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## 120 Chicago USDA Food Stamp Retailers Likely to be Liquor Stores

### *Food Desert Hit Hardest*

November 9, 2007

Mari Gallagher Research & Consulting Group, as part of an exclusive agreement with the *Chicago Sun-Times*, conducted a first level analysis of Chicago USDA Food Stamp retailers. The program is also referred to as the EBT card or Illinois Link.

Out of the 1,372 Chicago establishments that carry this special status, 120 (roughly 9%) appear to be primarily liquor stores rather than the original government designation of convenience store, medium or small grocer, or supermarket. Of these 120 citywide establishments we have recoded as liquor stores, 44 are located in Chicago's Food Desert (13% of total Food Stamp retailers there).

Over 500,000 residents live in Chicago's Food Desert, which we define as large and isolated geographic areas with no or distant mainstream grocery stores. Our past studies have found that Food Desert residents are more likely to die and suffer prematurely from diet-related diseases after controlling for income, race and education.

The current analysis consisted of a manual record-by-record review of each Chicago Food Stamp establishment's official government data and site inspections of a selected sample. All 120 establishments recoded as liquor stores have the word "liquor" as part of their official store name.

We use two important definitions in our Food Desert analysis in relation to food purchasing options: mainstream and fringe. A mainstream grocer can support the consumption of a healthy diet on a regular basis. A fringe food establishment, such as a liquor store, is the opposite; it is not inherently bad, but if it is the primary food source for a community, local diets, public health and land use patterns likely suffer.

**Do you live in a Food Desert** in Chicago, Detroit, Louisville, New York, Savannah, Oakland, rural America or some other part of the world? **We want to hear from you.** We are developing an **interactive e-oasis** where you can post and view pictures of local food shopping options, post data of stores moving in and out, submit commentary, and take advantage of our research briefings and other resources to improve healthy food access in your community. **Please help us as we build our Food Desert site.** Send an email to [info@fooddesert.net](mailto:info@fooddesert.net) including:

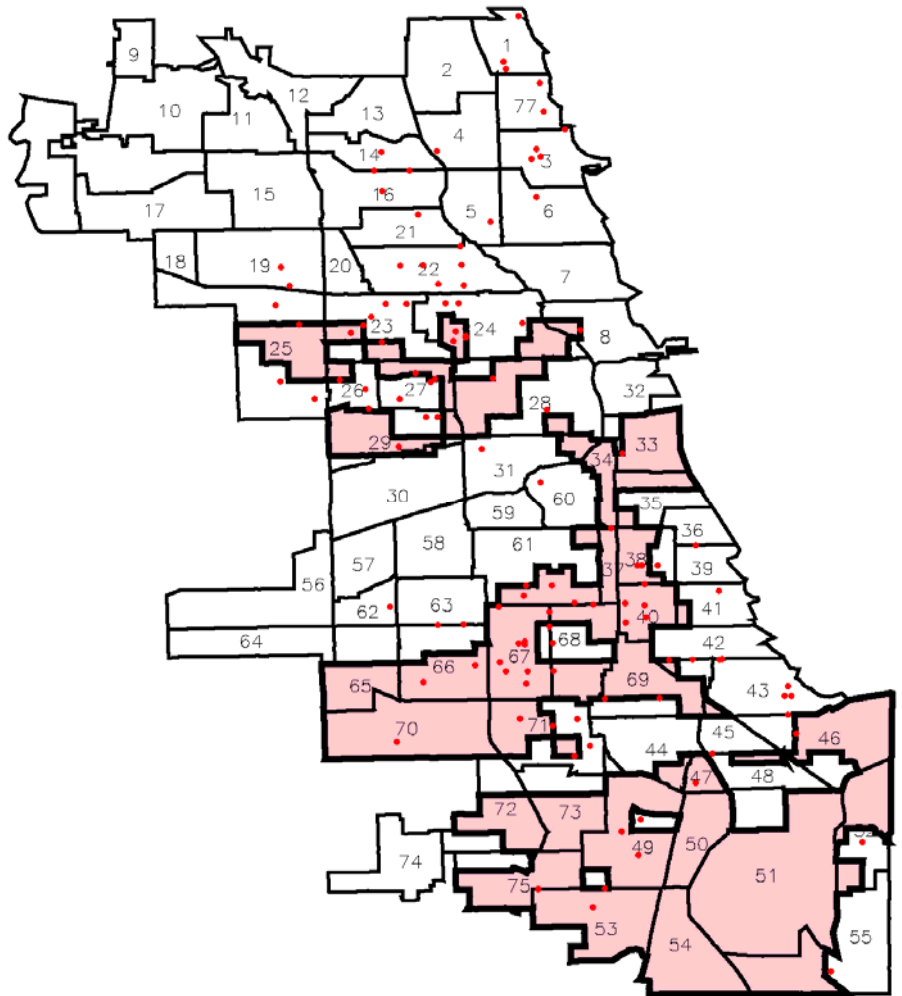
- Ideas and areas of interest
- Contact information to receive future announcements and briefings
- Local Food Desert pictures (attach to email in JPEG or comparable format and include the exact and full address so that we can map it)
- Your interest in advertising or providing a resource link on our site

