

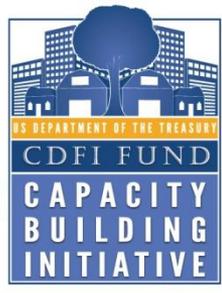


# Chips to Carrots: Financing Healthy Corner Stores

Hannah Burton Laurison, ChangeLab Solutions

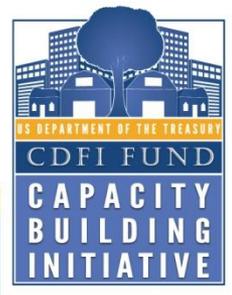
Stephanie Weiss, The Food Trust

September 27, 2012



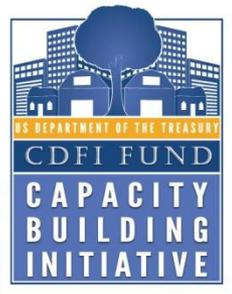
# Introduction

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



# Today's Webinar Topic

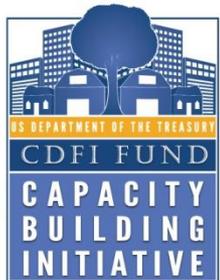
- Financing smaller scale food retail
- Introduction and lessons learned from healthy corner store movement
- How CDFIs can finance healthy corner stores



# Hannah Burton Laurison



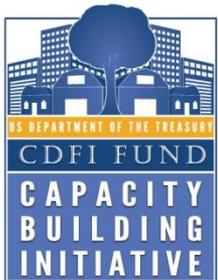
ChangeLab Solutions  
[haurison@changelabsolutions.org](mailto:haurison@changelabsolutions.org)  
changelabsolutions.org  
healthycornerstores.org



# Stephanie Weiss



The Food Trust  
[sweiss@thefoodtrust.org](mailto:sweiss@thefoodtrust.org)  
[www.thefoodtrust.org](http://www.thefoodtrust.org)





# Chips to Carrots: Financing Healthy Corner Stores

Hannah Burton Laurison, ChangeLab Solutions

Stephanie Weiss, The Food Trust

September 27, 2012

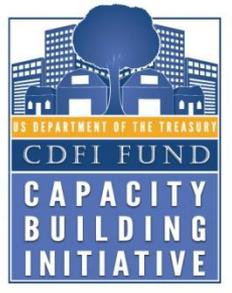


# WHAT WE'LL COVER TODAY

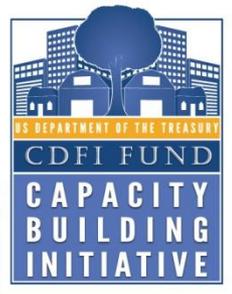
OVERVIEW: What is the healthy corner store movement?

SOLUTIONS: What changes are being made in stores?

OPPORTUNITY: What is the role of CDFIs?

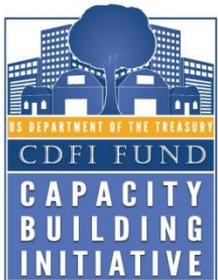


# OVERVIEW: What is the healthy corner store movement?





*Tell us how it was  
in the **good ole**  
**days...***

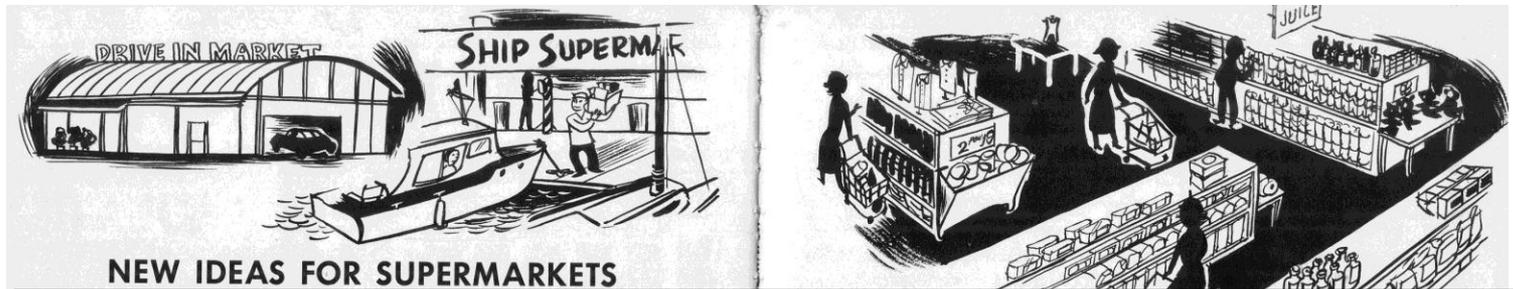


# All grocery stores were small...



Property of Museum of History & Industry, Seattle

# And people walked to the grocery store



NEW IDEAS FOR SUPERMARKETS

Many city supermarkets don't have parking lots because people live just around the corner and walk over to do their shopping.



By looking at the signs above them, you can go along the rows that have the items on your list, and skip the others. Now supermarket designers are experimenting with this kind of arrangement:

