

An Equitable Food System: Good for Families, Communities, and the Economy



This is one of a series of issue briefs dedicated to helping community leaders and policymakers bolster their campaigns and strategies with the economic case for equity. The issue briefs correspond with the 13 planks of the Marguerite Casey Foundation's [Equal Voice National Family Platform](#). Additional issue briefs can be found at www.policylink.org/focus-areas/equitable-economy.

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

Marguerite Casey Foundation exists to help low-income families strengthen their voice and mobilize their communities in order to achieve a more just and equitable society for all.

Overview

The face of America is changing: more than half of Americans under age five are of color, and by 2044 we will be a majority people-of-color nation. But while communities of color are driving growth and becoming a larger share of the population, inequality is on the rise and racial inequities remain wide and persistent. Dismantling racial barriers and ensuring that everyone can participate and reach their full potential are critical for the nation's prosperity. Equity—just and fair inclusion of all—is essential to growing a strong economy and building vibrant and resilient communities. This issue brief describes the benefits of building an equitable food system for families, communities, and the economy.

Why an Equitable Food System Matters

America's food system—from growing food to processing, transporting, selling, consuming, and disposing of it—feeds the nation and is a large sector of the economy. Low-income families spend about \$130 every week on food, which is their third largest household expense after housing and transportation.¹ Food is also a \$1.8 trillion industry, accounting for 13 percent of the economy and employing one in six workers—about 20 million—at farms, food processing facilities, warehouses, grocery stores, and restaurants.²

With its tremendous size and reach, the food system has a significant impact on our health, economy, and environment. But currently, the food system is contributing to many inequities. In a country of such abundance, millions of families cannot access healthy food and many food system workers do not earn enough to make ends meet (and often rely on food stamps). Low-income communities and communities of color often lack grocery stores or other fresh food markets along with the jobs and economic opportunities these businesses bring to neighborhoods.³

An equitable food system would produce different outcomes by making healthy food available to all, providing good jobs, and fostering healthy neighborhoods. And it would strengthen the economy by bolstering incomes, spurring business development, and contributing to equitable economic development in segregated and long-distressed neighborhoods.

Building an Equitable Food System Requires a Focus on Race

People of color are a growing share of the nation's consumers and workers, but are the most negatively impacted by our inequitable food system—from poor health outcomes to poor wages.

U.S. Consumers in 2010

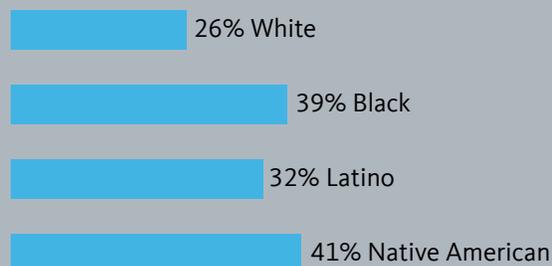


Projected U.S. Consumers in 2050

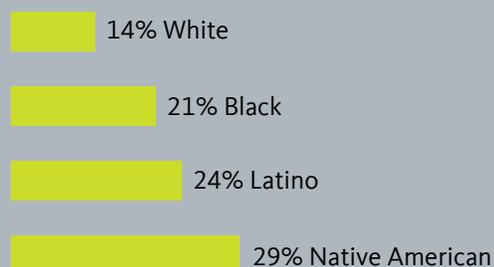


■ People of color

U.S. Obesity Rate



Food Workers Earning Subminimum Wages



Sources: Consumers: [U.S. Census Population Projections, 2012](#); Obesity: [National Health Interview Survey, 2011](#).

Note: White and Black are non-Hispanic; Food workers: [Food Chain Workers Alliance Survey, 2010](#). Note: 23% of food workers surveyed earned subminimum wages; 37.6% earned poverty wages; 25.8% earned low wages, and 13.5% earned a living wage.

The Economic Benefits of an Equitable Food System

Building a more equitable food system would have many positive impacts on the economy.

