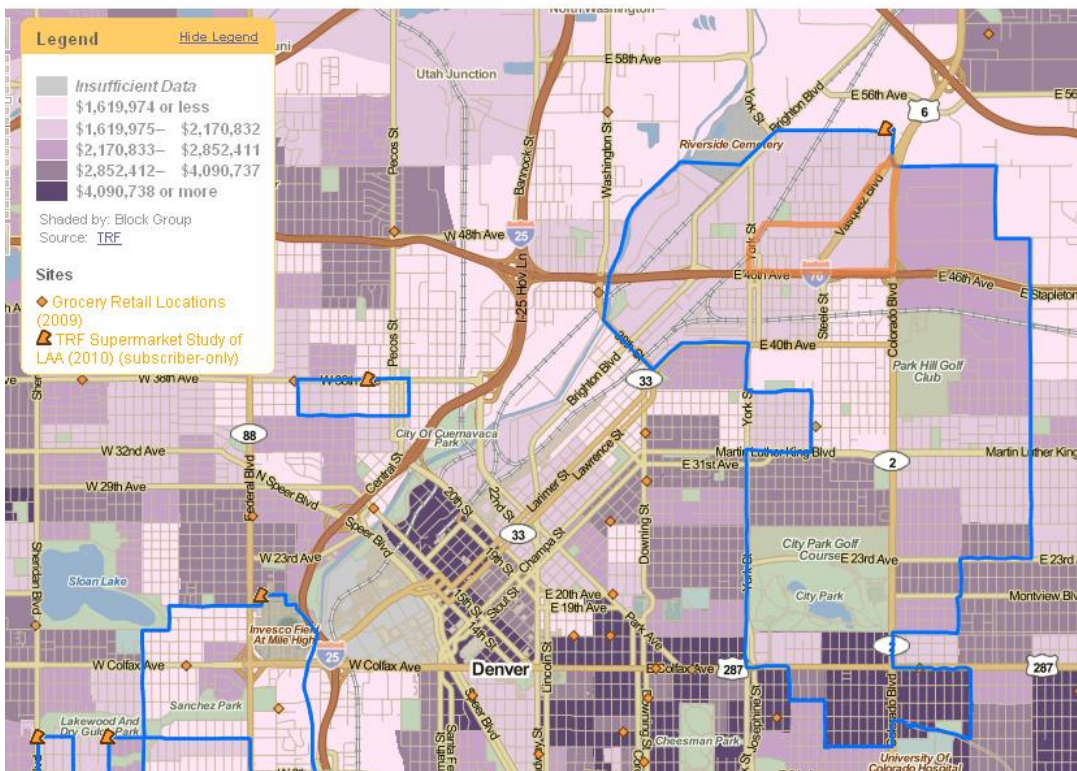
- Modernization of rural grocery stores
 - Lighting, food displays, equipment, scanning systems
 - Kitchen facilities to facilitate prepared food sales
- Impacts
 - Increased revenue on existing inventory
 - New revenue at higher margins from prepared food sales
 - Better able to compete with national and regional chains

LIMITED SUPERMARKET ACCESS (LSA)

- Identify areas with inequitable access to food retail
 - Distance traveled vs. non-low income peer areas
 - Grocery retail leakage
 - Available on www.policymap.com
- Impacts
 - Maximize service to low-access populations
 - Avoid displacement or closure of smaller grocers
 - Determine an appropriate scale for potential new stores

LIMITED SUPERMARKET ACCESS (LSA)

Total Grocery Retail Demand, as of 2010. [details ▼](#)



LSA Grocery Assessment

Retail Demand: \$70,734,000

of Limited Service Stores: 3

Existing Store Sales: \$354,900

Retail Leakage: \$70,379,100

Leakage Rate: 99%

Retail Sq Ft Leaked: 103,601

All figures are estimated.



