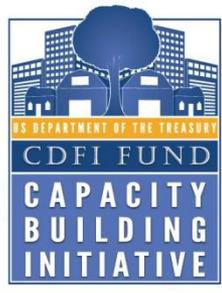




# Limited Supermarket Analysis

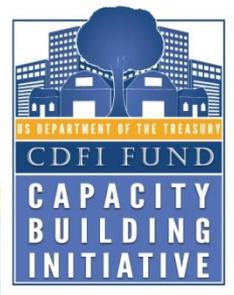
TRF Policy Solutions, Analysis & Results

March 19, 2012



# Introduction

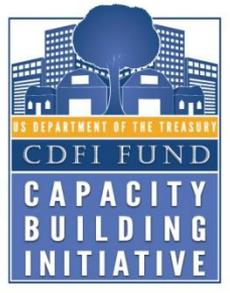
- CDFI Fund's Capacity Building Initiative
  - Financing Healthy Food Options
    - Workshops
    - Technical Assistance – individual and group
    - Resource Bank



# Today's Webinar Topic

## Limited Supermarket Access tool on PolicyMap

- Why?
  - Powerful tool available online
  - Assess market demand – proof of concept
  - Prioritize markets
  - Diagnose best solutions for low access areas



# Presenter



Catherine Califano

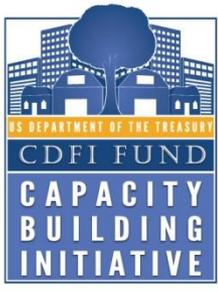
Associate Director

Policy Solutions

The Reinvestment Fund

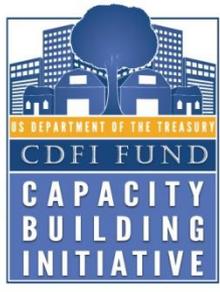
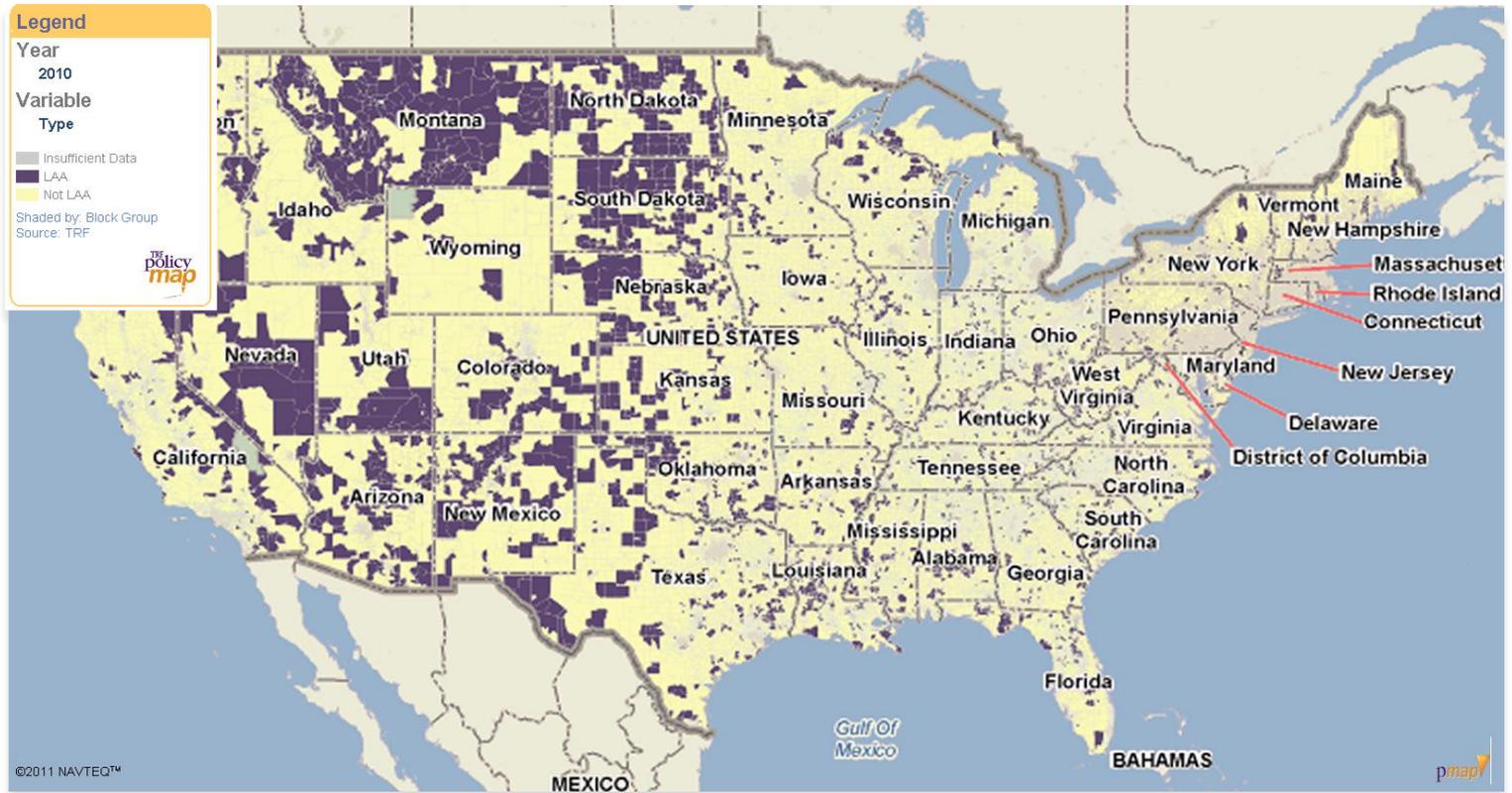
[cathy.califano@trfund.com](mailto:cathy.califano@trfund.com)

