Equitable Development Toolkit

Corner Stores

Updated May 2010
What Is It?

Millions of Americans in low-income communities and communities of color walk out of their front doors each morning to find that the only foodstuffs sold in their neighborhoods are in fast-food and convenience stores, featuring high-fat, high-sugar processed foods. Residents of rural areas face a different but related challenge—a complete lack of any nearby food options at all. The results of this lack of healthy food options are grim—these communities have significantly higher rates of obesity, diabetes, and other related health issues. Childhood obesity, in particular, is a major crisis in many of these communities. The problem goes beyond just health, too. Low-income communities are cut off from all the economic development benefits that come with a local grocery store: the creation of steady jobs at decent wages and the sparking of complementary retail stores and services nearby.

Communities without supermarkets generally contain a base of smaller grocery stores, specialty stores, corner stores, ethnic markets, or convenience stores. These typically range in size from 1,000 to 5,000 square feet (while the median size of a supermarket is 48,750 square feet). Many smaller stores are run by independent operators, defined by the Food Marketing Institute as having 11 or fewer locations.

These stores are the only available nearby food resources for residents with limited or no access to cars, and they generally do not provide the same selection, quality, and prices of larger grocery stores. They often lack produce and other nutritious foods, offer low-quality goods and services, are poorly maintained, and charge high prices. As a result, many low-income families spend a lot more on food than they would if they had access to supermarkets and other fresh, healthy food retail outlets.

Improving the product mix at smaller stores and addressing other issues of viability—such as pricing, food quality and freshness, and customer service—are strategies that enhance access to healthy food in underserved communities by building upon existing community resources.

This tool offers concerned residents, policymakers, business leaders, and advocates ideas and strategies for improving small stores in underserved communities. It provides examples of challenges faced by residents wishing to improve the quality of local corner stores and identifies strategies used to overcome many of these challenges.

For information on other strategies for developing new retail opportunities, see the Access to Healthy Food Tool, Grocery Store Tool, Farmers’ Market Tool, and Urban Agriculture and Community Gardens Tool.
Why Use It?

Health benefits. Rates of obesity and associated health problems are highest and have risen the most rapidly among low-income communities and persons of color. A healthy diet that includes fruits and vegetables has been shown to reduce the incidence of obesity and other chronic illnesses in children, adults, and seniors.

Individuals make choices about their diet, but their decisions and eating habits are influenced by the food that is locally available. There is increasing evidence that the incidence of obesity and associated health conditions is related to the unfortunate situation of too many Americans living in unhealthy food environments.

Economic benefits. Improving corner and convenience stores is less complex and costly than constructing a new store and builds on existing community resources. Also, a common local economic development objective in low-income communities is the encouragement and support of small businesses. Improving the viability of smaller food stores serves this goal.

Community benefits. In addition, the overall community is enhanced in the following ways:

- **Merchandise tailored to communities.** Smaller stores, particularly those that are independently owned, have more flexibility than large chain supermarkets to tailor their merchandise mix to meet customer preferences. In addition, stores with a long history in the community often have extensive knowledge about the specific tastes and desires of residents.

- **Community building.** It is possible to improve the quality of a small store that has historically been viewed as a community problem—such as a corner store that primarily operates as a liquor store—into a community asset. This process can build relationships between local merchants and residents and contribute to community revitalization.
How to Use It?

There are many steps to improving a corner store. Several online resources already exist for guidance on the corner store conversion process.

For details on what to do before, during, and after a corner store conversion, visit the Market Makeovers site, which shares detailed information about transforming corner stores based on a project conducted by the South Los Angeles Healthy Eating Active Communities Initiative and Public Matters.

The Healthy Corner Stores Network (HCSN) is a national network that was created to support efforts to bring healthier foods into small-scale stores in low-income and underserved communities. It is co-convened by the Community Food Security Coalition, The Food Trust, Public Health Law and Policy, and Urbane Development. Members share best practices, common challenges, and lessons learned. The HCSN holds quarterly conference calls that are organized around peer-to-peer learning, with brief presentations by network members and/or invited speakers, and with significant time reserved for discussion. The HCSN website highlights brief profiles of participants’ projects and provides links to resources. A list-serve facilitates additional information sharing between network participants. Frequently asked questions and a list of corner store project consultants are also listed on the Healthy Corner Stores Network site.
Key Players

Improvement of small stores is an effort that requires the input and collaboration of a range of stakeholders.