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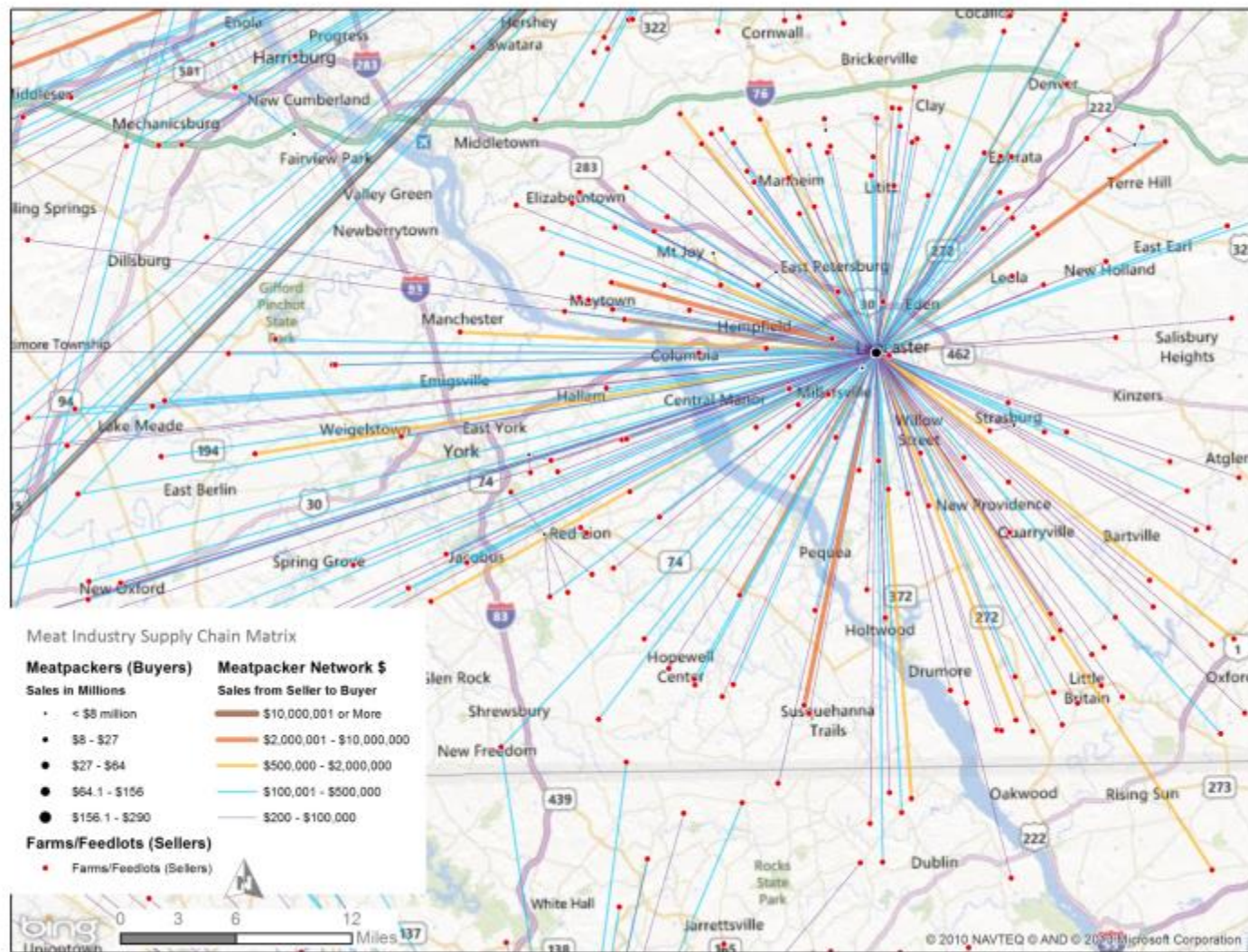
ESTIMATED OUTCOMES FOR HFFI

- Estimate nationwide social and economic outcomes
 - Used PA FFFI portfolio to derive multipliers
 - Applied multipliers to HFFI funding estimates
- Application
 - Projections helped promote HFFI legislation
 - Stressed importance of ongoing HFFI data collection
 - New estimates are being calculated for this year's budget

FOOD SYSTEMS RESEARCH

- Looking beyond retail into food supply chains
 - Local/regional food producers and processors
- Application
 - Illustrate potential economic connectivity
 - Maximize regional capacity
 - Increase regional output and employment (import substitution)
 - Identify economic base and industrial agglomerations

FOOD SYSTEMS RESEARCH

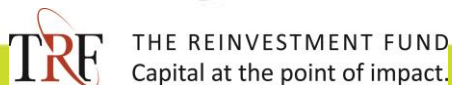
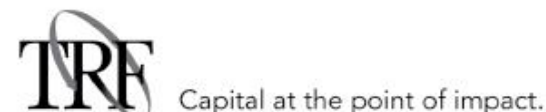


SUPERMARKET RESEARCH TRENDS

- Longitudinal Analysis
 - Use historical data to track supermarket openings/closings
 - Industry shifts and market concentration
- Application
 - Identify areas where access has improved/worsened over time
 - Calculate the population experiencing improved/worsened access
 - Anticipate grocery retail trends in low access areas



Questions & Answers



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Support for the Healthy Food Access Portal was provided by a grant from the Robert Wood Johnson Foundation



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Thank You!

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