[www.trfund.com](http://www.trfund.com)



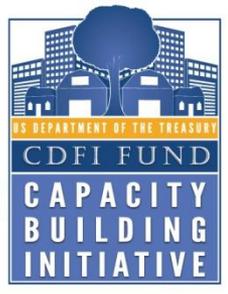
# Limited Supermarket Analysis (LSA)

TRF Policy Solutions, 2011 Analysis & Results



# Overview of Session

- Why does access matter?
- What is a Limited Supermarket Access (LSA) area?
- Where are LSA areas?
- What do these results tell me about my area?
- How do I evaluate my LSA areas?

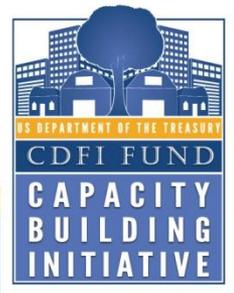


# The Problem

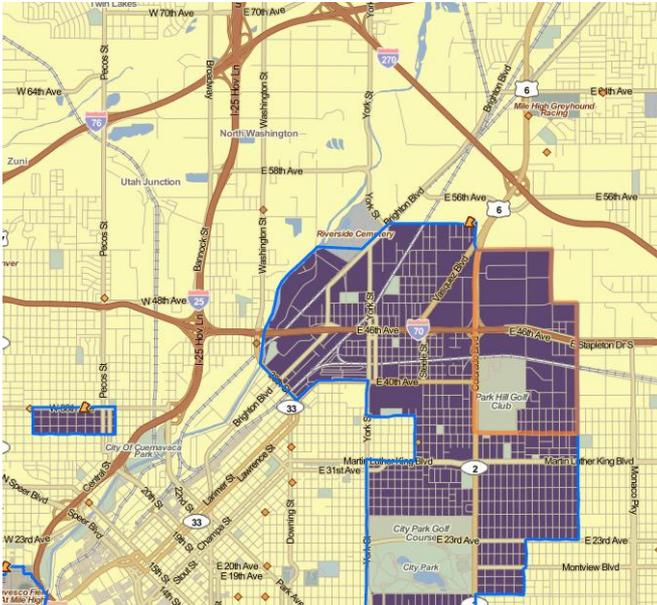
- Research suggests that there are areas in the US that suffer from poor access to healthy and affordable food.
- USDA's Economic Research Service reports that:
  - People without access to full service grocery stores often depend on small grocery or convenience stores that may not carry all the foods needed for a healthy diet.
  - Convenience stores often charge more than grocery stores for the same items, keeping people from eating a balanced diet.\*

\* "Access to Affordable and Nutritious Food: Measuring and Understanding Food Deserts and Their Consequences" (June, 2009)

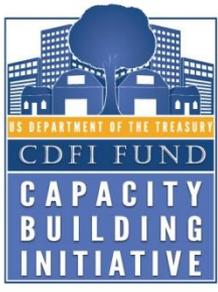
***Where are areas with limited access to stores?***



# What are LSA areas?



- Areas where residents must travel significantly further to reach a supermarket than the “comparative acceptable” distance that residents in well-served areas travel to stores.
- 1,519 clusters around the US including 18,630 block groups. With an average size of 9,000 people.
- Areas with strongest need for supermarkets and includes demand and leakage data.

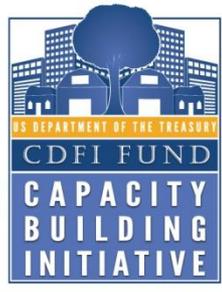


# TRF's assumptions about markets

Supermarket industry is highly competitive and a low profit margin industry.

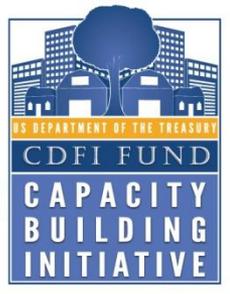
Block groups with household income at/or above 120% of Area Median Income(AMI) are, generally, adequately well served by supermarkets.