In progress: [www.fooddesert.net](http://www.fooddesert.net)

**Share your ideas  
and stay in touch as we build this  
exciting interactive site!**

**Map 1: Chicago USDA Food Stamp Retailers Recoded as Liquor Stores by Chicago Community Area & Chicago Food Desert**

#	Community Name	#	Community Name
1	ROGERS PARK	40	WASHINGTON PARK
2	WEST RIDGE	41	HYDE PARK
3	UPTOWN	42	WOODLAWN
4	LINCOLN SQUARE	43	SOUTH SHORE
5	NORTH CENTER	44	CHATHAM
6	LAKE VIEW	45	AVALON PARK
7	LINCOLN PARK	46	SOUTH CHICAGO
8	NEAR NORTH SIDE	47	BURNSIDE
9	EDISON PARK	48	CALUMET HEIGHTS
10	NORWOOD PARK	49	ROSELAND
11	JEFFERSON PARK	50	PULLMAN
12	FOREST GLEN	51	SOUTH DEERING
13	NORTH PARK	52	EAST SIDE
14	ALBANY PARK	53	WEST PULLMAN
15	PORTAGE PARK	54	RIVERDALE
16	IRVING PARK	55	HEGEWISCH
17	DUNNING	56	GARFIELD RIDGE
18	MONTCLARE	57	ARCHER HEIGHTS
19	BELMONT CRAGIN	58	BRIGHTON PARK
20	HERMOSA	59	MCKINLEY PARK
21	AVONDALE	60	BRIDGEPORT
22	LOGAN SQUARE	61	NEW CITY
23	HUMBOLDT PARK	62	WEST ELSDON
24	WEST TOWN	63	GAGE PARK
25	AUSTIN	64	CLEARING
26	WEST GARFIELD PARK	65	WEST LAWN
27	EAST GARFIELD PARK	66	CHICAGO LAWN
28	NEAR WEST SIDE	67	WEST ENGLEWOOD
29	NORTH LAWNSDALE	68	ENGLEWOOD
30	SOUTH LAWNSDALE	69	GREATER GRAND CROSSING
31	LOWER WEST SIDE	70	ASHBURN
32	LOOP	71	AUBURN GRESHAM
33	NEAR SOUTH SIDE	72	BEVERLY
34	ARMOUR SQUARE	73	WASHINGTON HEIGHTS
35	DOUGLAS	74	MOUNT GREENWOOD
36	OAKLAND	75	MORGAN PARK
37	FULLER PARK	76	O'HARE
38	GRAND BOULEVARD	77	EDGEWATER
39	KENWOOD		



- Community boundaries
- Food Desert
- USDA Food Stamp Retailers recoded as likely liquor stores

