

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
2x	Likelihood of children from poor families being overweight
23.5 million	Americans in low-income communities without supermarket access
52%	Higher obesity prevalence in neighborhoods with only convenience stores vs. only supermarkets
9.7%	Unemployment rate in January 2010

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.

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.

President Barack Obama's FY 2012 Budget calls for more than \$330 million in investments in a national Healthy Food Financing Initiative. In the 111th Congress, sponsors from the United States Senate and U.S. House of Representatives introduced bipartisan legislation (S. 3986, H.R. 6462) establishing a Healthy Food Financing Initiative at USDA. This legislation will be re-introduced later this year.

HFFI is a viable, effective, and economically sustainable solution to the problem of limited access to healthy foods, and can reduce health disparities, improve the health of families and children, create jobs, and stimulate local economic development in low-income communities. HFFI would attract investment in underserved communities by providing critical loan and grant financing. These one time resources would help fresh food retailers overcome the higher initial barriers to entry into underserved, low-income urban, 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.

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The Pennsylvania Success Story

HFFI is modeled after the Pennsylvania Fresh Food Financing Initiative—a public-private partnership created in 2004. In just five years, it helped develop 83 supermarkets and fresh food outlets in underserved rural

Pennsylvania Results¹

83	New or improved grocery stores in underserved communities
400,000	Residents with increased access to healthy food
5,000	Jobs created or retained
\$540,000	Increase in local tax revenue from a single store in Philadelphia
\$190 million	Total project costs resulting from \$30 million in state seed money

and urban areas throughout the state, creating or retaining 5,000 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 \$190 million. The program continues to dramatically improve access to healthy food statewide, while also driving meaningful, long-term economic development.

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, 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 federal government should build on these successes so that more communities across America can benefit by funding a Healthy Food Financing Initiative to improve children's health, create jobs, and spur economic development nationwide.

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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

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¹ All numbers reflect approved projects as of 12/31/09.