TRF uses comparative travel distances to establish benchmarks (areas above 120% are our baseline) and then applies these distance to all block groups.



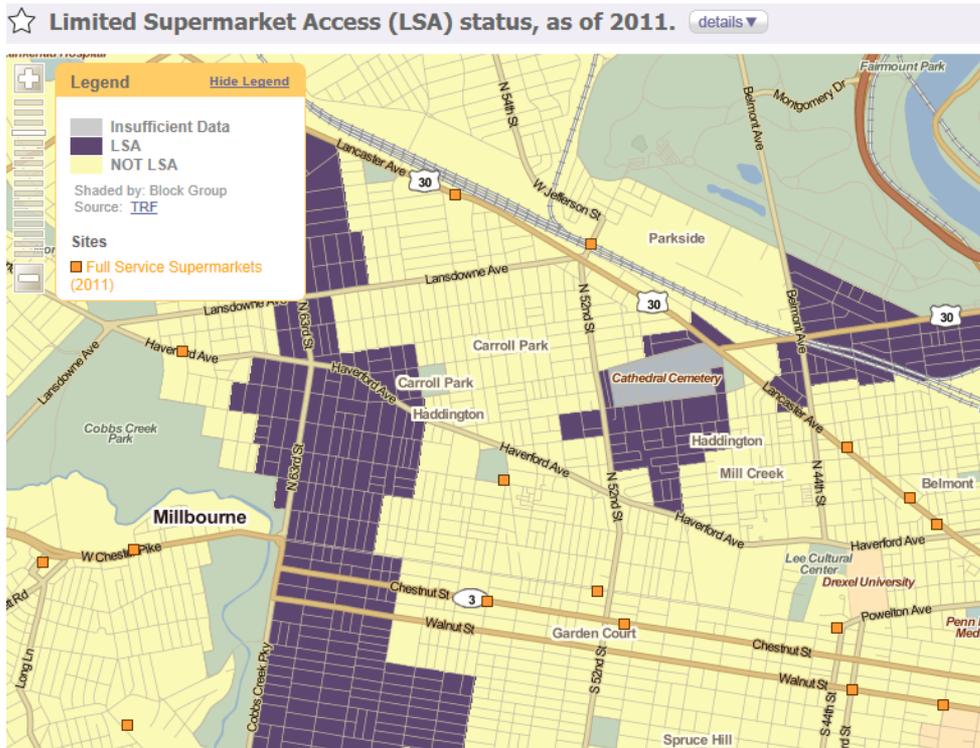
# Who lives in LSA areas and where are they?

- Estimate that 24.6 million people live in LSA areas, 8% of the US population.
- Cities, towns, and rural areas across the country
- LSA residents are more likely to be low income and of a minority race. If you are black non-Hispanic, you are 2.49 times more likely to live in an LSA area. If you live in a low income block group, you are 2.28 times more likely to live in an LSA area.
- LSA areas exist throughout the continental US states including Washington, DC.



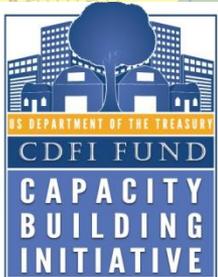
# What do the results tell me?

## LSA or not LSA



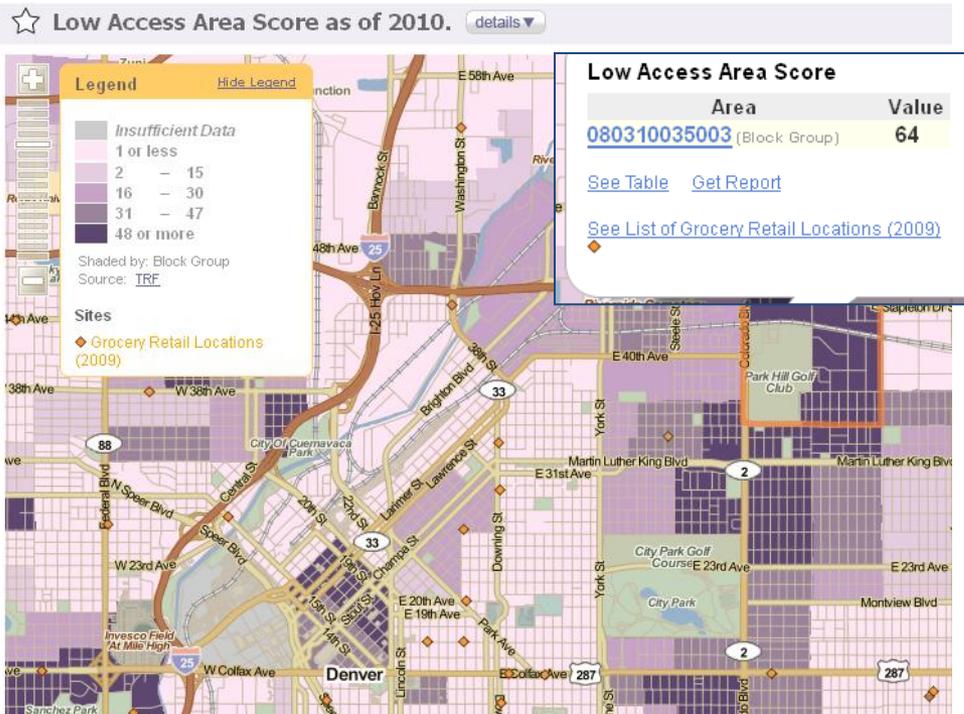
**LSA Yes-** Indicates clusters of block groups where all members have to travel farther than the benchmark distance to access a full service supermarket.

