

## **A Healthy Food Financing Initiative Frequently Asked Questions**

### ***1. How many Americans do not have access to a grocery store?***

Access to healthy food is a significant problem for millions of Americans. Nationwide, 23.5 million people live in low-income communities do not have access to a supermarket or large grocery store within one mile of their home.<sup>i</sup> This is 8.4% percent of the population and 33 percent of the population living in low-income communities. Over 100 studies conducted within the past decade have shown that lack of access to healthy food is a real challenge in many low-income urban communities, rural communities, and communities of color.<sup>ii</sup> These communities suffer from higher rates of obesity, diabetes, and other diet-related disease. In addition, these neighborhoods suffer without the jobs and economic vitality that supermarkets can bring.

### ***2. What are the results of the Pennsylvania Fresh Food Financing Initiative?***

The PA Fresh Food Financing Initiative (FFFI) has taken \$30 million in state seed money and leveraged it with additional private investment to create a flexible loan and grant program that has resulted in \$190 million in total project costs. Since 2004, the program has brought 83 new or improved grocery stores into underserved communities, provided more than 400,000 residents with increased access to healthy food, and created or retained more than 5,000 jobs. There are substantial local economic revitalization impacts, including \$540,000 in local tax revenue from a single store in Philadelphia.<sup>iii</sup>

The FFFI has been nationally recognized as an innovative model for improving public health by the U.S. Centers for Disease Control and Prevention, the National Conference of State Legislatures, and the National Governors Association. Last year, the Ashe Institute at Harvard University recognized FFFI as one of the top 15 innovative programs in American government.

### ***3. What are the impacts of a lack of access to healthy foods?***

Where you live affects your health. People living in neighborhoods crowded with fast-food and convenience stores, but relatively few grocery or produce outlets, have a significantly higher prevalence of obesity and diabetes.<sup>iv</sup> Studies demonstrate that adding fresh food retail options to communities lacking affordable, healthy food increases consumption of fruits and vegetables and improves health outcomes.<sup>v</sup>

Studies also demonstrate that in addition to providing access to healthy foods, supermarkets and large grocery stores are important neighborhood economic engines, bringing jobs and revitalization. (For

example, one Philadelphia study showed increased homeowner values as a result of supermarket development.)

#### ***4. Why aren't stores already locating in these communities?***

While the success of the PA FFFI has demonstrated that there is demand for high quality, nutritious and affordable foods in underserved communities, significant barriers to entry exist in these communities. Barriers include lack of access to sufficient capital, costly site assembly, higher development costs, and more expensive workforce development needs. The lack of supermarket and grocery stores in many low-income urban and rural communities represents a market failure that can be addressed through one time grant and loan funding to help offset the higher costs of locating in these communities. There is evidence that when retailers have assistance with these initial start-up costs, they will locate in underserved communities and are able to run successful businesses.

#### ***5. Why do we need a program specifically targeting the grocery industry?***

A flexible program offering financial products specifically tailored to the grocery industry is needed to address the range of barriers to entry faced by grocers in urban and rural communities. Fresh food retailers have traditionally been excluded from state and federal economic development programs. Meeting the need for nutritious, affordable food in underserved communities requires a focused program.

#### ***6. Why do we need a national program?***

Research has shown that urban and rural communities across the country lack access to supermarkets, grocery stores, and other fresh food retailers. This lack of access to high-quality, affordable food contributes to high rates of childhood obesity, diabetes, and other diet-related diseases. Further, grocery stores bring jobs and economic vitality to communities. While some states, like PA, NY, IL, and LA have demonstrated their capacity and willingness to commit resources to addressing this critical issue, the scope and severity of the need calls for action at the national level. A national FFFI is necessary to respond to this pressing public health epidemic and ensure that residents of all communities have access to stores selling affordable, nutritious foods and the health and economic development benefits that grocery stores bring. This is a smart investment in the health and economic well-being of the country and its citizens.

#### ***7. Why would the PA FFFI be successful in other states?***

Conversations with supermarket operators around the country have shown that higher development costs and access to capital are challenges in underserved, urban and rural communities nationwide. The PA FFFI was designed to be **flexible** enough to support a wide variety of fresh food retailers, including full

service supermarkets, small grocery stores, and farmers markets, in a range of local contexts by offering an expansive selection of **financial products** tailored to meet these diverse needs. For example, the program has supported operators like Jeff Brown—to open a large (69,000 sq. ft.) ShopRite supermarket in Philadelphia--- offsetting the higher workforce development and land assembly costs associated with developing a large, new, urban supermarket. The program has also assisted operators like the Sprankles, helping them obtain the necessary financing to operate the only grocery store in a rural community, preventing its closure. While the challenges may not be unique to individual cities, states, or regions, the specific financial product needed will vary for different locations and retail formats. Like the PA model, a national FFFI should be flexible enough to address the barriers to supermarket and grocery store development in diverse contexts by offering a range of financial products.

## **8. What is the consensus among leading public health experts about this issue?**

Leading public health experts indicate that increasing access to healthy food in underserved areas is a necessary component of any comprehensive effort to improve public health and prevent obesity and related diseases.

