Fresh Pathways: Strategies to Improve Job Quality and Equity in Food Retail

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Background Information

The holiday season is the perfect time to consider the frontline workers who help keep the shelves stocked and lines moving at the grocery stores where we shop. In today’s discussion, panelists will explore how grocers can contribute to their communities and drive business success by investing in frontline workers, advancing economic and racial equity and expanding access to healthy foods. Bringing together food access advocates, food retail leaders, and workforce development experts, we will discuss what consumers, business owners, and policymakers can do to encourage good working conditions for the people behind our groceries.

Food Retail Industry

Food retail is a $600 billion industry that provides work opportunities for 4.8 million people in over 38,000 stores in the US. Each worker produces an average of $150 in sales per labor hour for the supermarket.¹

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1 Food Marketing Institute, Supermarket Facts, [https://www.fmi.org/our-research/supermarket-facts](https://www.fmi.org/our-research/supermarket-facts)
2 US Census Bureau, Monthly Retail Trade Report, Retail and Food Services Sales, October 15, 2018, [https://www.census.gov/retail/index.html](https://www.census.gov/retail/index.html)
**Food Retail Consumer Trends**

The National Grocers Association conducted a survey among independent grocery store shoppers that found that despite the growth in online shopping, consumers still prefer their local grocers – and they value a great customer service experience:

- **80 percent** of shoppers prefer their local store to an online alternative.
- Brand loyalty is high, with only **14 percent** indicating that they had switched local supermarkets in the past year.
- When considering where to shop for groceries, independent grocery store shoppers value **low prices, friendly staff, cleanliness, availability of local goods, and quality meats and produce**.

**Healthy Food Access**

Access to healthy and affordable food is often determined by neighborhood and correlated with race and socioeconomic class. The United States Department of Agriculture (USDA) estimates that 40 million people live in neighborhoods without easy access to fresh, affordable, and nutritious food options. This is both an urban and a rural issue - an estimated 4.6 million people living in rural areas lack access to a full-service grocery store. Low-income ZIP codes have 25 percent fewer supermarkets and 1.3 times as many convenience stores as middle-income ZIP codes. Compared to ZIP codes with predominately white residents, predominately black areas have about half as many supermarkets and predominantly Latino areas have only a third as many.

The National Institutes of Health conducted a study that supports this claim, measuring supermarket availability by census tract according to race and socioeconomic status:

Lack of access to food may contribute to disparities in health.

- Adults with no supermarkets within a mile of their homes are less likely to have a healthy diet than those with the most supermarkets near their homes.
- Residents are more likely to meet dietary guidelines for fruit and vegetable consumption when they live in a census tract with a supermarket. For African Americans, produce consumption increases by 32 percent when they live near a supermarket.

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8 Ibid.

Healthy Food: Economic Impact & Financing

Healthy food projects and businesses improve the economic health and well-being of communities and can help revitalize struggling business districts and neighborhoods. These businesses provide jobs; can offer workforce training and development; increase or stabilize home values in nearby neighborhoods; generate local tax revenues; and serve as anchor institutions that promote additional spending and real estate development in the local economy.\(^{10}\)

Healthy Food Financing

- The Healthy Food Financing Initiative (HFFI) is a public-private partnership that provides grants and loans to finance the construction and development of grocery stores and other healthy food retailers in underserved areas. HFFI is jointly administered at the federal level by USDA, HHS, and the Treasury Department.\(^{11}\) HFFI has distributed over $220 million in federal funding and between 2011 and 2015 the funding contributed to the development of almost 1,000 groceries across the country.\(^{12}\)

- The national HFFI is modeled on the Pennsylvania Fresh Food Financing Initiative which launched in 2004 leveraged $30 million in state grants into $190 million in total investments. The program financed 88 food stores that created or retained more than 5,000 jobs. Pennsylvania’s pioneer program also inspired other states and cities to create similar initiatives.\(^{13}\)

- D.C. passed the FEED DC Act in December 2010 to incentivize grocery store development, building on the existing Supermarket Tax Exemption to assist grocery store developments and renovations in lower-income parts of the city.

Learn More

Learn more on our event page, as.pn/foodjobs.

This event is part of the Working in America series, an ongoing discussion series hosted by the Aspen Institute Economic Opportunities Program that highlights an array of critical issues affecting low- and moderate-income workers in the United States and ideas for improving and expanding economic opportunities for working people. We are grateful to the Ford Foundation, the Prudential Foundation, and the Walmart Foundation for their support of this series. For more information, visit as.pn/workinginamerica.

In 2016, in collaboration with the Walmart Foundation, the Aspen Institute Economic Opportunities Program launched Reimagine Retail, a project to explore ways to enhance job quality and improve mobility for workers in retail. We are now working closely with partners across six regions – Chicago, San Diego, the San Francisco Bay Area, Phoenix, Philadelphia, and Pittsburgh – to test strategies to improve job quality and support economic stability and mobility for entry-level workers in retail and related sectors. Across geographies, food retailers have been some of the most engaged employer partners, eager to invest in workers to improve outcomes for customers and their bottom line. Visit as.pn/reimagineretail to learn more.

The Economic Opportunities Program advances promising strategies, policies, and ideas to help low- and moderate-income Americans connect to and thrive in a changing economy. Over its 25 years of work, EOP has focused on expanding individuals’ opportunities to connect to quality work, to start businesses, and to build assets and economic stability. Join our mailing list (as.pn/eopmail) and follow us on social media (as.pn/eopsocial) to stay up-to-date on publications, events, announcements, and more. Learn more about our work at as.pn/eop.

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\(^{10}\) Ibid.

\(^{11}\) The State of Obesity, Healthy Food Financing Initiative, https://stateofobesity.org/policy/healthy-food-financing/

\(^{12}\) Ibid.

\(^{13}\) Ibid.