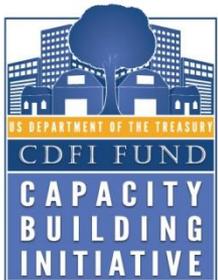
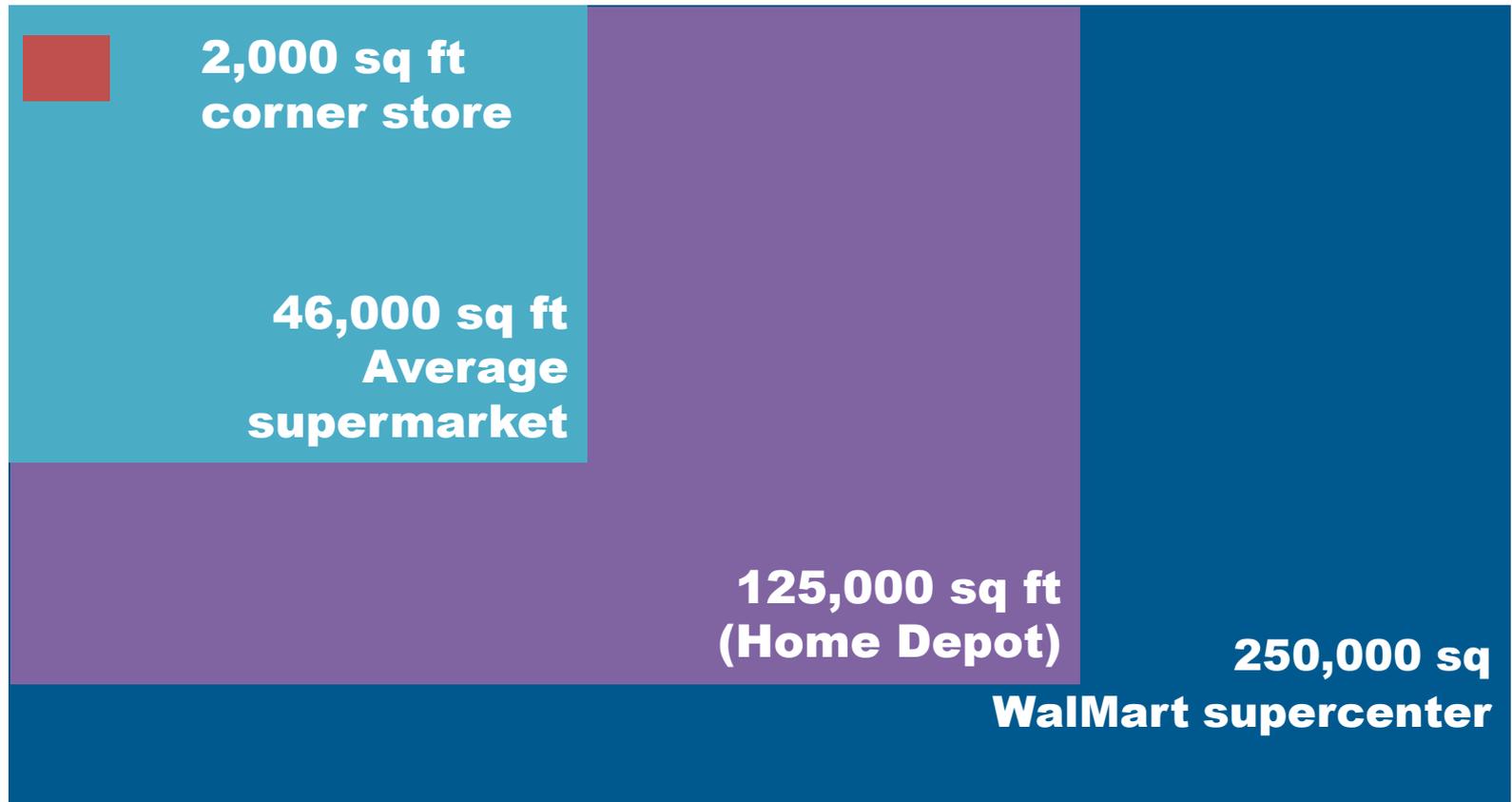
24

ers noticed that the bread had been mashed under the cans, and they would hurry over and change it for a fresh loaf. That was no good for the supermarket men, so now you usually come to the bread when you are almost finished with your shopping.

Many city supermarkets don't have parking lots because people live just around the corner and walk over to do their shopping. But most new supermarkets try to plan space for

25

# Stores got bigger





*What does store size have to do with **health**?*



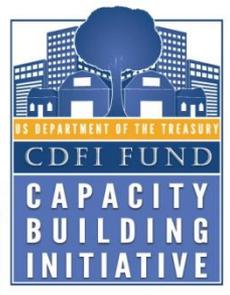
# Definitions

## What is a corner store?

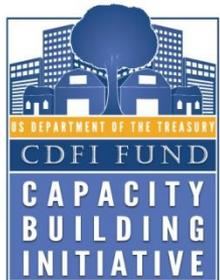
- Small scale, limited selection of foods and products
- Other criteria: size, number of aisles and registers
- Diverse range of stores
  - Independent and chain
  - Rural, urban and suburban
  - A.K.A. - Small, convenience, neighborhood store or bodega

## • Typical Standards

- Stock certain items (whole grains, dairy, fresh produce)
- Increase by quantity, shelf space
- Marketing – promote healthy, restrict unhealthy
- Follow certain health and environmental standards



# Low income neighborhoods have more stores



# The poor quality of food affects health



# Living near a store with healthy food improves diet



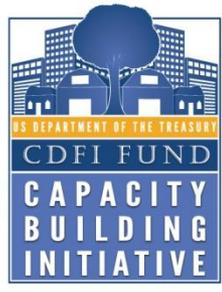
# Healthy Corner Stores Network

changelab solutions • the food trust • urbane development

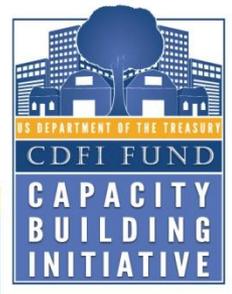


- **Webinars**
- **Listserv**
- **Technical assistance**
- **Networking**

[www.healthycornerstores.org](http://www.healthycornerstores.org)



# **SOLUTIONS: What changes are being made in small stores?**



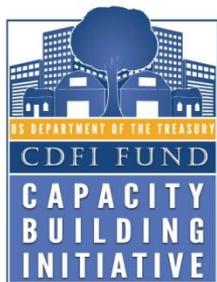
# Improve produce quality



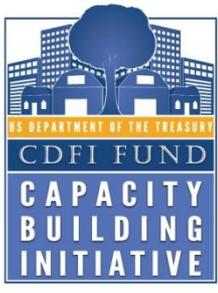
# Limit unhealthy food



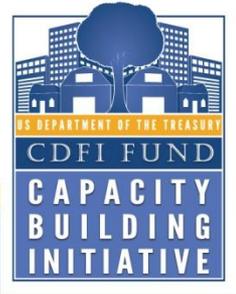
# Introduce new healthy options



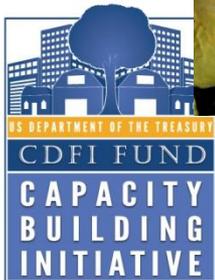
# Decrease promotion of unhealthy products



# Make healthy choices easy to find



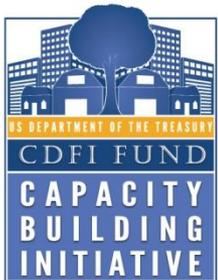
# Make connections with distributors



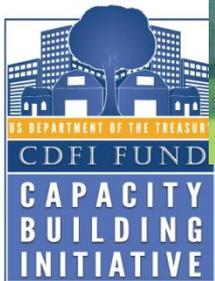
# Provide training on produce handling



# Upgrade refrigeration equipment



# Renovate store exteriors



# Offer nutrition education and outreach





**Ensuring that everyone has access to affordable, nutritious food**

# Why Corner Stores?

- Nationally: A growing interest in partnering with corner stores to improve healthy food access
- Supermarket deserts and customer dependence
- Corner stores and the urban landscape
- Engaging as ALLIES