**LSA No-** areas travel reasonable distance to access a store. Some may have high access scores but these do not form clusters.



# What do the results tell me?

## Access Score

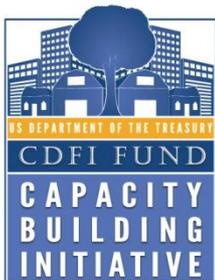


**Indicated the distance further the residents must travel to access a store.**

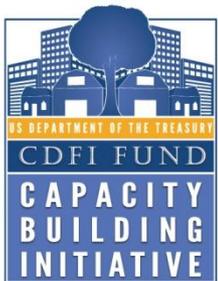
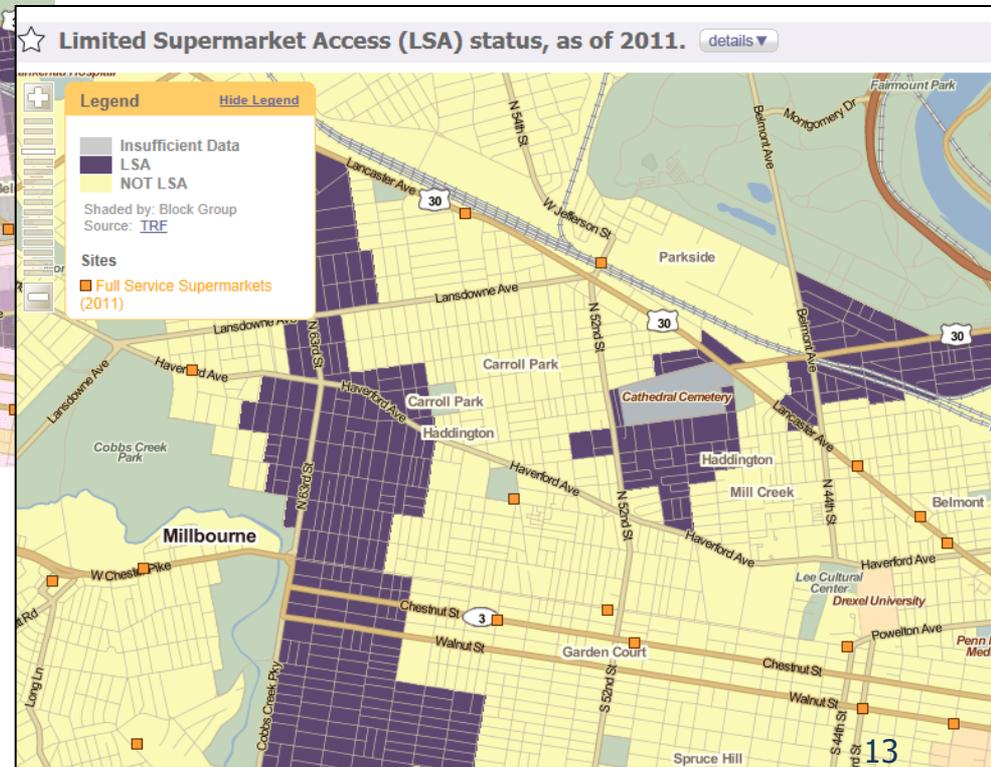
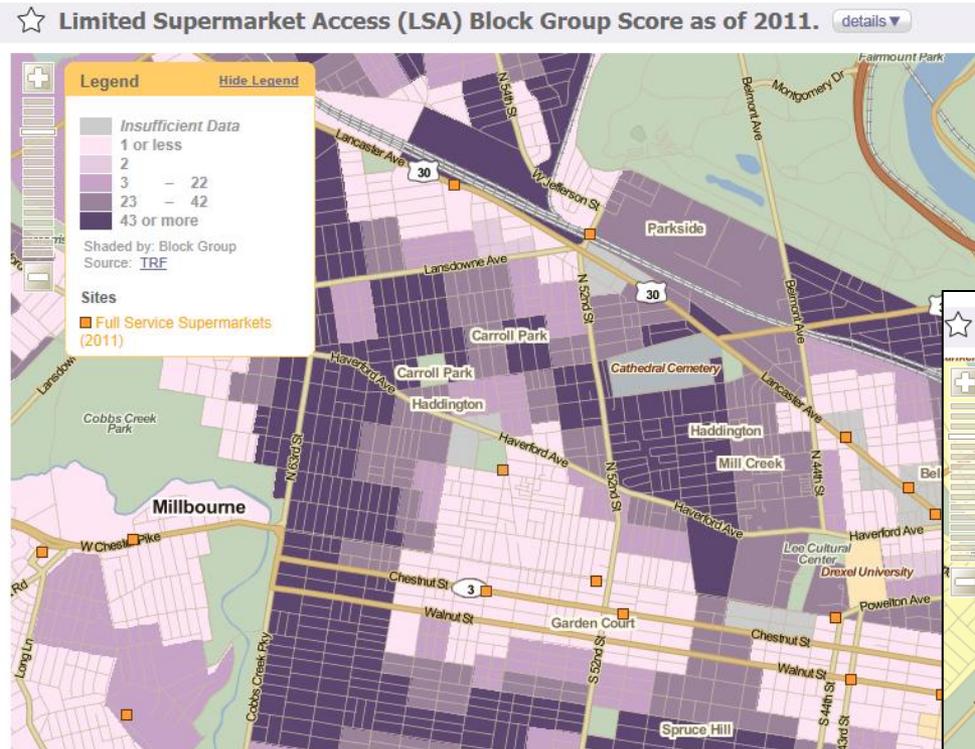
Example:  
Block Group #: 080310035003  
Value: .64