Table 1: Chicago USDA Food Stamp Retailers Recoded as Liquor Stores

Location	Total	Original Government Coding			
		“Convenience store”	“Medium or small grocer”	“Supermarket”	“Other combination”
Chicago	120	19	95	5	1
<i>Inside Food Desert</i>	44	5	35	4	0
<i>Outside Food Desert</i>	76	14	60	1	1

Roughly 79% of Chicago’s 120 establishments recoded as liquor stores had the original mainstream government coding of “medium or small grocer” whether inside or outside the Food Desert. The vast majority of establishments recoded as liquor stores with the original mainstream government coding of “supermarket”, however, are inside the Food Desert (4 out of 5). Why is this important? The types of foods that can be purchased at a liquor store tend to be a limited assortment of prepackaged items high in fat, salt, and sugar. Supermarkets and small independent grocers, by contrast, generally offer healthy and fresh products. The proper coding of these Food Stamp stores is therefore a critically important first step to understanding the availability of fresh and healthy foods.

The goal of the USDA Food Stamp program is to be “the first line of defense” against malnutrition and hunger for populations most in need. In the Chicago Food Desert, where many poor families are concentrated, there are 325 total USDA Food Stamp retailers (24% of all Food Stamp retailers citywide): 16 are mainstream small, medium, or large grocers or supermarkets, 141 are fringe establishments (including the 44 recoded liquor stores), and 168 remain uncertain in terms of status. We would need additional funding to expand beyond our level one analysis to determine the status of each remaining location and their individual and collective impact on local food choice and diet-related health outcomes. However, our analysis to date reveals that most Chicago USDA Food Stamp retailers are fringe food establishments that include not only liquor stores but gas stations, bakeries, specialty food stores, convenience stores, dollar stores, pharmacies, department stores such as K-Mart and Target, and other types of non-mainstream food venues. A neighborhood dominated by fringe food retailers can be the most harmful – not only to the local commercial climate but to public health – because all households must buy and consume food on a regular basis as part of the human condition. Convenience – what’s nearby – plays a major role in food shopping decisions, particularly for Food Stamp families that rely on walking to stores, public transportation, or on rides from friends.

Our work also details other examples of mainstream and fringe retailers, such as banks (mainstream) and check cashers and pawnshops (both fringe). Fringe retailers do provide consumer options, but when they are the only or dominant option, they can set a negative tone for the business district that is difficult to overcome. In the world of retail agglomeration, like attracts like. Mainstream retailers attract more mainstream retailers. Conversely, fringe retailers attract more fringe retailers and other types of undesirable land uses. We call this the Snowball Effect (Gallagher, 2007). A high concentration of fringe food venues in the Food Desert, for example, means that it is inherently harder to attract mainstream grocers, as well as other types of quality stores, even when the local market demonstrates adequate demand and buying power. This is one of several key reasons why retail patterns in the Food Desert continue to “snowball” in the “wrong” direction despite “community revitalization” or “Plan for Transformation” investments. In a few Food Desert areas, clear improvements can be seen in the local housing market while fringe uses dominate the commercial district.

Local access to USDA Food Stamp retailers can therefore also impact non-Food Stamp families – even middle and upper income households. Although many Food Stamp families do indeed live in the Food Desert, not everyone there is poor.

Of the 203,369 Food Desert households:

- 63,355 or 31% have an annual income of \$50,000 or more
- 29,561 or 14% have an annual income of \$75,000 or more
- 14,194 or 7% have an annual income of \$100,000 or more

No data set is perfect. We suspect that a small number of retailers that are in our fringe category might be mainstream food venues, and that a small number of our mainstream retailers might be fringe venues. However, we believe that the overall characterization and splitting of stores into mainstream and fringe categories accurately reflects the approximate range and distribution of the types of food stores and food options available today in Chicago. Furthermore, based on the current analysis and similar studies that we have conducted in other cities, we suspect that the majority of these 120 recoded-as-liquor Chicago USDA Food Stamp retailers:

- Are what we call *fringe* locations: they do not specialize in healthy foods but, instead, in the sale of 1) alcohol, 2) tobacco, 3) lottery tickets, and/or 4) a comparatively small selection of prepackaged and canned food products high in salt, fat, and sugar.
- Correlate with worse diet-related health outcomes – specifically in the Food Desert where other mainstream food options are hard to find – after controlling for other key factors such as income, race, and education.
- Depress local commercial climates and land values after controlling for general economic decline, crime, and other contributing factors.

