

A Healthy Food Financing Initiative:

An Innovative Approach to Improve Health and Spark Economic Development

The Problem

30.5%	Children ages 10-17 who are overweight or obese ¹
23.6 million	Americans have diabetes ²
4 to 1	Ratio of fast food/ convenience stores to grocery stores/ produce markets ³
24%	Higher risk of diabetes if you live in an unhealthy food environment ⁴
3.3 million	Jobs lost since October 2008 ⁵

Millions of Americans in low-income communities and communities of color walk out their front doors and see nothing but fast food and convenience stores selling high-fat, high-sugar processed foods. Residents of rural areas face a different but related challenge—a complete lack of any nearby food options at all. Americans in too many urban and rural communities must travel long distances just to access the fresh food they need to live healthy lives.

The results of this lack of healthy food options are grim—these communities have significantly higher rates of obesity, diabetes, and other related health issues. Childhood obesity, in particular, is a major crisis in many of these communities. The problem goes beyond just health, too. Low-income communities are cut off from all the economic development benefits that come along with a local grocery store: the creation of steady jobs at decent wages and the sparking of complementary retail stores and services nearby.

The Pennsylvania Fresh Food Financing Initiative—a public-private partnership created in 2004—provides a model solution. In four years, it helped develop 78 supermarkets and fresh food outlets in underserved rural and urban areas throughout the state, creating or retaining 4,860 jobs in those communities. Making this happen, required just \$30 million in state seed money—funds made possible through the leadership of State Rep. Dwight Evans. The state funds have already resulted in projects totaling \$165 million. The program continues to dramatically improve access to healthy food statewide, while also driving meaningful, long-term economic development.

The federal government should use this proven state program as the model for a national initiative to improve children’s health, create jobs, and spur economic development nationwide.

Pennsylvania Success Story⁶

78	New or improved grocery stores in underserved communities
400,000	Residents with increased access to healthy food
4,860	Jobs created or retained
\$540,000	Increase in local tax revenue from a single store in Philadelphia
\$165 million	Total project costs resulting from \$30 million in state seed money

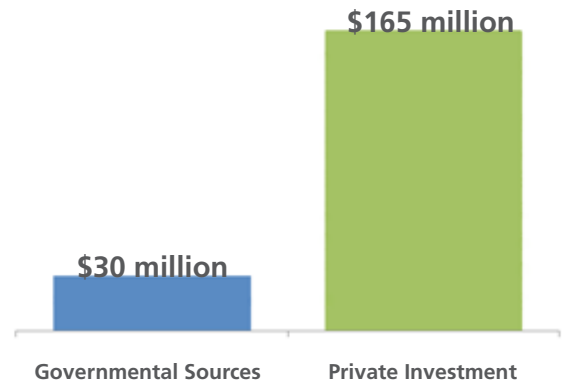
A Healthy Food Financing Initiative

A Healthy Food Financing Initiative (HFFI) is a viable, effective, and economically sustainable solution to the problem of limited access to healthy foods and can achieve multiple goals: reducing health disparities and improving the health of families and children; creating jobs; and stimulating local economic development in low-income communities. This is a smart investment in the health and economic well-being of the country and its citizens.

Like the Pennsylvania effort, a Healthy Food Financing Initiative would attract investment in underserved communities by providing critical one time loan and grant financing. These one time resources will help fresh food retailers overcome the higher initial barriers to entry into underserved, low-income urban, suburban, and rural communities, and would also support renovation and expansion of existing stores so they can provide the healthy foods that communities want and need. The program would be flexible and comprehensive enough to support innovations in healthy food retailing and to assist retailers with different aspects of the store development and renovation process, including pre-development costs, energy efficiency upgrades, worker training, and land acquisition and construction.

In the midst of the country's current economic downturn, the need for a comprehensive federal policy to address the lack of fresh food access in low-income communities and communities of color is critical. With constricting credit markets, supermarket and grocery store operators face higher obstacles to developing stores in underserved communities. Obesity and related health problems are expected to worsen during these hard economic times. Evidence strongly shows, however, that when people have access to healthier foods, they make healthier choices—and that securing new or improved local grocery stores can also improve local economies and create jobs.

The Pennsylvania Model: A Little Gets a Lot



¹Child and Adolescent Health Measurement Initiative, *2007 National Survey of Children's Health*, Data Resource Center for Child and Adolescent Health website, accessed 2009 from <http://nschdata.org/DataQuery/DataQueryResults.aspx?q=500&r1=0&r2=-1>.

²Quick Facts: Economic and Health Burden of Chronic Disease, CDC, accessed 2009, <http://www.cdc.gov/NCCdphp/press/index.htm>.

³From an analysis of 88,000 food retailers across California, see *Searching for Healthy Food: The Food Landscape in California Cities and Counties*, California Center for Public Health Advocacy, 2007, <http://www.publichealthadvocacy.org/searchingforhealthyfood.html>.

A review of 54 studies from across the country found that low-income neighborhoods, communities of color, and rural communities have poor access to supermarkets, and low-income communities and communities of color have an overabundance of fast food restaurants. See [http://www.ajpm-online.net/article/S0749-3797\(08\)00838-6/abstract](http://www.ajpm-online.net/article/S0749-3797(08)00838-6/abstract).

⁴Statistic based on analysis of a representative sample of 43,000 Californian adults, see *Designed for Disease: The Link Between Local Food Environments and Obesity and Diabetes*, PolicyLink, CCPHA, and UCLA, April 2008, http://www.publichealthadvocacy.org/PDFs/RFEI_policyrec.pdf. See the review study cited above for additional information about the links between unhealthy food environments and obesity/diabetes.

⁵Employment Situation Summary, U.S. Bureau of Labor Statistics, accessed 2009, <http://www.bls.gov/news.release/empsit.nr0.htm>.

⁶All numbers reflect approved projects. Sixty-five projects have already been completed as of 9/30/09.

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

The Food Trust, founded in 1992, is a nonprofit organization working to ensure that everyone has access to affordable, nutritious food. 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

For more information, please contact Rebecca Flourney at rebecca@policylink.org or (510) 663-2333.