Fruit and Vegetable Consumption  
Among Residents  
with Poor Grocery Quality

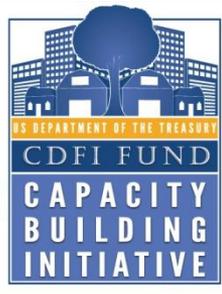
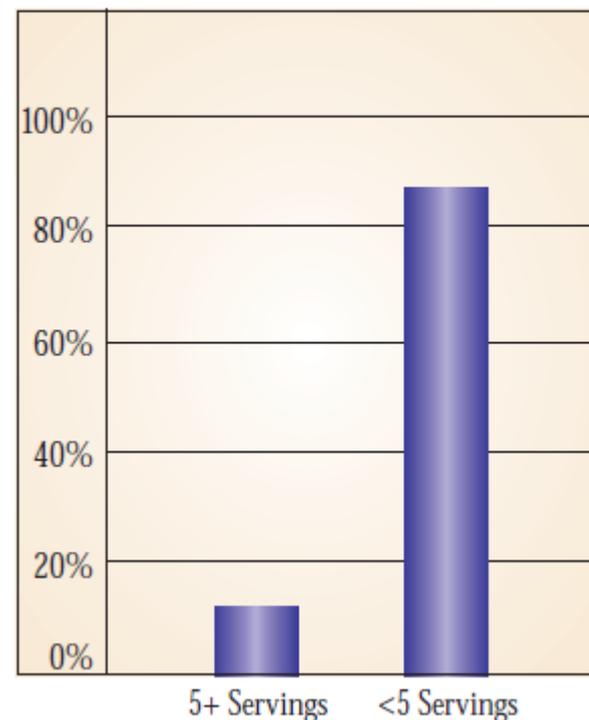
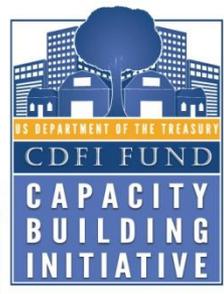


Chart Source: Food Geography: How Food Access Affects Diet and Health.  
Available at  
<http://www.thefoodtrust.org/pdf/Food%20Geography%20Final.pdf>

# Health Impact

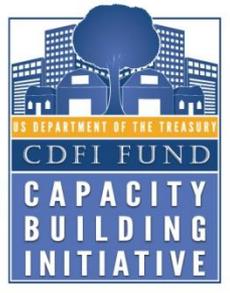
- 356.6 kcal per purchase from snacks/beverages
- Students spent \$1.07 on 2 items per purchase from corner stores
- 42% shop 2 times/day
- 53% shop once a day
- Energy dense, low-nutritive foods and beverages



Source: Research presented in this presentation comes from: Kelley E. Borradaile, Sandy Sherman, Stephanie S. Vander Veur, Tara McCoy, Brianna Sandoval, Joan Nachmani, Allison Karpyn, and Gary D. Foster **Snacking in Children: The Role of Urban Corner Stores** Pediatrics 2009 : peds.2009-0964v1-peds.2009-0964.

# Corner Stores: State of the Evidence

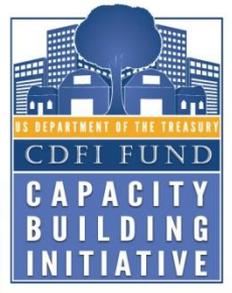
- 2012 Gittelsohn et al. conducted review
- Identified 16 studies in 6 countries
  - Small stores (<1,000 sq ft) and “corner stores” included
  - Considered approaches, population emphasis, and strategies as well as effectiveness



Gittelsohn J, Rowan M, Gadhoke P. Interventions in Small Food Stores to Change the Food Environment Improve Diet and Reduce Risk of Chronic Disease. Preventing Chronic Disease 2012, 9.

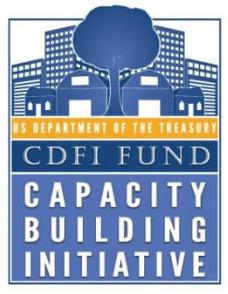
# Corner Stores: Gittelsohn, 2012

- Review found following most common strategies employed:
  - Increasing availability of healthy foods, especially produce
  - Point of purchase promotions (shelf labels/posters)
  - Community engagement
  - Business training and nutrition education also used, but less common



# Corner Stores:Gittelsohn, 2012

- Do the strategies work? (YES!)
  - Availability of healthy foods increased in virtually all projects
  - Significant increases in sales (and purchasing) of promoted products; for produce observed 25%-50% increase.
  - The one study that looked at it saw continued increased healthy food sales 6 months after intervention

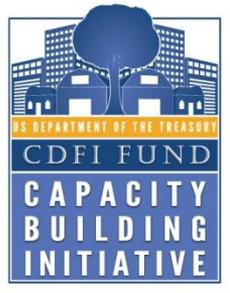


Gittelsohn J, Rowan M, Gadhoke P. Interventions in Small Food Stores to Change the Food Environment Improve Diet and Reduce Risk of Chronic Disease. Preventing Chronic Disease 2012, 9.