Additional funding is needed for a full analysis, including individual site inspections of all of Chicago’s 1,372 USDA Food Stamp retailers, to conclude the exact nature and product offerings of each individual establishment and their impact on Chicago communities (see page 5 for a map of all Chicago USDA Food Stamp retailers). We have also assembled and geocoded all USDA Food Stamp retailers for the entire state of Illinois and seek funding to conduct that analysis and to apply our Food Balance methodology. In correlating food access to diet-related health outcomes, we have found that a key measure is Food Balance, which reveals how easy or difficult it is to choose between a mainstream and fringe food location on a daily basis. An added benefit of developing Food Balance Scores across Illinois is that they can be compared across urban, suburban, and rural geographies. For example, in a particular rural area, the closest mainstream grocer might be 3 miles away, but the closest fringe food establishment might also be 3 miles away. We would consider that area to be *in balance* in terms of food access; it is just as easy or difficult to reach one or the other food establishment. The Food Balance Score – developed exclusively by Mari Gallagher Research & Consulting Group – is the distance from each block center to the closest

**“The Food Stamp Program serves as the first line of defense against hunger. It enables low-income families to buy nutritious food with Electronic Benefits Transfer (EBT) cards.”** - United States Department of Agriculture

What must retailers do to qualify for the Food Stamp Program?

Retailers must sell food for home preparation and consumption and meet one of the criteria below:

(A) Offer for sale, on a continuous basis, at least three varieties of qualifying foods in each of the following four staple food groups, with perishable foods in at least two of the categories:

- Meat, poultry or fish
- Bread or cereal
- Vegetables or fruits
- Dairy products