*This block group's travel distance would have to be decreased **by 64%** to equal the distance traveled by its non-LMI counterparts.*

*Market Distance - Reference Distance = Access Score*



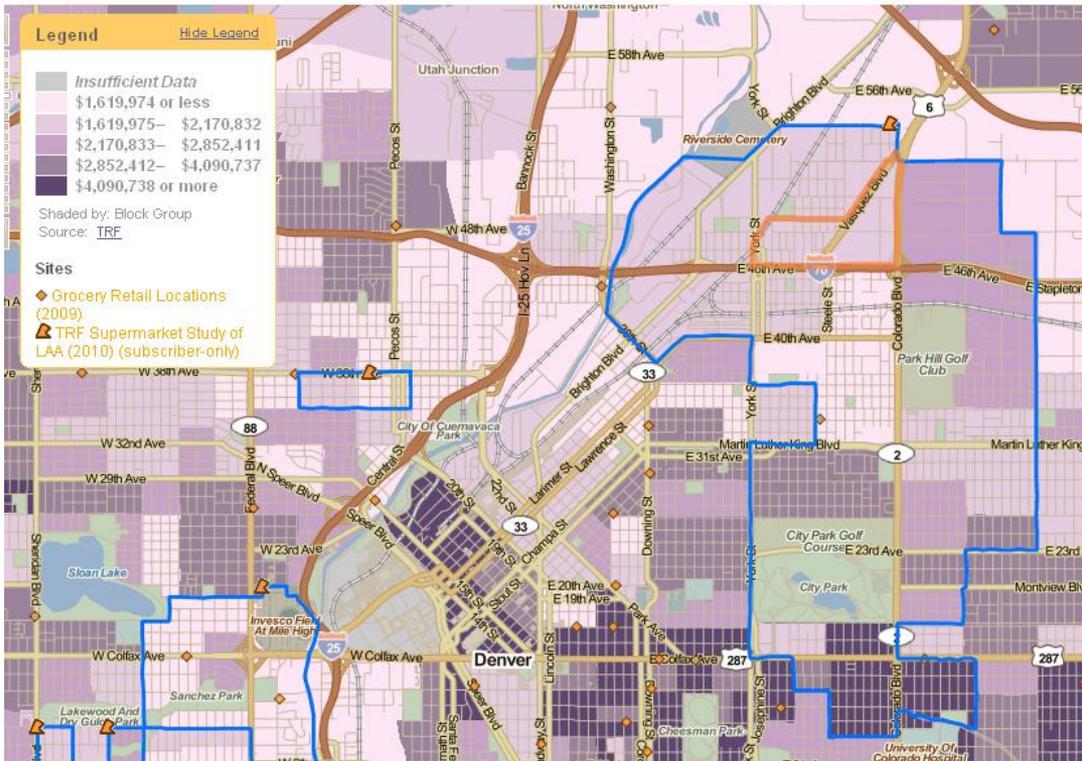
# How does an Access Scores differ from LSA areas?