# Corner Stores: State of the Evidence

New Aug 2012 Study: 55 stores in NYC

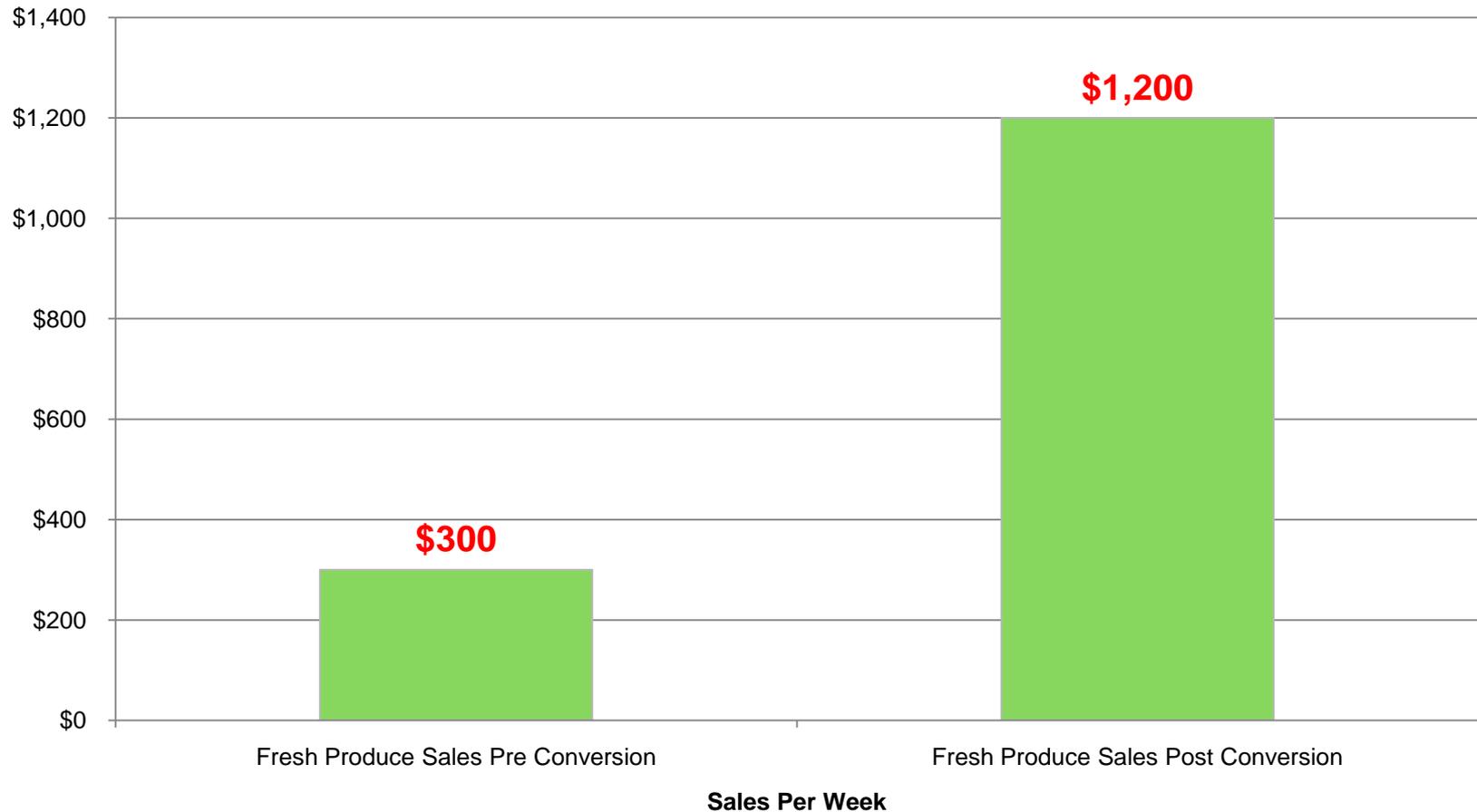
- Found increased sales of healthier items
- 11% net increase in healthy item purchases
- Barriers identified included:
  - 1) lack of space and refrigeration for healthy items
  - 2) need for mechanisms to promote consumer demand.



Dannefer R, Williams DA, Baronberg S, Silver L . *Healthy Bodegas: Increasing and Promoting Healthy Foods at Corner Stores in NYC*. Am J Pub Health 2012, Aug 16:e1-e5.

# Economic Impact: Study in Field

## Increase in Healthy Food Sales Christian Food Market, Philadelphia PA

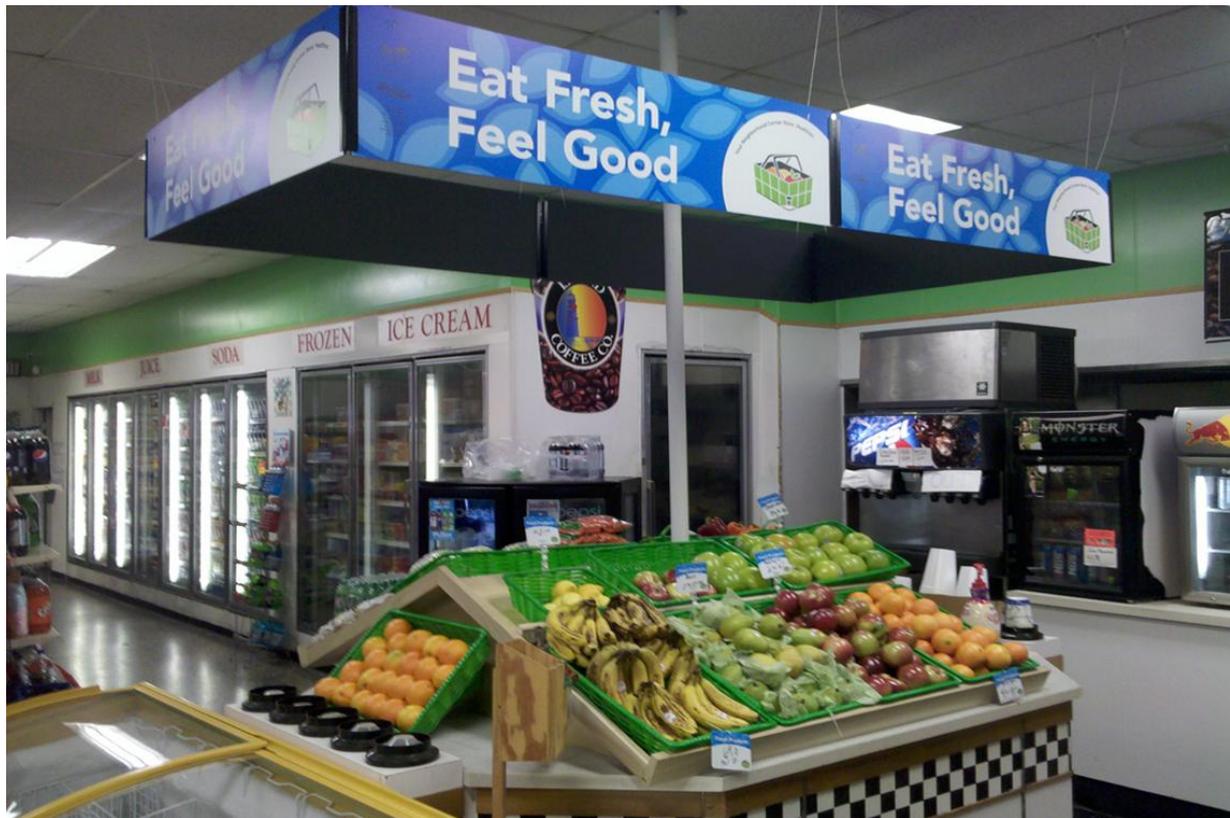


# Barriers to Fresh Food Retail in Corner Stores

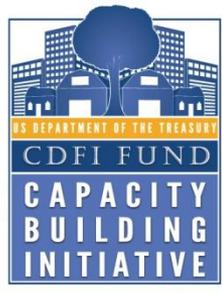
- Space limitations and physical capital
- Set of skills required
- Supplier - Retailer Gap



# Philadelphia Healthy Corner Store Initiative



*Funding for this project was made possible in part by Cooperative Agreement #1U58DP002626-01 from the Centers for Disease Control and Prevention, U.S. Department of Health and Human Services; and Get Healthy Philly, an initiative of the Philadelphia Department of Public Health. The views expressed in this presentation do not necessarily reflect the official policies of the Department of Health and Human Services; nor does mention of trade names, commercial practices, or organizations imply endorsement by the U.S. Government.*



# Philadelphia Healthy Corner Store Initiative

## Social Marketing Examples



### whole grains

Look for whole grains.