♦♦♦♦ OR ♦♦♦♦

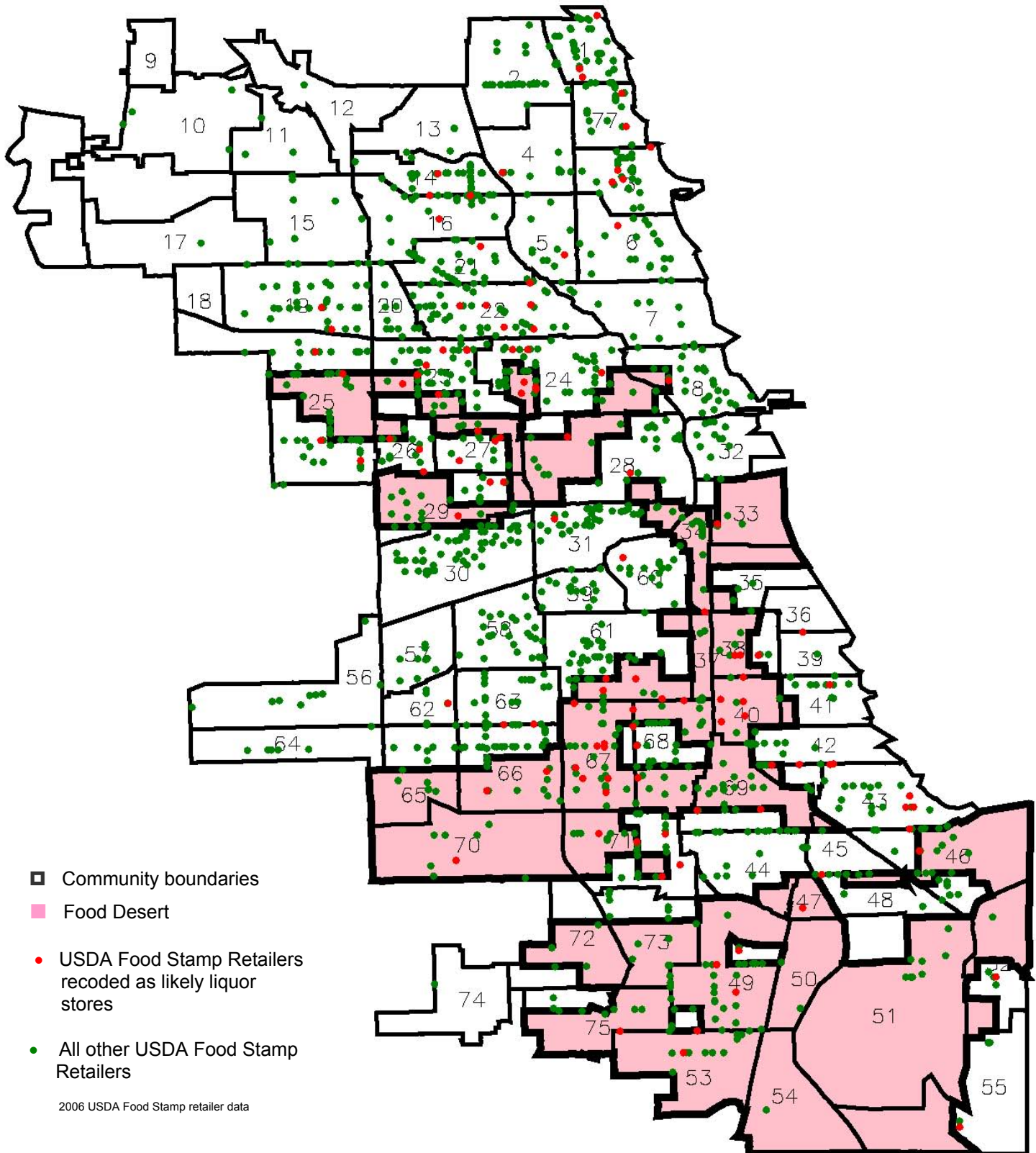
(B) More than one-half (50%) of the total dollar amount of all things (food, nonfood, gas and services) sold in the store must be from the sale of eligible staple foods.

Source: United States Department of Agriculture Food and Nutrition Service website, March 2007

mainstream food venue divided by the distance to the closest fringe food venue. For Chicago, the fringe food category is so far limited to fast food. **We discuss our Food Balance methodology more in the next section titled Chicago Communities That Suffer Most.**

### Map 2: All Chicago USDA Food Stamp Retailers

*Map should be viewed in color*



## Chicago Communities that Suffer Most

Mari Gallagher Research & Consulting Group was asked by the *Chicago Sun-Times* to identify the Chicago communities that suffer most from Food Stamp retailers that are liquor stores. To answer this question, we looked at two measures simultaneously.

First, we identified the Food Stamp liquor stores in the Food Desert, which, again, are large and isolated geographic areas with no or distant grocery stores.

Second, we identified Food Stamp liquor stores that are ALSO in *out-of-balance* areas in terms of food choice. Our Food Balance Score was part of the original Chicago Food Desert study (*Examining the Impact of Food Deserts on Public Health in Chicago*, sponsored by LaSalle Bank). However, those scores were never paired with liquor stores of any type until now.

As we pointed out previously, when correlating food access to diet-related health outcomes, a very important measure is Food Balance, which reveals how easy or difficult it is to choose between mainstream and fringe food venues. So for every single block in Chicago, we measured the distance to each type of food venue. (We have since expanded the definition of fringe food based on what we found concerning USDA Food Stamp retailers in Detroit. See our Detroit Food Desert report available at [marigallagher.com](http://marigallagher.com) for more information.)