# What do the results tell me?

## Grocery Sales Leakage

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



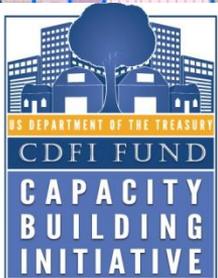
*Demand – Sales = Leakage*

**Leakage estimated the unmet demand for food items for LSA areas.**

### LSA Grocery Assessment

Retail Demand: \$70,734,000  
 # of Limited Service Stores: 3  
 Existing Store Sales: \$354,900  
 Retail Leakage: \$67,185,000  
 Leakage Rate: 95%  
 # of Retail Sq Ft  
 Leaked: 103,601

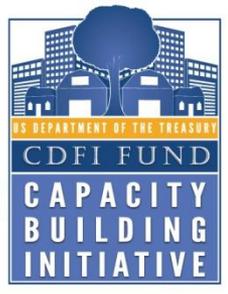
*All numbers are estimated.*



# What's Next?

## Define Strategy & Assess Results

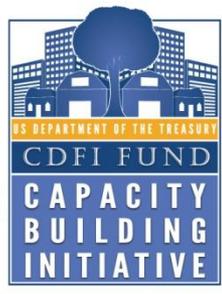
- Establishing clear expectations for borrowers, funders, public and lending staff on what are the organization's priorities.
- Measure and document your results to attract additional funders and share your success.
- Establish realistic goals and assess progress on regular intervals:
  - How many loans? What type of loans? Who are your borrowers? Who is benefiting?



# TD Characteristics by Store Category

Description	Average Grocery Sales	Average Grocery Sq.Ft	Sales Per Square Foot	Number of Stores	Total Food Sales (\$1,000)	Total Square Feet for Food Sales	Average Grocery FTE Jobs	Total FTE Jobs
<b>Conventional Club</b>	33,227,189	38,544	862	1,219	40,503,944	46,985,000	NA	NA
Conventional Drug	701,739	1,646	426	20,613	14,464,944	33,925,000	NA	NA
<b>Military Commissary</b>	<b>20,707,587</b>	<b>26,125</b>	<b>793</b>	<b>184</b>	<b>3,810,196</b>	<b>4,807,000</b>	<b>43</b>	<b>7,952</b>
<b>Supercenter</b>	23,257,409	24,893	934	3,494	81,261,388	86,977,000	131	458,511
Superette	1,203,425	2,674	450	13,090	15,752,828	34,997,000	6	81,950
<b>Supermarket-Conventional</b>	11,927,817	23,999	497	26,839	320,130,668	644,111,000	47	1,269,295
<b>Supermarket-Limited Assortment</b>	4,524,548	11,657	388	2,848	12,885,912	33,198,000	17	48,446
<b>Supermarket-Natural/Gourmet Foods</b>	8,337,688	8,184	1,019	2,446	20,393,984	20,019,000	28	68,849
<b>Warehouse Grocery</b>	7,147,519	17,282	414	482	3,445,104	8,330,000	18	8,886
<i>Total</i>	7,198,609	12,825	561	71,215	512,648,968	913,349,000	NA	NA
<i>Total less Conventional Drug</i>	9,845,145	17,379	566	50,602	498,184,024	879,424,000	38	1,943,889
<b>Full-Service Stores Only</b>	<b>12,822,037</b>	<b>22,493</b>	<b>570</b>	<b>37,328</b>	<b>478,621,000</b>	<b>839,620,000</b>	<b>50</b>	<b>1,853,987</b>

Source: Trade Dimensions, 2011. Food Marketing Institute (FMI), 2010.



# How do I evaluate an LSA areas?

Yes

No

No intervention needed

What is the level of leakage in the Limited Supermarket Access area?

< \$6 million

Is a small store present?

No

Yes

Cannot support a new store; consider alternative sources of fresh food such as farmers' markets

Cannot support a new store, work with existing stores on product availability

\$6 - 12 million

Is a small store present?

No

Yes

Area can potentially support small new store\*

Can potentially support small new store or expand size, products in existing stores; if new store consider the economic impact on small stores\*

\$12-24 million

Is a small store present?

No

Yes

Area can potentially support full service stores\*

Area can potentially support full service supermarkets; consider the economic impact of a new store on existing small stores\*

>\$24 million

Is a small store present?