Nutrition Facts	
Serving Size 1 slice	
Servings Per Container 18	
Amount Per Serving	
Calories 80	Calories from Fat 5
Total Fat 1g	
Saturated Fat 0g	
Trans Fat 0g	
Cholesterol 0g	
Sodium 110mg	
Total Carbohydrate 11g	
Dietary Fiber 3g	
Sugars 0g	
Protein 3g	

**100% Whole Grain Bread**  
Ingredients: Whole wheat flour, water, wheat gluten, yeast

The word whole should be before the first ingredient.

Look for at least 3 grams of fiber.

Whole grains provide fiber, vitamins and minerals for good health.



**NON-FAT, SKIM  
OR 1% LOW-FAT**  
milk, yogurt, cheese

**WHOLE MILK/  
SUGAR ADDED**  
milk, yogurt, cheese

**HIGH-FAT**  
cream, butter, ice cream,  
cream cheese

# Case Study: Distribution Example



One store owner buys produce, prepares fruit salads and distributes to other corner stores in the network.

# Small Conversion Example

## Christian Food Market, Philadelphia PA

**BEFORE**

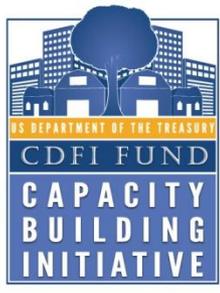


**AFTER**



# Case Study: Major Conversion

## Romano's, Philadelphia PA



# Case Study: Major Conversion

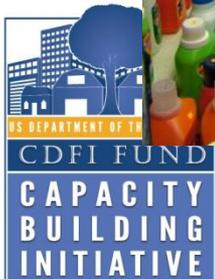
## Romano's, Philadelphia PA



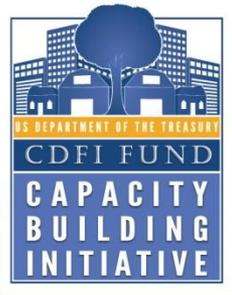
**BEFORE**



**AFTER**

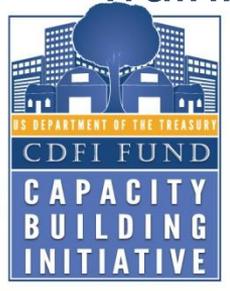


# OPPORTUNITIES: What is the role of CDFIs?

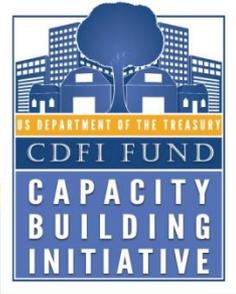


# How can CDFIs support healthy corner stores?

- Infrastructure needs
  - Store layout improvements (i.e. moving aisles, check-out counter)
- Equipment purchases
  - Refrigerators, shelving, inventory management
- Marketing and promotion
  - In-store and neighborhood promotion
- Working capital
  - For investments like façade or lighting improvements
- Training and technical assistance

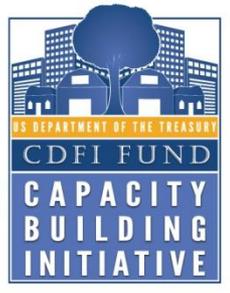


# Getting businesses ready to apply for a loan



# Questions to consider

1. Is there demonstrated need?
2. Is there community support and engagement for the initiative?
3. Are corner store owners in the target area interested in retailing fresh foods?
4. What are the financing needs of the initiative?



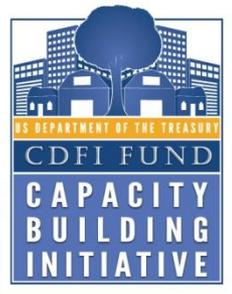
# Is there demonstrated need?

- The area should demonstrate a lack of healthy, fresh food access.
- The investments should fit **within the existing economy and be economically viable.**
- Owners and stores in the community should demonstrate the need for capacity (i.e. start up costs).
  - *This should be the focus of the initiative.*



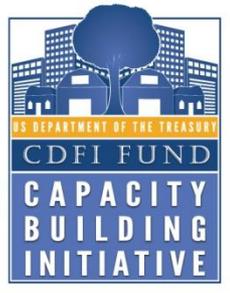
# Is there community support and engagement for the initiative ?

- A managing entity of the initiative should work with individuals and community based organizations to ensure grassroots ownership.
  - Individuals can be involved in the initiative through participation in store events, nutrition education, and store tours.
  - Local champions of programs can help keep them going long-term!



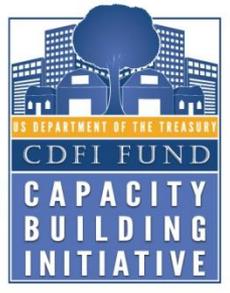
# Are corner store owners interested in retailing fresh foods?

- Understand challenges, risks, and have business experience.
- What support is available to train staff, owner on strategies



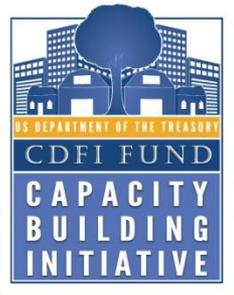
# What are the financing needs of the initiative?

- The effort of re-outfitting a corner store to sell fresh produce can cost less than \$100,000 in TA, equipment, and initial inventory.
  - The budget is higher for transforming multiple corner stores.
- There may also be costs related to program management.
  - Staff time, travel, owner incentives, design and marketing expenses, produce racks.
- Funding support should come from multiple sources to demonstrate true interest and partnership within the community.
  - Private foundations, city funds, CDFIs, neighborhood councils, private donors, fundraisers.