<b>Table 2: Food Balance Theory</b> (copyright applies) As communities become more out-of-balance in terms of food options, negative diet-related health outcomes increase, holding constant other key factors	
<b>Food Balance Score description</b>	<b><u>Examples</u></b>
Far above 1: <b>High score and worst outcome</b>	Mainstream food venue is 1 mile away, and fringe food venue is .5 miles away <b><math>1/.5 = 2</math></b>
Around 1: <b>Average score and average outcome</b>	Mainstream food venue is 1 mile away and fringe food venue is 1 mile away <b><math>1/1 = 1</math></b>
Far below 1: <b>Low score and best outcome</b>	Mainstream food venue is .5 mile away and fringe food venue is 1 mile away <b><math>.5/1 = .5</math></b>

To summarize, we identified which Food Stamp liquor stores are 1) in the Food Desert and 2) have the worst Food Balance scores. This means that grocery stores are relatively distant but fast food is close AND there is a Food Stamp liquor store close by that specializes in very few food products. We find that communities that have the largest numbers of Food Stamp liquor stores that meet these two conditions suffer most. The Chicago community that by far tops the “**worst off**” list is **West Englewood**. Although Englewood’s food access did improve with the recent opening of

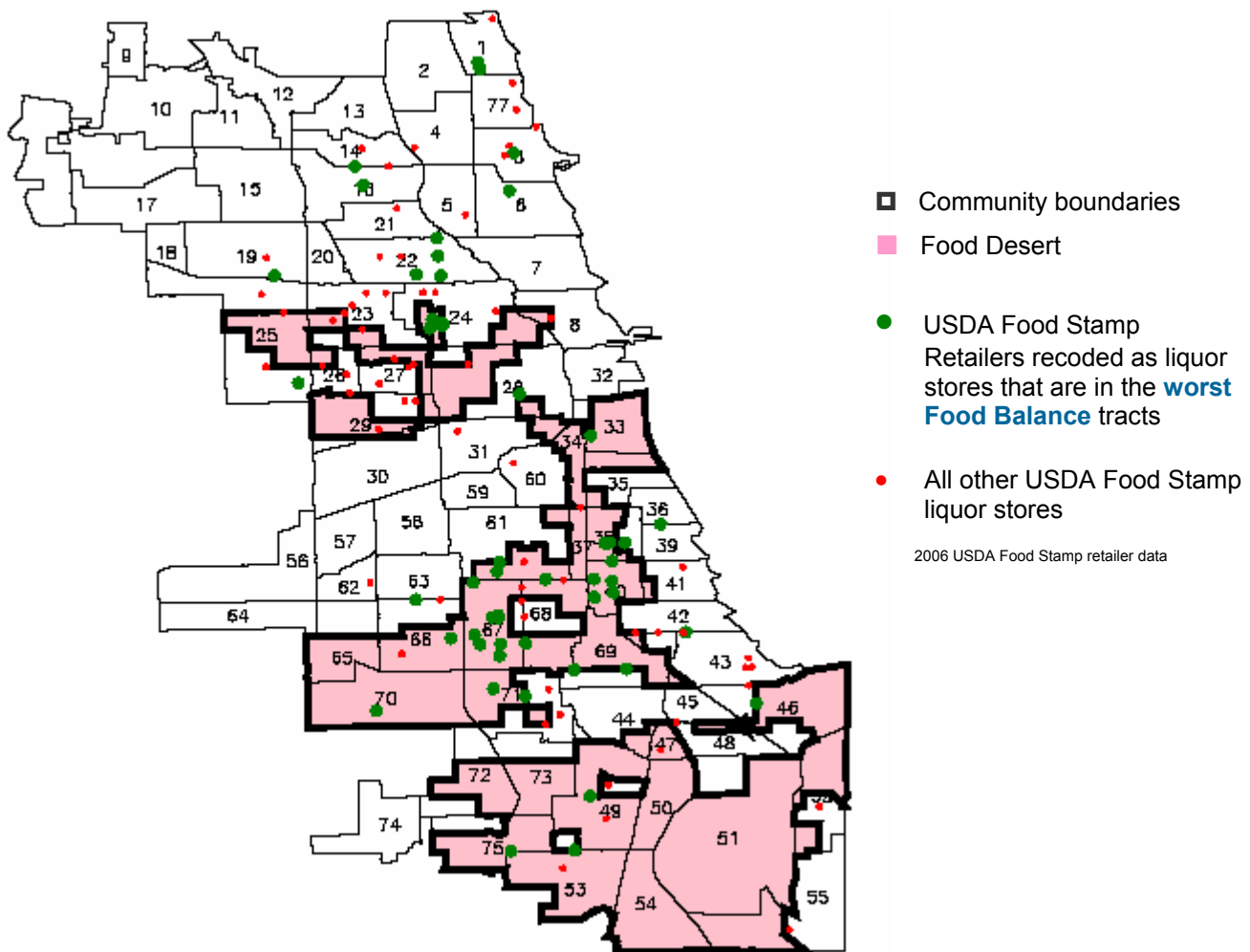
Food-4-Less, it is dominated by Food Stamp liquor stores, other types of liquor stores, and other types of fringe food options.