No

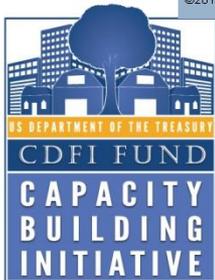
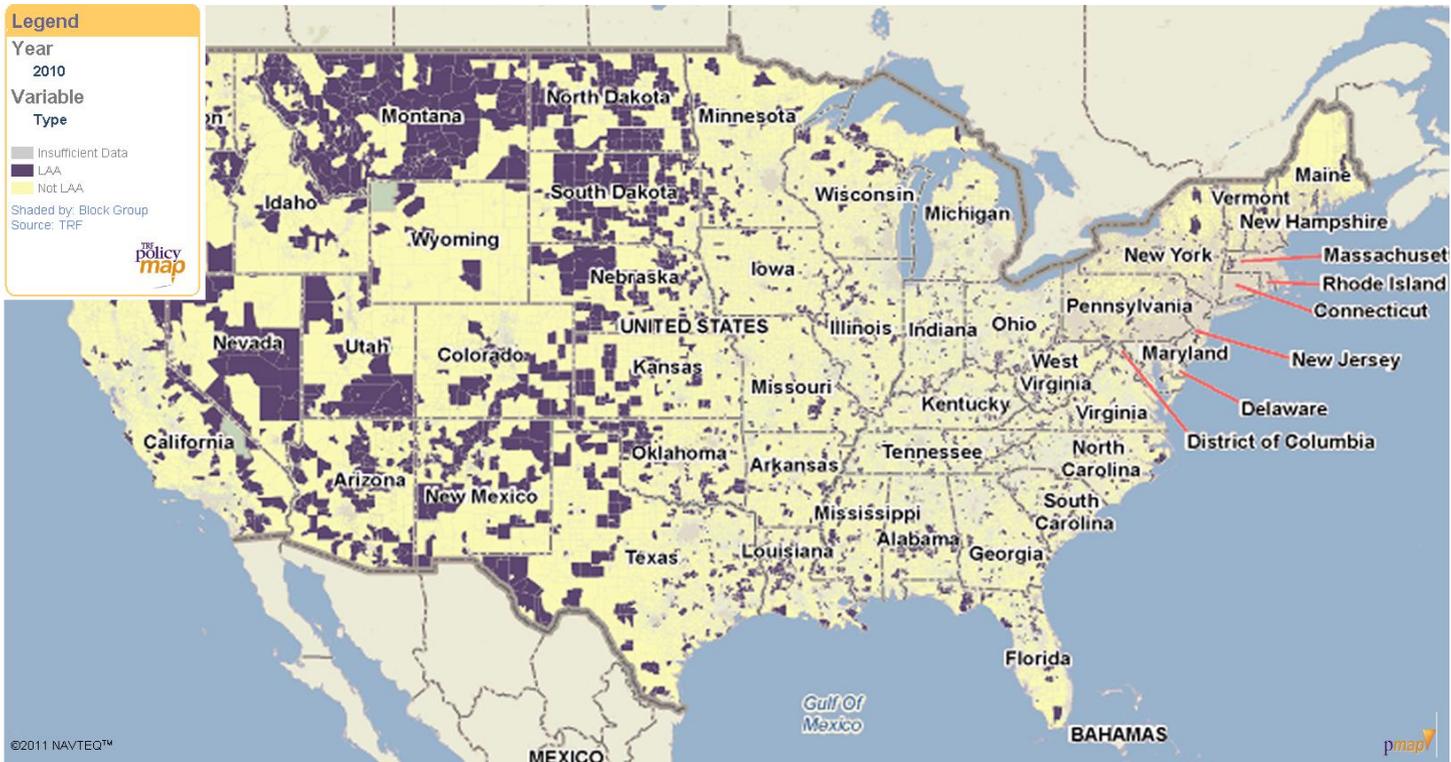
Yes

Area can potentially support multiple full service stores\*

Area can potentially support multiple full service supermarkets; consider the economic impact of a new store on existing small stores\*

# Next up: Assessing opportunities in your market

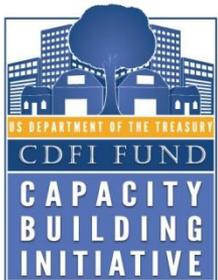
Viewable at [www.policymap.com](http://www.policymap.com)



# The Reinvestment Fund

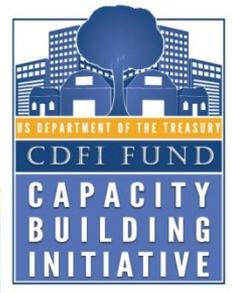
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# Additional Resources



# Financing Healthy Food Options Resource Bank

[http://www.cdfifund.gov/what\\_we\\_do/FinancingHealthyFoodOptionsResourceBank.asp](http://www.cdfifund.gov/what_we_do/FinancingHealthyFoodOptionsResourceBank.asp)



The screenshot shows a web browser window with the URL [www.cdfifund.gov/what\\_we\\_do/FinancingHealthyFoodOptionsResourceBank.asp](http://www.cdfifund.gov/what_we_do/FinancingHealthyFoodOptionsResourceBank.asp). The page features a navigation menu on the left with links: WHO WE ARE, WHAT WE DO, IMPACT WE MAKE, NEWS & EVENTS, and HOW TO APPLY. The main content area is titled "COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND" and "UNITED STATES DEPARTMENT OF THE TREASURY". Below this, the page is titled "Financing Healthy Food Options Resource Bank" and lists three main sections: I. Training Curriculum, II. Financial Resources Catalogue, and III. Food Desert Mapping Tools. Each section contains a list of links to various resources. A disclaimer at the bottom states that the documents were funded by the CDFI Fund under Contract TPD-CDF-10-C-0006, Task Order 0001, and that the content is the responsibility of the authors. The page was last updated/reviewed on 12/07/11.