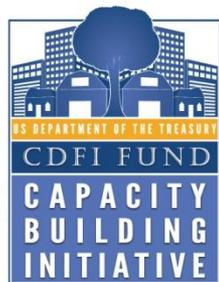


# What else should a CDFI consider?

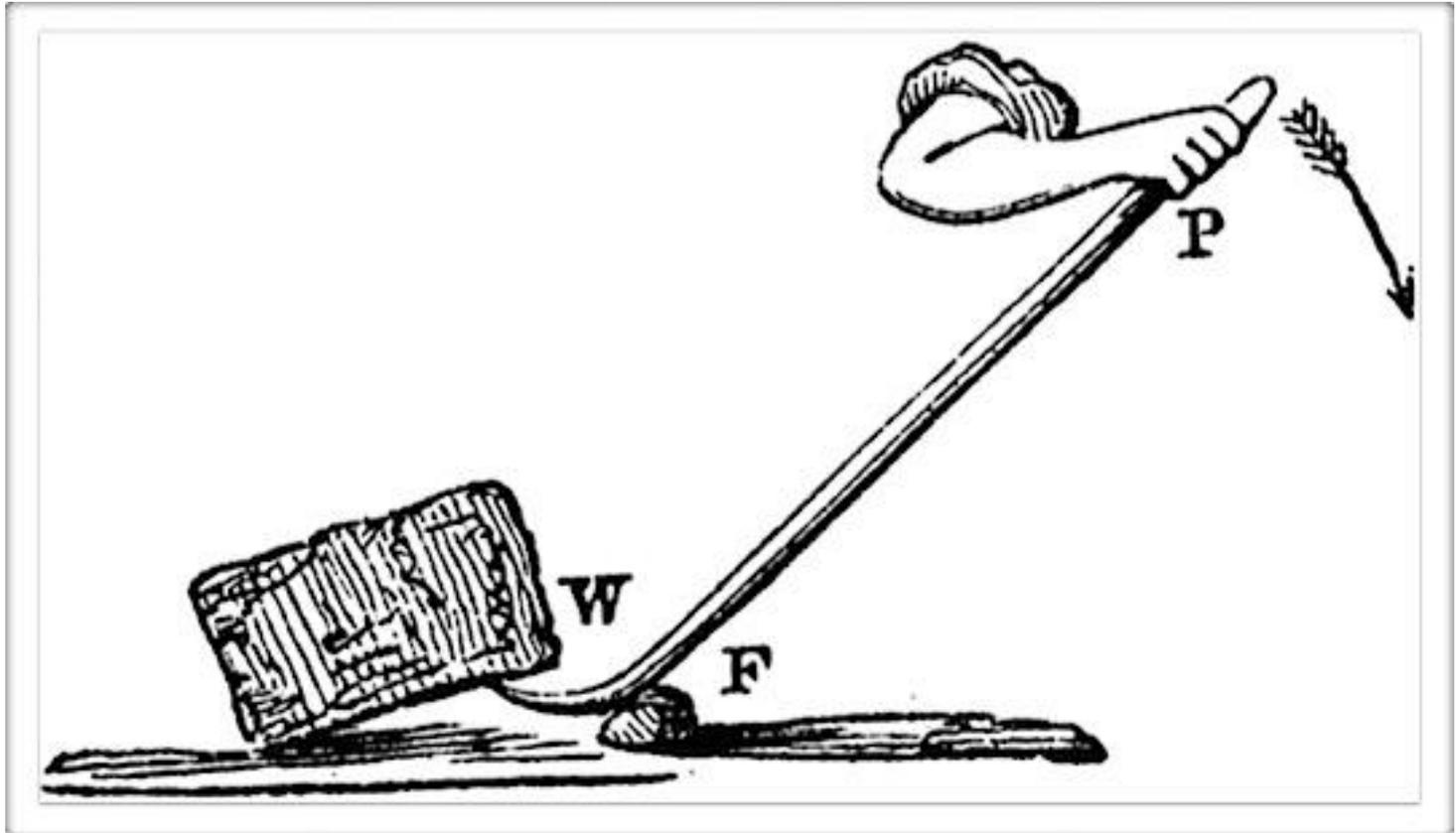
- Corner store owners are much smaller enterprises, but still may be willing to take on loan debt.
  - Consider small loans for individual stores or loans bundled with grant funds or other resources (i.e. municipal program funds).
- Individually, CDFIs should make eligibility determinations based on their unique communities and regions.