We were also asked by the *Chicago Sun-Times* to identify which communities might be revitalizing or showing signs of improvement but nonetheless contain a high count of Food Stamp liquor stores.

**Grand Boulevard and Washington Park both have a cluster of Food Stamp liquor stores.** These communities – Grand Boulevard especially – have otherwise seen an influx in higher income residents, as well as planned mixed-income housing that is part of the City’s Plan for Transformation. The Plan for Transformation has taken traditional high rise CHA housing and replaced it with lower density mixed-income housing. While Washington Park and Grand Boulevard both still have poor populations, new families moving in, especially higher income families, have expressed frustration at the lack of local, quality retail, particularly the lack of quality grocery stores.

**Map 3: USDA Food Stamp Liquor Stores in Food Desert and in Worst Food Balance Tracts**

*Map should be viewed in color*



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## About the author

Mari Gallagher is Principal of Mari Gallagher Research & Consulting Group and has enjoyed a national reputation for diverse, high impact projects around the country for over 18 years of professional history. Clients include community and civic organizations, government entities, foundations, and major corporations such as LaSalle Bank, ALDI, Kraft Foods, and Wal-Mart. The Group's work continues to be covered by media venues such as National Public Radio and CNN.

More about us at: [marigallagher.com](http://marigallagher.com)

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*Comments and inquiries welcome. Please send them to:*

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## Acknowledgements

The kind support of **Sally Duros** and **Sandra Guy** of the *Chicago Sun-Times* was instrumental in developing this special briefing. Thank you!

Our regular collaborator, **Joseph Ferrie** of the Economics Department of Northwestern University, was a great and insightful contributor, as always. We couldn't do it without you!

**The Urban Institute** and its **National Neighborhood Indicators Partnership** continue to support and promote our work.

A recent conference sponsored by the **Urban Markets Initiative** at the **Brookings Institution**, particularly the discussion of technology as a way to reach critical mass, was helpful in providing us some new ideas to consider regarding our emerging "Food Desert" website.

**Oran Hesterman** of the **Kellogg Foundation** and the **Fair Food Foundation** connected us to **Mark Sommer** of the **Mainstream Media Project** out of California, which recently launched a detailed radio broadcast titled **Food Deserts: Nutritional Starvation in the Land of Plenty** that aired in 300 radio markets around the country. The broadcast includes a discussion of USDA Food Stamp retailers. Extensive interviews with Mari Gallagher, Oran Hesterman, and Ian Marvy can be found at:

<http://www.aworldofpossibilities.com/details.cfm?id=314>

We thank **Fran Spencer** of **Retail Chicago**, who is always helpful, and we thank the **City of Chicago** generally for working with us productively over the years on a wide range of issues concerning food access and public health.

We also acknowledge the **importance and benefits of the Food Stamp program** and welcome opportunities to work with the USDA and others to improve it further.

Preparing this briefing has meant that we have had to upgrade and update our website. Thank you to the team at the **Creative Quadrant** for being our timely key to good communication. More about this minority and women-owned print and web design firm can be found at <http://creativequadrant.com/>.

Last but not least, a special and important thank you to **Robert Grossinger** and other colleagues at LaSalle Bank for funding the first foundational study on Chicago's Food Desert. Much of our new work is built off this baseline effort.