- **Job creation.** With the right hiring and training practices, food businesses can deliver good jobs to vulnerable populations and underinvested neighborhoods. An average-sized grocery store in an underserved community creates 150 to 200 jobs.⁴ The Pennsylvania Fresh Food Financing Initiative (FFFI) has created or retained more than 5,000 jobs since 2004 by supporting 88 fresh food retail projects in underserved communities.⁵ Farmers' markets also create jobs: the Union of Concerned Scientists estimates that providing modest public support for 500 farmers' markets could create up to 13,500 jobs in five years.⁶
- **Business development.** Providing support to entrepreneurs who are people of color, women, immigrants, and low-income—and removing barriers like lack of access to credit, networks, and information—can grow new businesses and expand existing ones. La Cocina, a San Francisco kitchen incubator that works with low-income women of color, has successfully launched 11 businesses and is currently incubating 30 companies, and these businesses have created 100 jobs.⁷
- **Higher earnings and increased spending.** Boosting wages and incomes increases family economic security and consumer spending that in turn creates jobs. The Chicago Federal Reserve Bank estimates that every \$1 increase in the minimum wage increases a household's spending by \$2,800 per year.⁸ Every \$5 in new SNAP benefits generates as much as \$9 of economic activity.⁹
- **Increased worker productivity and stronger businesses.** Even in low-wage industries like food retail, businesses can choose to compete by investing in their workers.¹⁰ Providing good wages and benefits can reduce turnover and increase productivity for companies. The In-N-Out Burger fast-food chain pays its workers \$10.50/hour to start, plus benefits, and has one of the lowest turnover rates in the industry.¹¹ And efforts to improve wages and working conditions for tomato workers in Florida have strengthened the state's tomato industry.¹²
- **Community economic development.** Food markets can revitalize distressed neighborhoods by generating foot traffic, attracting additional businesses, boosting local spending, and generating local tax revenue. Food retailers can also increase home values. Building new grocery stores in underserved communities in Philadelphia increased the values of surrounding homes by 4 to 7 percent.¹³ This can foster wealth in underinvested communities but it also means improving food access can contribute to gentrification, rising rents, and displacement pressures in higher-cost neighborhoods. It is important to assess potential impacts and act early to ensure long-term residents can stay as their neighborhoods improve.
- **Reduced health care and public assistance costs.** Increasing access to healthy food makes it possible to improve nutrition and reduce the health-care costs associated with obesity and other diet-related diseases. Providing paid sick days and health care and boosting wages for food system workers would also improve health, reduce absences, and increase productivity. Raising wages reduces the need for public benefits like food stamps, relieving strain on government budgets and freeing up more funds for longer-term investments. Currently, more than half of front-line fast-food workers receive public benefits at a cost of \$7 billion per year.¹⁴

Key Challenges to an Equitable Food System

To build an equitable food system, several challenges must be overcome.

- **Lack of access to healthy food.** Millions of low-income people and people of color live in neighborhoods that lack grocery stores or other markets selling affordable and nutritious food.¹⁵ They are also more likely to be food insecure than wealthier families, lacking the financial resources to consistently access enough food for their families.¹⁶ This contributes to disproportionately high rates of preventable, diet-related health issues like obesity, diabetes, and heart disease. Their neighborhoods also miss out on the jobs and economic development benefits of grocery stores and other food businesses.
- **Low-wage jobs and poor working conditions.** Many food system jobs pay low wages and provide few benefits or career ladders, and, although the sector is growing, wages are stagnant or declining. Farmworkers and food processing workers, who are disproportionately immigrants, are subject to health and safety risks, wage theft, and human rights violations. Food sector jobs are increasingly temporary or part-time, resulting in inconsistent income and low economic security.¹⁷
- **Environmental and health risks.** Agricultural pesticides have numerous negative impacts on the health of people, animals, and the environment. The extensive use of pesticides on farms exposes farmworkers and rural communities to toxic chemicals and can contaminate water supplies.¹⁸
- **Reduced community control and ownership.** In the United States and worldwide, food and farming industries have undergone massive consolidation over the past 150 years and are dominated by a small number of corporate owners. Large retailers and farm owners have come to reap an outsized share of the profits, and their industrial farming practices, including the use of genetically modified seeds that require large amounts of pesticides, have dominated. These practices increase environmental risks and crowd out more diversified small and mid-sized producers.

Strategies to Create an Equitable Food System

Many communities and organizations are advancing the following strategies to address these challenges and to infuse equity throughout the food system.

- **Expand healthy food retail options in underserved neighborhoods.** Grocery stores, food hubs, farmers' markets, corner stores, mobile markets, co-ops, and urban farms require help to locate or expand their fresh food offerings in underserved neighborhoods through low-cost financing and grants, zoning reforms, and technical assistance. The federal Healthy Food Financing Initiative (modeled after Pennsylvania's program) provides grants and low-cost loans to food businesses opening or expanding in underserved, low-income communities, and has supported more than 200 local projects since 2011.¹⁹ State and local governments have also enacted legislation and policies to support healthy food retail projects.
- **Support community gardens and local food production.** Communities can be encouraged to grow their own food by removing barriers to food cultivation (such as zoning) and providing access to land, water, seeds, training, and financial resources to support community gardening and urban farming. In Seattle, for example, the Department of Neighborhoods supports immigrant and other low-income communities in establishing and maintaining community gardens, helping families cover 30 to 60 percent of their produce needs through gardening.²⁰
- **Leverage large institutions' purchasing power to ensure good food and good jobs for all.** Healthy food offerings within institutions that serve vulnerable populations (schools, hospitals, child care and senior centers, jails, etc.) can be expanded and large food retailers and institutions like universities can reorient their food purchasing to support local food businesses, fair labor practices, sustainably produced food, and health. Through its Fair Food Program, the Coalition of Immokalee Workers has signed agreements with large corporations, including McDonald's, Walmart, and Whole Foods, to improve wages and job standards for about 30,000 farmworkers in Florida's tomato industry.²¹

