Healthy Food Access: A View of the Landscape in Minnesota and Lessons Learned From Healthy Food Financing Initiatives

Presentation by Ela Rausch, Federal Reserve Bank of Minneapolis

The views expressed are those of the presenter and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

Minnesota State Legislature Food Education Week
Tuesday, February 5, 2019

Study Background

• Independent research study carried out by the Federal Reserve Bank of Minneapolis and Wilder Research in 2016. Commissioned by the Center for Prevention at Blue Cross and Blue Shield of Minnesota.

• Mixed-methods approach that included literature review, secondary data analysis, and key informant interviews with local and national experts.

• Study advisory committee that provided guidance and feedback—including representatives from state government, CDFIs, nonprofit agencies, universities, and industry associations.

• The data on food access presented in the report are based on the most current data available from the USDA Economic Research Service.
Study Goals

1. Shed light on barriers related to healthy food access, consumption, and retail expansion for Minnesota.

2. Provide an objective picture of the relationship between healthy food retail access and diet-related health outcomes.

3. Offer insight on the outcomes of existing healthy food financing initiatives (HFFIs) in the United States and on important factors for successful operation.

4. Offer a common foundation of information for groups to act.

The demographics of who in Minnesota has low food access are the focus of my remarks today.

Access—Key Definitions

- **Federally designated food desert** (based on income and distance)
- **Food insecure** (based on unemployment, median income, poverty, & other variables)
- **Low retail access** (based on distance)
Healthy Food Retail Access

- About 1.6 million Minnesotans have low retail access based on their distance to a full-service store.
- About half a million Minnesotans are food insecure because of low or no income.
- An estimated 341,000 Minnesotans are both low retail access and low-income.
- An estimated 42,500 Minnesota households live more than 1 mile away from a full-service store and do not own a vehicle.
- About 16 percent of Minnesota’s census tracts qualify as federally designated food deserts.

Low Retail Access Population

<table>
<thead>
<tr>
<th>Minnesotans with low retail access</th>
<th>Percent of total who are</th>
</tr>
</thead>
<tbody>
<tr>
<td>In urban areas and population centers</td>
<td>Low-income</td>
</tr>
<tr>
<td>MN State Total</td>
<td>1,409,269</td>
</tr>
<tr>
<td>In rural areas</td>
<td>Total number of residents who live &gt; 1 mile from a full-service store</td>
</tr>
<tr>
<td>MN State Total</td>
<td>232,637</td>
</tr>
</tbody>
</table>
Food Deserts & Indian Country

- All of Red Lake Reservation falls into a food desert, and large portions of White Earth, Leech Lake, Mille Lacs, and Bois Forte Reservation Areas do also.

- An estimated 59 percent of residents living in food deserts in Mahnomen County are people of color—primarily American Indian and mixed-race.

- An estimated 38 percent of residents living in food deserts in Beltrami County are people of color—primarily American Indian and mixed-race.

POC & Food Desert Areas

<table>
<thead>
<tr>
<th>Minnesota Location</th>
<th>Population of Color (%)</th>
<th>Predominant Ethnic Groups*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Near North Community, Minneapolis</td>
<td>83</td>
<td>Black, Asian, Hispanic, and mixed-race</td>
</tr>
<tr>
<td>Dayton’s Bluff Community, St. Paul</td>
<td>61</td>
<td>Asian, Black, Hispanic</td>
</tr>
<tr>
<td>Greater East Side Community, St. Paul</td>
<td>60</td>
<td>Asian, Black, Hispanic</td>
</tr>
<tr>
<td>Brooklyn Center</td>
<td>59</td>
<td>Black, Asian, Hispanic</td>
</tr>
<tr>
<td>Camden Community, Minneapolis</td>
<td>56</td>
<td>Black, Asian, Hispanic, mixed-race</td>
</tr>
<tr>
<td>Mahnomen County</td>
<td>52</td>
<td>American Indian, mixed-race</td>
</tr>
<tr>
<td>Maplewood</td>
<td>31</td>
<td>Asian, Black, Hispanic</td>
</tr>
<tr>
<td>Beltrami County</td>
<td>26</td>
<td>American Indian, mixed-race</td>
</tr>
</tbody>
</table>
Literature Review—Other Factors to Consider

• **Price** is the most significant barrier to healthy food consumption for low- to moderate-income households.

• Poor health outcomes are more strongly linked to *poverty* than distance to healthy food retail.

• **Store type** can affect food purchases; supercenters associated with less healthy purchases.

• Differences in **transportation** mode have little effect on types of stores used. 90 percent of SNAP users and poor non-participants use a full-service outlet as their primary store; 68 percent drive their own car. Transportation is certainly a greater barrier for households that do not own a vehicle.

Food Retail Landscape

• Between 2007 and 2012, most Minnesota counties either lost full-service grocery stores or experienced no net change.

• 51 of Minnesota’s 87 counties (59%) experienced either no change or a net loss in supercenters per capita.

• 81 of Minnesota’s 87 counties (93%) experienced a net loss in convenience stores per capita.
Healthy Food Retail Access

Barriers to rehabilitation and expansion in Minnesota

- Financing
- Technical assistance
- Regulations and licensing
- Market factors

HFFI Key Ingredients

Key Program Ingredients

1. Seed money, including funds for planning and administration
2. Loans and grants are needed to stimulate additional healthy food retail
3. Flexible sources of capital are key
4. Programs should not be overly restrictive
5. TA and outreach are important to grow the pipeline
HFFIs Lessons Learned

Healthy Food Financing Initiative (HFFI) Outcomes

- Increased retail access to healthy food
- Stimulated economic development and neighborhood revitalization
- High repayment rate, low business failure rate
- Limited effect on consumption of healthy food alone, but...
  Several cases of HFFI loan recipients partnering with other organizations, including community clinics, medical schools, and fitness facilities to improve resident health.

Study Questions?

For additional information, please contact the study’s lead author:

Ela J. Rausch, Ph.D.
Project Director
Federal Reserve Bank of Minneapolis
Community Development
Telephone: 612-204-6785
ela.rausch@mpls.frb.org