Residents. Residents should be involved in planning and implementation. They can help identify particular retail needs and tastes, survey community members and store owners, advocate for change, assist in the conversion process, and promote the new store to neighboring residents.

Retailers. For this strategy to work, whether immediately receptive or increasingly interested over time, local store owners must be willing to collaborate in converting their stores.

Government. Local, state, and federal elected and agency officials can provide funding and support for revamping small stores. Redevelopment agencies, health departments, planning departments, and vendors can provide funding and/or other supports for corner store improvement efforts in the community. Local officials can budget in façade improvements or the initial purchase of fruits and vegetables for stores.

Healthy food advocates. Advocates from community-based organizations, schools, churches, or other arenas can negotiate and engage with others in the process of improving small stores. Nonprofit organizations can assess need and assist in promoting a newly converted store.

Health professionals. Nutritionists, physicians, and other health professionals can assist in making the case for the need for change and can help with implementation.

Communications/marketing experts. Media outreach, and printed and online materials, can be helpful in spreading the word before, during, and after a corner store conversion.

Local farmers. Farmers can develop new markets by selling fresh goods at corner stores. Engaging local farmers is also an excellent means of demonstrating commitment and trust in the community.
Challenges

There are several challenges to corner store improvement efforts.

**Competing with the price, quality, and selection advantages of grocery stores.** Small merchants face the same costs of conducting business as larger grocery stores, but do not have the same scale advantages that can translate into lower prices for customers. Small merchants also purchase in smaller quantities, so they must pay higher wholesale costs, and they face limited competition when there are no larger-scale grocery stores nearby. Additionally, they have lower merchandise turnover, which can lead to poor-quality produce and loss due to spoilage.

**Risk of changing product selection.** Owners of existing small stores risk losing profits when they alter their product selection. Because shelf space is limited and turnover is slow, merchants stock only the products they are certain will sell and are often reluctant to experiment with new items. Many of these retailers are unfamiliar with how to handle, display, and stock produce, and they may lack needed refrigeration or adequate shelf space to experiment with new products.

**Customer acceptance and expectations.** Smaller stores are not always highly valued by community residents, who see them as inferior to the large supermarkets typical in wealthier communities. When the smaller stores charge more, residents may feel exploited and shop elsewhere. When these stores are owned by persons who belong to a different ethnic group than the majority of community residents, there can be racial tensions. Small corner stores that operate as de facto liquor stores are often linked with crime and alcohol-related health problems.
Success Factors

There are many available strategies and policy opportunities to address these challenges.

Reduce costs.

Collaborate Creative collaborations can help smaller stores address the challenges of higher wholesale costs. Small stores can collaborate to leverage their collective buying power and engage in joint purchasing to get the lowest prices. Collaboration can allow the stores to meet the minimum purchase requirements set by many large distributors. If retailers are located far from wholesalers’ warehouses, they can avoid paying costly delivery fees by setting up a common shipping point closer to the wholesaler, and then pick up products individually or take turns picking up products for the group.

Implement green building strategies. Store improvements that call for renovation present numerous opportunities for “going green.” When retrofitting, retailers should consider the energy efficiency of the store and/or use of renewable energy sources and use environmentally friendly building materials. In addition to the environmental benefits, these strategies can cut costs—e.g., energy-efficient refrigerators, lighting, and appliances can lower electric bills and usually pay for themselves within a couple of years. Local, state, and federal government programs should provide grant and loan financing to support the use of high-performance energy appliances and green building and renovation practices for food retail projects in low-income, underserved areas.