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND**  
UNITED STATES DEPARTMENT OF THE TREASURY

**Financing Healthy Food Options Resource Bank**

**I. Training Curriculum**

- [Food Systems Overview](#)
- [Healthy Food Retail Financing](#)
- [Financial Services for Mid-Tier Food Chain Enterprises](#)
- [NMTC & Urban Supermarkets](#)
- [Understanding the Grocery Industry](#)
- [Underwriting Supermarkets & Grocery Stores](#)
- [Mid-Tier Food Chain Enterprises Overview & Underwriting](#)
- [Capitalizing Healthy Food Retail Initiatives](#)
- [Identifying Optimal Areas for Supermarket Development](#)

**II. Financial Resources Catalogue**

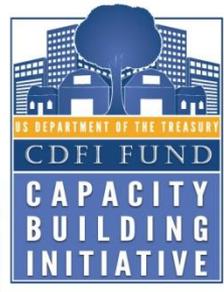
- [Financial Resources Catalogue](#)

**III. Food Desert Mapping Tools**

- [USDA Food Desert Locator](#)
- [Policy Map](#)

*These documents were funded by the CDFI Fund, under Contract TPD-CDF-10-C-0006, Task Order 0001. The curriculum and opinions expressed in these documents are those of the authors, who are solely responsible for the content, and do not reflect the opinions of the CDFI Fund or any other person, entity, or organization.*

Last updated/reviewed: 12/07/11



# Link to PolicyMap and LSA Widget

<http://www.trfund.com/TRF-LSA-widget.html>

**TRF THE REINVESTMENT FUND**  
Capital at the point of impact.

About | Resource Center | Success Stories | News | Contact | Search

Find the Limited Supermarket Access (LSA) areas in your city, state or region. To start, enter a location in the search bar below or zoom into the map. If you want to see LSA areas with other data layers, select LSA Area Outlines from the "Add Sites" option. For details on each LSA area, click on the orange polygon on each LSA area outline. This national study is available for free, thanks to support from the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund's Financing Healthy Food Options Track provided by Opportunity Finance Network. To learn more about TRF's supermarket access data available on PolicyMap and for information on more customized research and data analysis, visit <http://www.trfund.com/TRF-food-access-data.html>. For more information on TRF's efforts to improve food access in underserved communities, visit <http://www.trfund.com/TRF-food-access.html>.

SET LOCATION Search the Map Census Tract BG Congressional District Senate School District State District Metro

Enter Address, City, County, State, or Zip **GO**

**Limited Supermarket Access (LSA) status, as of 2011.** details ▾

ADD DATA LAYER

- Food Access
- Income
- Food Nutrition Programs
- New Market Tax Credit (NMTCT) and CDBG Eligibility
- Population
- Transportation

ADD SITES

- Limited Supermarket Access Area Outlines

Legend

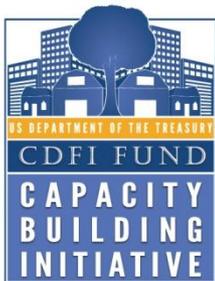
- Insufficient Data
- LSA
- NOT LSA

Shaded by: Block Group

Source: TRF

Clear Data Layer

Map showing Limited Supermarket Access (LSA) status for the United States as of 2011. The map displays various states and their corresponding LSA areas, with a legend indicating Insufficient Data, LSA, and NOT LSA. The map is currently set to Kansas.



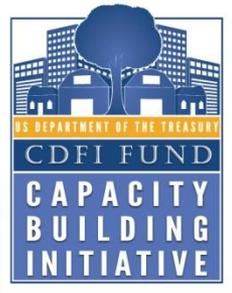
# Upcoming Workshops

## Farms & Food Production

Boston, MA

May 31<sup>st</sup> and June 1<sup>st</sup>

[Link](#) to Training Information & Registration



# Upcoming TA Webinars

## **Understanding SNAP & WIC as Sources of Revenue for Food Retailers**

•March 29, 1pm ET

## **Resources for Farmers and Lenders to Food Producers**

•April 5, 1pm ET

## **Underwriting Natural Food Cooperatives**

•April 11, 2pm ET

## **Underwriting Supermarkets & Grocery Stores**

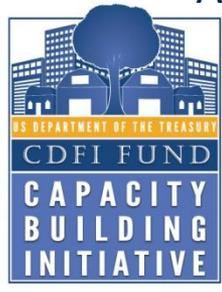
•April 18, 2pm ET

## **The Grocery Gap**

•April 24, 2pm ET

## **Connecting Farms to Institutions**

•April 30, 2pm ET



Click [here](#) to register for one or all of the TA webinars – April registration coming soon!

# Contact Information

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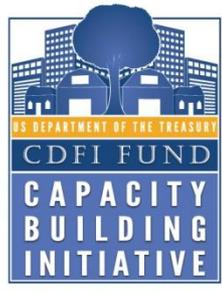
**Christy Bare**

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