- **The Institute of Medicine (IOM)** in its book *Preventing Childhood Obesity: Health in the Balance*, 2005 states, "Local governments should work with community groups, nonprofit organizations, local farmers and food processors and local business to support multispectral partnerships and networks that expand the availability of healthy foods within walking distance particularly in low-income and underserved neighborhoods ."<sup>vi</sup>
- **The American Heart Association (AHA)** has recently published a scientific statement in which they recommend that in order to implement the AHA dietary guidelines "local markets should provide greater access to fresh, whole foods for low-income populations through voucher programs, Electronic Benefits Transfer Cards through the Food Stamp program, and the Seniors' Farmers Market Program; create transportation solutions for people to get to local markets. Families should advocate for grocery stores and/or supermarkets in their locale to increase access to fresh, whole foods."<sup>vii</sup>
- **The Centers For Disease Control (CDC)** also believes that "American society has become 'obesogenic,' characterized by environments that promote increased food intake, nonhealthful foods, and physical inactivity. Policy and environmental change initiatives that make healthy choices in nutrition and physical activity available, affordable, and easy will likely prove most effective in combating obesity."<sup>viii</sup>
- **The American Public Health Association (APHA)** in their policy statement on *Environmental Injustices: Research and Action to Reduce Obesity Disparities* "urges the US Congress and state legislatures to enact appropriate policies to provide healthy diet and physical activity environments across homes, schools, communities, work sites, and health care arenas." They go on to say in their policy statement that "[r]esearch indicates that the food environment might directly affect individual dietary behaviors, in particular patterns of away-from-home food eating, through targeted placement of food stores."<sup>ix</sup>

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<sup>i</sup> USDA Economic Research Service. Access to Affordable and Nutritious Food: Measuring and Understanding Food Deserts and Their Consequences. Report to Congress. June 2009.  
<http://www.ers.usda.gov/Publications/AP/AP036/AP036.pdf>

<sup>ii</sup> This list is available upon request.

<sup>iii</sup> See the following references for further information on the PA FFFI results: (1) The Food Trust, The Pennsylvania Fresh Food Financing Initiative. Providing Healthy Food Choices to Pennsylvania's Communities.  
<http://www.thefoodtrust.org/pdf/FFFI%20Brief.pdf>. (2) The Reinvestment Fund. Access to Supermarkets in Inner City Communities, Reinvestment Brief, Issue 5.  
<http://www.trfund.com/resource/downloads/policypubs/CDFIStudySummary.pdf>

<sup>iv</sup> California Center for Public Health Advocacy, PolicyLink, and the UCLA Center for Health Policy Research. Designed for Disease: The Link Between Local Food Environments and Obesity and Diabetes. 2008. Available from <http://www.policylink.org/documents/DesignedforDisease.pdf>

<sup>v</sup> Larson, N, Story, M, and Nelson, M. Neighborhood Environments: Disparities in Access to Healthy Foods in the U.S. American Journal of Preventive Medicine, vol, 36 no.1. 2009. Available from [http://www.ajpm-online.net/article/S0749-3797\(08\)00838-6/abstract](http://www.ajpm-online.net/article/S0749-3797(08)00838-6/abstract)

<sup>vi</sup> Institute of Medicine. Preventing Childhood Obesity: Health in the Balance. Released September 4, 2004. Pg 217.  
[http://www.nap.edu/catalog.php?record\\_id=11015#toc](http://www.nap.edu/catalog.php?record_id=11015#toc).

<sup>vii</sup> Gidding, S, *et. al.* Implementing American Heart Association Pediatric and Adult Nutrition Guidelines: A Scientific Statement from the American Heart Association Nutrition Committee of the Council on Nutrition, Physical Activity and Metabolism, Council on Cardiovascular Disease in the Young, Council on Arteriosclerosis, Thrombosis and Vascular Biology, Council on Cardiovascular Nursing, Council on Epidemiology and Prevention, and Council for High Blood Pressure Research. *Circulation*. 2009:1161-1175.

<sup>viii</sup> Center for Disease Control. <http://www.cdc.gov/obesity/index.html>.

<sup>ix</sup> The American Public Health Association. Environmental Injustices: Research/Action to Reduce Obesity Disparities: Problem Statement. June 18, 2007. [http://www.apha.org/NR/rdonlyres/853914FD-78CF-46BF-AEE5-E061CF6507F7/0/A5HealthDisparitiesObesityrevised\\_06\\_18\\_07.pdf](http://www.apha.org/NR/rdonlyres/853914FD-78CF-46BF-AEE5-E061CF6507F7/0/A5HealthDisparitiesObesityrevised_06_18_07.pdf)

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**The Food Trust, founded in 1992, is a nonprofit organization working to ensure that everyone has access to affordable, nutritious food. [www.TheFoodTrust.org](http://www.TheFoodTrust.org)**

**The Reinvestment Fund creates wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. [www.trfund.com](http://www.trfund.com)**

*For more information, please contact Judith Bell at [jbelle@policylink.org](mailto:jbelle@policylink.org) or (510) 663-2333.*