SNAPSHOT: Supermarket Redlining Consequences & Choices®



Food Deserts are census tracts defined by the U.S. Department of Agriculture with limited access to healthy foods that are traditionally provided by supermarkets. The continuing presence of food deserts stems directly from redlining – a practice where supermarkets abandon food desert communities or simply refuse to build stores in these communities. Food deserts, however, are not deserts with no human activity. People live and work in these communities and spend millions annually to feed their families.



- In 2015, there were 9,345 food deserts in the U.S. About 40 million people lived in food deserts, representing 12.8 percent of the U.S. population.
- Who lives in food deserts? Predominantly lower-income Blacks and Latinos. The term "Supermarket Abandoned Zones" seems like a more appropriate label than food deserts.

Supermarket Redlining is Harmful to People and Local Economies









Heart Disease

Obesity

Diabetes

Cognitive Deficits

People living in food deserts experience a higher prevalence of chronic illnesses, including heart disease, obesity, diabetes and cognitive deficits. ²



As supermarkets abandon food deserts, dollar stores are growing rapidly in these communities.

Dollar stores: 3

- Provide lower quality, unhealthy foods
- Have rodent-infested food distribution centers
- Are often located close to liquor stores
- Contribute to higher unemployment rates
- Encourage disinvestment in communities

Recent evidence reveals that these factors tell us little about the amount of money that people spend for food at home – which should be a key factor in site location strategies.4 High poverty rates Recent evidence reveals that these factors tell us little about the amount of money that people spend for food at home – which should be a key factor in site location strategies.4

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New Research Identifies the Missing Factor for Assessing Supermarket Potential in Food Deserts

- In a recent study of food deserts in Southern Dallas (Dallas, Texas), the researchers discovered that traditional indicators used in site selection decisions overlooked economic indicators that more strongly predicted food-at-home expenditures. The research led to the development of a new metric for site selection and the creation of a prototype dashboard Urban Site Selection Model that visitors can use to identify food deserts in Texas that reveal a desired level of annual food-at-home expenditures. ⁵
- For example, one Southern Dallas community with several food deserts revealed annual food-at-home expenditures of \$131 million based on the new metric and \$83 million based on more conservative estimates by the Consumer Expenditure Survey by the Bureau of Labor Statistics. A retail report from ESRI revealed that 78 percent of these expenditures were spent outside of this community known as "retail leakage" which happens often from the absence of supermarkets in food deserts.

Three Paths for Addressing Supermarket Redlining Practices

While the supermarket industry remains on the sidelines, following are three potential paths that should be considered in addressing equitable access to healthy foods. Each of these paths holds promise for disrupting the segregated food distribution system created and sustained by supermarket redlining practices.

Public Policies

Public agencies can limit supermarket redlining by:

- Adopting zoning restrictions to limit the growth of dollar stores.
- Stop incentivizing food retailers that avoid food deserts.
- Conduct market studies to guide program investments.
- Involve experienced supermarket professionals to manage food interventions.

Sustainability Projects Restorative Farms in Dallas, Texas is a good example of a sustainability project. It attempts to foster a vibrant and viable community-based urban farm system in Southern Dallas, a community that most needs fresh food access and employment. Their goal is to create a self-sustaining, professionally-run farm system or "agrisystem" to grow and sell fresh and local vegetables; build and sell GroBoxes, seedlings, and soil; and provide meaningful jobs as well as farming and entrepreneurial training. 8

Private Sector Involvement

Case Study: Indy Fresh Market, Arlington Woods, Indiana. A 14,000 square foot full-service supermarket that is scheduled to open Spring 2023 in a zip code with six food deserts that had been abandoned by five supermarkets in recent years. 9 Cook Medical, a high-tech equipment manufacturer, established a new plant in this community and added a grocery store. Additional funding was provided by Impact Central Indiana and other local partners.

- Two African American males who previously operated a convenience store in the community are being trained in supermarket operations and will eventually own the store.
- Our Urban Site Selection Model predicts that **Indy Fresh Market** will be successful for three key reasons: In 2020, the zip code had annual food-at-home expenditures of \$89.8 million, aggregate household income of \$936 million, while 28 percent of households received estimated SNAP benefits of \$27.5 million. ¹⁰