FEATURED SPEAKERS

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Food Access & Economic Impacts: Trends & New Research
June 27, 2013

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

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
Food Access & Economic Impacts

- Jobs creation
- Small business development
- Market opportunities for local farmers
- Revitalized neighborhoods
- Better health outcomes
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
Dick Voith
President & Principal
Econsult Solutions
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**
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

Figure 4. The Estimated Effects of Supermarket Openings on House Values

Source: Econsult, 2010
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

Source: Econsult, 2012
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

Source: Econsult, 2008
DATA & MAPPING

Philadelphia Supermarkets

Square Feet
- 0 - 2,499
- 2,500 - 9,999
- 40,000+

8 Miles
Home Sales 1980-2005, Color-Coded by Distance to Nearest Supermarket
Figure 5. Impact of a Supermarket-Opening Event on Nearby House Values

- **0-0.25 miles**: 2.00%
- **0.25-0.5 miles**: 3.00%
- **0.5-1 miles**: 8.00%
- **1-1.5 miles**: 9.00%

**Distance to Store Opening**

% Increase in House Value
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
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**

Map 4: BSR Grocery Stores, Employee Addresses, and Poverty Rates by Tract

- City of Philadelphia
- Non Residential
- Poverty Rates: 2000
- Lower than 10%
- 10% - 19%
- 20% - 29%
- 30% - 39%
- 40% or Higher
BSR Stores Receiving TRF Funding Sales by Zip Cope and Poverty Rate
**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)

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.
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

Meat Industry Supply Chain Matrix

Meatpackers (Buyers)  Meatpacker Network $  Sales from Seller to Buyer

Sales in Millions
- < $5 million
- $8 - $27
- $27 - $64
- $64.1 - $156
- $156.1 - $290

Farm/Feedlots (Sellers)
- Farms/Feedlots (Sellers)

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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
Thank You!

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