- **Help small farmers survive and grow.** Innovative models such as food hubs can help small farmers access consistent clients and contracts. Food hubs provide aggregation, distribution, marketing, and transportation services that connect small farmers to large institutional purchasers. Since 2008, the Common Market has helped connect more than 70 farms in rural Pennsylvania, New Jersey, and Delaware to 150 institutions, such as schools, hospitals, and senior centers, in the Philadelphia region.²²
- **Grow food enterprises.** Food business incubators and other efforts that provide capital, training, financing, and infrastructure can help food entrepreneurs (including low-income entrepreneurs and entrepreneurs of color) launch or expand their businesses. Supporting cooperatives or other food enterprises that incorporate social goals into their missions (social enterprises, B Corps, etc.) can ensure quality jobs and other community benefits. Minnesota’s Latino Economic Development Center is investing in six immigrant-owned food enterprises (a Latino tamale manufacturer, a commercial kitchen for Hmong growers, a produce warehouse, and several grocery stores) that will create more than 40 new full-time jobs and increase access to healthy food in two low-income, underserved areas.²³
- **Raise the wages and quality of food and farming jobs.** Companies like Costco have proven that food sector companies can both be profitable and pay family-supporting wages. Increasing the minimum wage

(including for tipped workers), guaranteeing benefits like paid sick days and health care, preventing wage theft, ensuring workers’ rights to organize, and expanding career pathways are all important strategies to raise the floor for food sector employees and farmworkers. Reducing health and safety risks for food workers and especially for agricultural workers exposed to toxic chemicals is also critical to ensure quality jobs. Raising the minimum wage would have a profound impact on the food sector. The Food Labor Research Center found that if Congress increased the federal minimum wage to \$10.10 an hour (from today’s \$7.25), eight million food system workers and 21 million other low-wage workers would get a raise.²⁴ Fast-food workers organizing around a \$15/hour minimum wage have spurred momentum to enact higher local minimum wages in cities and states across the country.

- **Protect and strengthen food assistance programs.** Food stamps (Supplemental Nutrition Assistance Program, or SNAP); Women, Infants and Children (WIC); and other food-assistance programs are critical to ensuring food security, and also support food businesses by boosting consumers’ purchasing power. Ensuring that all markets accept SNAP benefits is also critical. Michigan’s Double Up Food Bucks program, which provides people using SNAP benefits with a one-to-one match for fruits and vegetables, has served 200,000 families and more than 1,000 farmers, and returned more than \$5 million to the state economy.²⁵

Equitable Growth in Action

Convince Large Institutions to Use Their Buying Power to Grow a More Equitable Food Sector

The nation’s most populous county is home to the most significant and comprehensive effort to direct institutional food purchasing power to create a healthier, more equitable food sector. In 2011, the Los Angeles Food Policy Council launched a Good Food Purchasing Pledge campaign to get large public and private institutions—those that spend more than \$1 million on food annually—to commit to purchasing in ways that encourage healthy eating, local economic development, worker rights and fair wages, environmental sustainability, and animal welfare. The Los Angeles Unified School District—which serves 650,000 meals daily—signed on in fall 2012, right after the City of Los Angeles. The second-largest school district in the country now spends about half its \$125 million food budget locally (double the percentage in 2011), has purchased \$12 million in fruits and vegetables from local growers, and has created at least 150 new jobs. Similar campaigns are underway in communities across the country.



Sources: [Los Angeles Food Policy Council](#), [America’s Tomorrow Newsletter](#), [Food Day website](#)

Learn More

- [Healthy Food Access Portal](#) Tools and resources to support healthy food access in low-income communities and communities of color. (PolicyLink, the Reinvestment Fund, and The Food Trust)
- [Equitable Development Toolkit: Local Food Procurement](#) Strategies for promoting public and institutional policies committed to local, sustainable, healthy food. (PolicyLink)
- [Good Food and Good Jobs for All](#) Analysis and recommendations for connecting the movements for good food and good jobs in the pursuit of racial and economic equity. (Applied Research Center)
- [Access to Healthy Food and Why It Matters: A Review of the Research](#) Overview of recent research and advocacy focused on issues related to food access. (PolicyLink and The Food Trust)
- [Jobs for a Healthier Diet and a Stronger Economy](#) Report on the health and economic benefits of creating good food jobs in New York City. (New York City Food Policy Center)
- [Economic and Community Development Outcomes of Healthy Food Retail](#) Exploration of the economic aspects of efforts to improve access to healthy food. (PolicyLink)

Acknowledgments

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