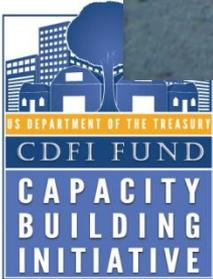
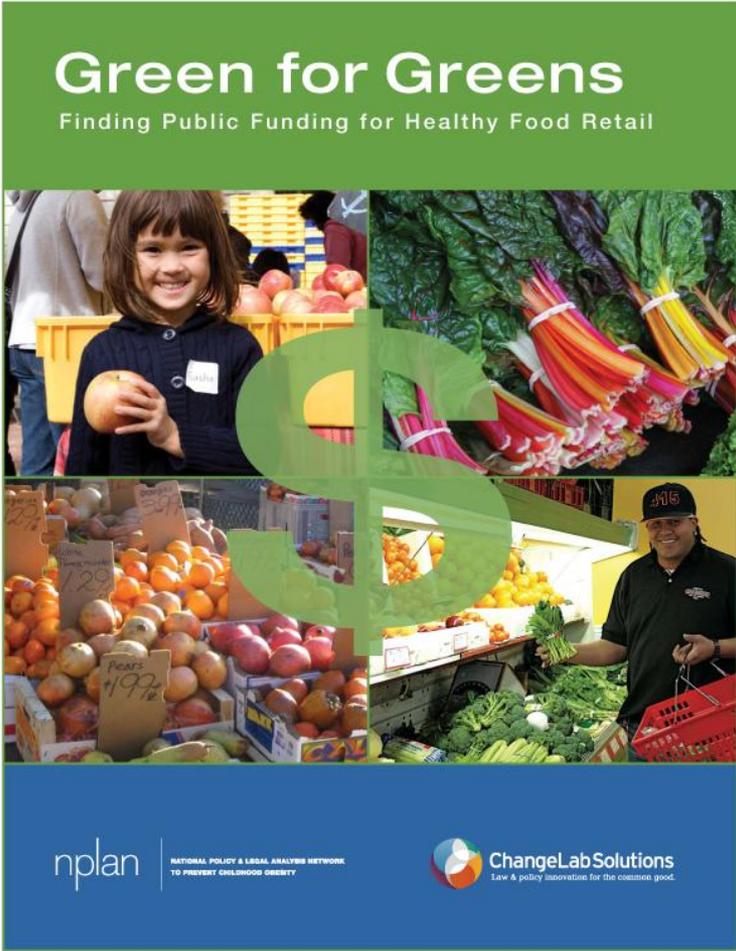
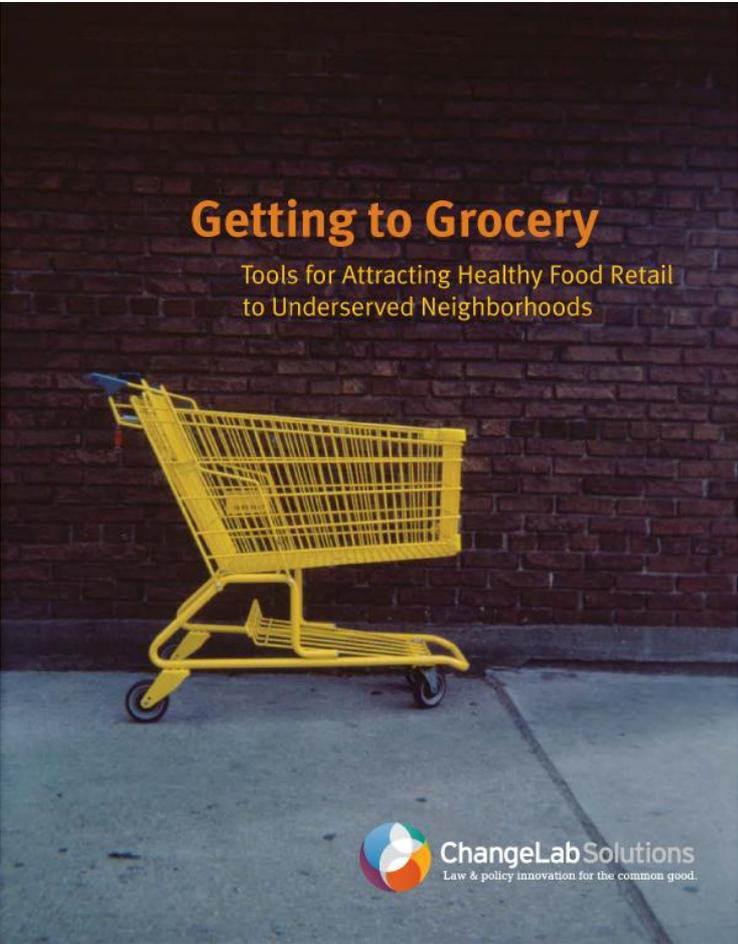
# Breaking down silos



# Leverage resources



# RESOURCES



# RESOURCES

## healthy corner stores issue brief

by The Food Trust for the Healthy Corner Stores Network

A QUARTERLY E-PUBLICATION

WINTER 2012 ISSUE: [Topic Overview](#) / [Views from the Field](#) / [Keys to Success](#) / [Additional Resources](#)

## featured topic

### THE SUPPLIER-RETAILER GAP: CONNECTING CORNER STORES WITH LOCAL FOODS

There is growing evidence that access to healthy foods is associated with better health outcomes and that increased access is an important component to any comprehensive strategy to combat obesity.<sup>1</sup> However, for corner stores, providing access to healthy foods can be challenging as they face a supplier-retailer gap that can make sourcing produce, particularly local produce, very difficult.<sup>2</sup> Organizations partnering with corner stores to increase healthy offerings often come up against these sourcing issues and are increasingly looking at ways to build a connection between local suppliers and corner stores at an affordable cost. Connecting local healthy foods with corner stores can meet the triple bottom lines of profit, people and planet: it stimulates the local economy by investing in produce from local farmers, provides fresh food access to communities, thus helping to improve the health outcomes



### healthy corner stores network

**The Healthy Corner Stores Network** supports efforts to increase the availability and sales of healthy, affordable foods through small stores in underserved communities. The Network facilitates information through [webinars](#), in-person trainings, and an [extensive website](#), and publishes reports with support from the J.R. Aldridge Foundation. [healthycornerstores.org](http://healthycornerstores.org)

The Network is convened by the following organizations:

## featured topic

### YOUTH AS CHANGE AGENTS: YOUTH-FOCUSED CORNER STORE PROJECTS

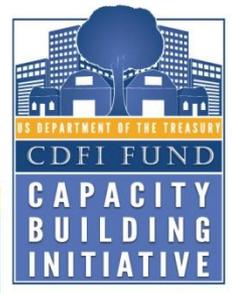
Corner stores are a common feature of many communities, often located near schools, parks and other community settings. Youth often shop at these nearby corner stores and as a result, corner stores can be a significant environmental influence on the snacking habits of youth. One Philadelphia study found that 53% of youth were visiting corner stores at least once a day and on average, youth were spending \$1.07 per visit to corner stores, consuming 360 calories in snacks and beverages.<sup>1</sup> While these stores often carry energy-dense, packaged foods, many organizations are engaging youth in efforts to create healthier corner stores and promote healthy eating in the community. Youth engagement

CDFI FUND  
CAPACITY  
BUILDING  
INITIATIVE

Provided by OPPORTUNITYFINANCE NETWORK 



# 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 the following items:

- WHO WE ARE
- WHAT WE DO
- IMPACT WE MAKE
- NEWS & EVENTS
- 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 is organized into four sections:

### I. Training Curriculum

- [Food Systems Overview](#)
- [Healthy Food Retail Financing](#)
- [Financial Services for Mid-Tier Food Chain Enterprises](#)
- [NMTCC & 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](#)
- [Understanding the Food Production Sector](#)
- [Credit Skills for Lending to the Food Production Sector](#)
- [Food Producers Case Studies](#)
- [Identifying Partners and Convening Stakeholders](#)

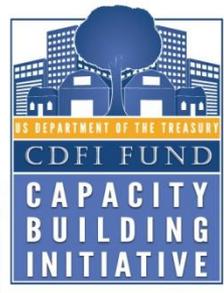
### II. Training Webinars

### III. Additional Resources

- Searching for Markets: The Geography of Inequitable Access to Healthy and Affordable Food
  - [Executive Summary](#)
  - [Full Report](#)
- [Financial Resources Catalogue](#)

