

**Testimony of Ela J. Rausch, Ph.D.,
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Minnesota House of Representatives,
Agriculture and Food Finance and Policy Division Committee
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Good morning, Madame Chair and committee members. Before we get started, I must insert our disclaimer that the views expressed in my testimony today are my own and are not necessarily representative of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

Thank you for this opportunity to address the issue of healthy food access in Minnesota, and to share with you some numbers that illustrate both the reach and magnitude of the problem that we face. In Minnesota, the share of residents with low retail access to healthy food ranks among the top ten highest in the country, and we have more people living in rural communities who face this barrier than any other state, except Texas.

Such disparities interest us at the Federal Reserve Bank of Minneapolis because we recognize the strong correlation between health and economic well-being, for individuals and communities. The issue of healthy food access has implications for small business development, infrastructure development, and human capital development.

All of these factors influence the robustness of our state's economy.

In 2016, the Minneapolis Fed and Wilder Research conducted an independent study on healthy food access in Minnesota. A copy of the report and summary slides are included in your briefing packet. If you need additional copies, I can get them to you.

The goals of this study were:

1. To shed light on the barriers related to related to healthy food access, consumption, and retail expansion for Minnesota;
2. To provide an objective picture of the relationship between healthy food retail access and diet-related health outcomes;
3. To offer insight on the outcomes of existing Healthy Food Financing Initiatives (HFFIs) in the United States, and on important factors for successful operation; and
4. To offer a common foundation of information for groups to act upon.

The study report includes information on which areas and populations in Minnesota have low access to healthy food. These data will be the focus of my remarks today.

While our report was published in 2016, the data, which come from the USDA Economic Research Service, are the most current data available. Because the factors that influence food access are slow to change, we can be confident that these numbers are still accurate.

Now, when we talk about the issue of low access to healthy food, it is important to understand some key terms. Allow me to walk through the definitions with you.

The first term is ***food insecure***. People who are food insecure have an income barrier to healthy food access. They cannot afford to purchase healthy food because of low or no income.

The second term is ***low retail access***. People with low retail access have a distance barrier to healthy food access. By federal definition, individuals are considered to have low retail access if they live far away from a large grocery store, a supermarket, or supercenter—that's more than one mile in urban areas and more than 10 miles in rural areas.

The third key term, which is relevant for federal funding purposes, is ***food desert area***. This definition takes into consideration both income *and* distance. In order to qualify as a federally designated food desert, a census tract must have a high proportion of residents who live far from a full-service grocery store and have a high proportion of residents who

are low- to moderate-income. This metric is very specific. An exact definition can be found in the appendix of our Healthy Food Access study report.

With those definitions in mind, here some more key statistics on healthy food access in Minnesota that capture the magnitude of the problem that affects thousands of residents who live in your Districts.

- About **1.6 million Minnesotans** have low retail access based on their distance to a full-service store.
- An estimated **half a million Minnesotans** are food insecure based on low or no income.
- An estimated **341,000 Minnesotans** face both distance *and* income barriers to healthy food access.
- An estimated **42,500 Minnesota households** live more than one 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 desert areas.

In summary, about 31 percent of Minnesotans have low retail access to healthy food. This is higher than the rate for the United States overall, which sits at 24 percent, and, as I mentioned previously, we rank among the top ten worst in the nation.

Who are the residents with low retail access to healthy food in Minnesota? What do we know about their age, income and race?

In urban communities and population centers, an estimated 1.4 million people are impacted. About 1 in 5 are low-income, 1 in 10 are seniors, and 1 in 4 are children. In rural communities, an estimated 233,000 people are impacted. Among this group, about 1 in 3 are low-income, 1 in 5 are seniors, and 1 in 4 are children.

In Greater Minnesota, we have 24 counties where 100 percent of their census tracts qualify as federally designated food deserts. Among them are Cook, Koochiching, Red Lake, and Redwood. In 20 Greater Minnesota counties, at least 50 percent of the county's census

tracts qualify as federally designated food deserts. Among them are Cottonwood, Renville, Swift, Todd, and Wadena.

The majority of Minnesotans who face barriers to healthy food access are white, but Indigenous people and populations of color are disproportionately affected. When we examine Reservation Areas, we see that all of Red Lake Reservation falls into a food desert, and that large portions of White Earth, Leech Lake, Mille Lacs, and Bois Forte Reservation Areas do, also.

In Mahnommen County, 59 percent of residents living in food deserts are people of color. In Beltrami County, 38 percent of residents living in food deserts are people of color. In both counties, most of these individuals are Native American or of mixed race.

If we examine the location of food deserts in the Twin Cities metro area, we see that these census tracts overlap areas with large populations of color. This includes neighborhoods in North Minneapolis and Brooklyn Center; Dayton's Bluff and the Greater East Side of Saint Paul; and Maplewood. The proportion of residents who are people of color in these communities ranges from 31 to 83 percent.

To be clear, distance to retail is just one factor that influences healthy food purchasing decisions. Price, income, education, and retail store type have independent and important effects on behavior, too. Based on what we know from academic research, there are additional factors that I would encourage committee members to keep in mind as you craft legislation related to food access:

- 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, and supercenters are associated with less healthy purchases.
- Differences in transportation mode have little effect on types of stores used. Among Supplemental Nutrition Assistance Program (SNAP) users, 90 percent use a full-

service outlet as their primary store and 68 percent drive their own car.

Transportation is certainly a greater barrier for households that do not own a vehicle.

Healthy food financing initiatives, such the *Good Food Access Fund* in Minnesota, play an important role in addressing low retail access. We know from our research that flexible sources of capital are key when it comes to leveraging the potential impact of these funds. Both loans and grants are needed. On average, businesses that receive loans have a high repayment rate and a low failure rate. We also know that access to technical assistance and outreach are important for the long-term sustainability of these food businesses.

Finally, we know that healthy food financing initiatives have little impact on healthy food consumption alone, but loan fund recipients who partner with schools, community clinics, and fitness facilities can play a key role in expanding consumer choice, and in shaping healthy behaviors.

Our study report contains additional information about healthy food financing initiatives and the food retail landscape in Minnesota, for those who are interested in learning more.

In closing, I just want to emphasize that access to healthy food is not just a population health issue. It affects small business development, it affects educational outcomes, and it's imperative to the economic well-being of our state.

Again, thank you, for this opportunity to share our research. I'm happy to take your questions at this time.