

# To Save a Neighborhood, Ban a Dollar Store?

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Some local governments are hoping that, once dollar stores are banned, grocery stores will come to food deserts.

In northeast Oklahoma City, you can find plenty of stores that sell groceries, but only two are grocery stores. Some are convenience stores or gas stations, and the rest are dollar stores—now more common in the United States than both Walmart and McDonald's combined. This influx of dollar stores, according to the Oklahoma City city council, is a major public-health problem.

"Better options are necessary for our community, beginning with policy to prevent small box discount stores from saturating these areas in particular," Councilwoman Nikki Nice, whose ward is about 23 percent low income, tweeted.

In May, Nice helped pass a moratorium on constructing or issuing building permits to convenience stores located within one mile of another, working on the assumption that, once dollar stores are banned, grocery stores will come. The ban lasts for 180 days, or until November of 2019, when the council plans to introduce a zoning ordinance to bring stores with fresh meat and produce to the district, the *Journal Record* reports.

While many factors influence what stores come and go in a neighborhood, research shows that convenience stores persist where poverty does. Spelman College sociologist Ashanté Reese has also shown that food access aligns with historical patterns of racial segregation. In low-income neighborhoods—and even more so in those that are predominantly black—researchers have found that the number of convenience stores increases with poverty, while supermarket availability decreases.

This is what Jerry Shannon, a geographer at the University of Georgia, calls "supermarket redlining," a term more commonly used to describe housing discrimination. Other prominent activists have called it "food apartheid."

"In this case, it's about whether or not large actors within the food system decide to invest in having stores in particular neighborhoods, and the consequences for those who live there," Shannon says. "There's a similar kind of logic at play—whether or not these neighborhoods are worth investment," he says. And as the data shows, bigger stores often determine they are not.

Advocates have argued that expanding the Supplemental Nutrition Assistance Program to dollar stores—and loosening the nutrition standards of what authorized retailers must provide, as the Trump administration has proposed—will make a neighborhood less

attractive to a Whole Foods or a Kroger, ensuring that it stays a food desert forever. Research shows that dollar stores create fewer jobs than small grocery stores, sell products that are not actually much more affordable than those at Walmart or Costco, and push out full-service grocery stores.

Aside from keeping better-stocked competitors away, the stores themselves harm communities by peddling snacks and soda, some anti-hunger groups claim. "The fear is with more and more of these retailers authorized to get SNAP, that you might spend more of your dollars at these stores because they are so close to you, but they don't offer the kinds of foods you need to do grocery shopping," says Julia McCarthy, senior policy associate with the Center for Science in the Public Interest. "You might buy a soda with that money. Or you might end up buying cheese whiz or beef jerky because those are the only things available."

Nice's approach to the problem in Oklahoma City has gained traction in other cities: According to the non-profit research group Institute for Local Self-Reliance, Tulsa, Oklahoma, Kansas City, and Mesquite, Texas, have also adopted policies aimed at restricting or dispersing dollar stores in low-income neighborhoods since 2018.

Shannon, who has tracked supermarket availability in the U.S. for many years, has found that federal policy contributed to the slew of dollar stores that Nice is now working to disperse. According to Shannon, the rise of the dollar store was linked to increased SNAP enrollment. After President Barack Obama expanded the program, limited-service convenience stores began moving into neighborhoods where low-income people already lived, in order to get some of the \$68 billion spent through SNAP every year.

"One of the first things that popped out is that the number of [SNAP] retailers increased so dramatically over the course of the recession," he says. In Georgia, it went from roughly 5,000 to 10,000 stores over the course of a few years. "It really jumps off the page. Almost every state saw something like that, in terms of a pretty rapid increase."

The companies, meanwhile, credit their business model for a successful takeover. "Our stores provide an affordable and convenient fill-in shopping option for our customers in between their weekly or bi-weekly grocery store trips, all while creating more jobs and investing in the communities we serve," Kayleigh Painter, a spokesperson for Dollar Tree, which also owns Family Dollar, writes in an email. According to Painter, SNAP benefits make up less than 5 percent of sales at Family Dollar and 2 to 3 percent at Dollar Tree.

Dollar General, which operates over 15,000 stores around the U.S., did not respond to requests for comment.

But research shows most low-income people who live in areas without nearby grocery stores don't actually resort to dollar stores and convenience stores to fill the gap. According to Michael Widener, geographer at the University of Toronto, they take the bus or drive to

supermarkets; they carpool to do the big shop at Costco. Overall, more than 80 percent of SNAP benefits are redeemed at supermarkets or superstores, which have fresh produce and other healthy options.

According to Widener, convenience stores are aware of where low-income people spend their money—and they choose their locations very deliberately. "Different types of retailers are making very calculated decisions about where they want to set up shop," he says. "Oftentimes it's a cold, calculated decision. They use market research, demographic information, computer models, and say this is going to be place to maximize profit, considering land costs." (Family Dollar uses a proprietary site selection process, which includes a review of market demographics—average age, average income, population, population trend—as well as "the competitive landscape in the market," Painter said.)

It's hard to tell whether the increased dollar stores have harmed health, researchers say, because no one's tracking where SNAP dollars are actually spent: A grocery store trade group recently won a Supreme Court case determining that the U.S. Department of Agriculture, which oversees SNAP, does not need to release data showing where people redeem their benefits.