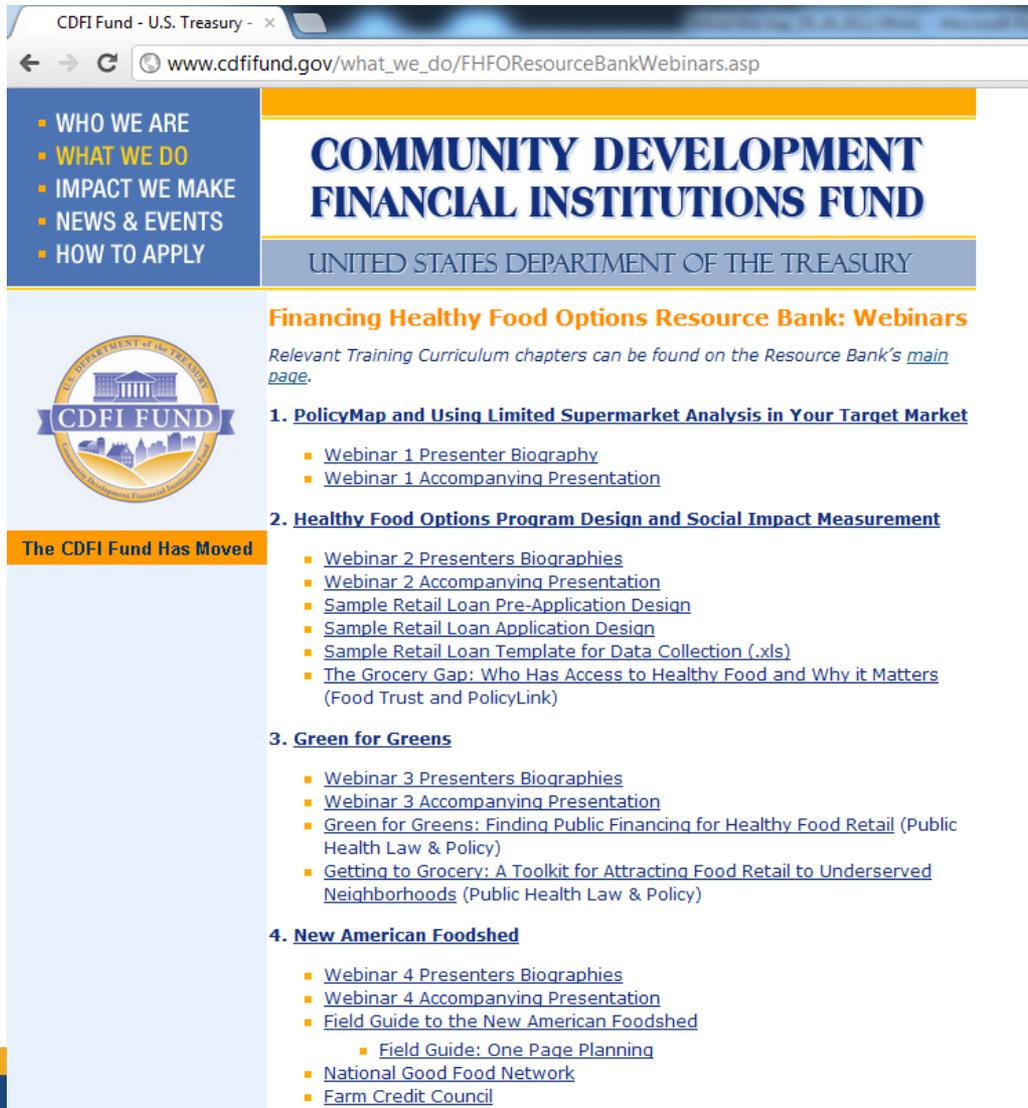
### IV. Food Desert Mapping Tools

- [USDA Food Desert Locator](#)
- [PolicyMap](#)



# Financing Healthy Food Options Webinar Archive

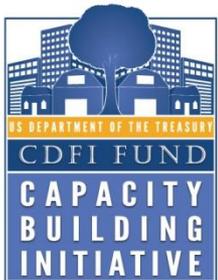
[http://www.cdfifund.gov/what\\_we\\_do/FHFOResourceBankWebinars.asp](http://www.cdfifund.gov/what_we_do/FHFOResourceBankWebinars.asp)



The screenshot shows a web browser window with the URL [www.cdfifund.gov/what\\_we\\_do/FHFOResourceBankWebinars.asp](http://www.cdfifund.gov/what_we_do/FHFOResourceBankWebinars.asp). The page features a navigation menu on the left with links for 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: Webinars" and includes a sub-header "Relevant Training Curriculum chapters can be found on the Resource Bank's [main page](#)." The page lists four main categories of webinars, each with a list of resources:

- 1. PolicyMap and Using Limited Supermarket Analysis in Your Target Market**
  - [Webinar 1 Presenter Biography](#)
  - [Webinar 1 Accompanying Presentation](#)
- 2. Healthy Food Options Program Design and Social Impact Measurement**
  - [Webinar 2 Presenters Biographies](#)
  - [Webinar 2 Accompanying Presentation](#)
  - [Sample Retail Loan Pre-Application Design](#)
  - [Sample Retail Loan Application Design](#)
  - [Sample Retail Loan Template for Data Collection \(.xls\)](#)
  - [The Grocery Gap: Who Has Access to Healthy Food and Why it Matters \(Food Trust and PolicyLink\)](#)
- 3. Green for Greens**
  - [Webinar 3 Presenters Biographies](#)
  - [Webinar 3 Accompanying Presentation](#)
  - [Green for Greens: Finding Public Financing for Healthy Food Retail \(Public Health Law & Policy\)](#)
  - [Getting to Grocery: A Toolkit for Attracting Food Retail to Underserved Neighborhoods \(Public Health Law & Policy\)](#)
- 4. New American Foodshed**
  - [Webinar 4 Presenters Biographies](#)
  - [Webinar 4 Accompanying Presentation](#)
  - [Field Guide to the New American Foodshed](#)
    - [Field Guide: One Page Planning](#)
  - [National Good Food Network](#)
  - [Farm Credit Council](#)

The CDFI Fund Has Moved



# Contact Information

**Pam Porter**

Executive Vice President

Strategic Consulting

Opportunity Finance Network

[pporter@opportunityfinance.net](mailto:pporter@opportunityfinance.net)

215.320.4303



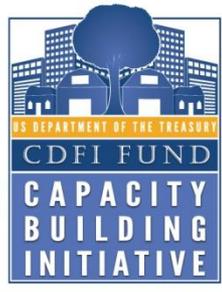
**Christy Bare**

Strategic Consulting

Opportunity Finance Network

[cbare@opportunityfinance.net](mailto:cbare@opportunityfinance.net)

215.320.4320





# Chips to Carrots: Financing Healthy Corner Stores

Hannah Burton Laurison, ChangeLab Solutions

Stephanie Weiss, The Food Trust

September 27, 2012