Link with farmers and wholesalers. Corner stores and other food retailers can connect to local farmers to purchase high quality, affordable healthy food. These stores also can work with small distributors who pick up food from large distributors’ warehouses and deliver it to participating stores. As long as the trade areas of corner stores do not have significant overlap with larger retailers, these larger retailers are sometimes willing to engage in joint purchasing with the smaller stores. This strategy allows smaller vendors to take advantage of the low costs that larger merchants enjoy because of the scale of their purchasing.

Mobile vending carts carrying fresh fruits and vegetables are another way for communities to increase access to healthy foods in underserved areas and provide economic opportunities for low-income entrepreneurs. Efforts to expand healthy food vending must find ways to attract the interest of current or new vendors, and address food safety issues that accompany healthy food. In New York, researchers estimate that the introduction of new city permits for approximately 1,000 Green Carts in underserved neighborhoods will increase consumption of fresh fruits and vegetables for at least 75,000 New Yorkers. In Kansas City, Missouri, the park and recreation department offers preferred locations and discounts on permits to mobile vendors with the healthiest offerings. In Oakland, California, around 30 Mexican American street vendors, or fruteros, were selling fresh fruits and vegetables and hot tamales, but their carts were subject to police citation and even seizure because of sanitation concerns. To address the issue, the vendors organized, formed a partnership with the local public health department and other stakeholders, and created a mutual aid corporation. In addition, they developed a jointly operated and city-approved commercial kitchen, purchased approved push carts, and petitioned the City of Oakland to create an ordinance allowing street vending of healthy food.
Reduce the risk for corner stores willing to try stocking produce.

**Demonstrate customer demand.** Community groups can conduct surveys and focus groups to document the lack of access to healthy food in the community and highlight interest in healthier alternatives. This process can highlight what foods patrons would like to see offered, and guide the store improvement process. Findings can be disseminated to merchants and the community.

**Promote healthy stores and healthy eating in the community.** Activities such as taste tests and cooking demonstrations that increase resident awareness about healthy eating and food preparation can be conducted inside the stores or in other community locations, such as schools. These activities help increase demand for the new healthy food carried by the store.

**Provide technical assistance and resources.** Often small stores are not accustomed to dealing with perishable goods and need help expanding into this merchandise area. Community groups or interested government agencies can collaborate with local stores to implement fresh food options by subsidizing the purchase of new equipment and initial produce stock, while store owners test local demand for the food. These same groups and agencies can provide technical assistance concerning the best ways to purchase, display, and market perishable foods. Community groups and local government can also help secure technical assistance for business plan development, to ensure that merchants can maintain their bottom lines while selling healthy products. For best results, technical assistance providers should be prepared to commit to helping stores before, during, and after the conversion.

**Pick the right retailers.**

**Identify genuinely receptive retailers.** Corner store improvement efforts are most likely to succeed if the merchants are genuinely receptive to selling healthier products and willing to risk initial monetary losses to improve the store in the long term. Advocates should pick stores that are within walking distance of a residential neighborhood, that plan to remain in that location, have a long lease, and are not up for sale. Other key indicators include the store owner’s commitment to the neighborhood, presence of engaging store displays for healthy foods, and collaborative relationships with community organizations.

**Find retailers willing to commit for the long term.** The entire process of improving small stores can take months or much longer, and it can take more time still for store owners to see good profits from sales of their healthy food.

**Target stores adjacent to schools.** Research has found that students have worse dietary behaviors when their school is close to a fast-food restaurant. One study found that children in an urban area purchased large amounts of high-caloric food from corner stores near their schools. Corner store efforts may result in a maximum effect on childhood obesity reduction if they focus on stores close to schools that are likely to be visited by students.

**Attract customers and identify ways to capitalize on customer spending power.**

**Conduct community outreach.** Stores that are shifting their product mix to include healthy food options can engage in intensive promotional activities to ensure that potential customers are aware of their new products and efforts to contribute to community health. This could include promotional flyers, open houses, raffles for produce, and other creative ideas. Stores can also work with community organizations that have established ties with residents, to notify the community about the improved stores.
**Promote resident participation in nutrition assistance programs.** Participating in federal nutrition assistance programs that are often underutilized (e.g., the *supplemental nutrition assistance program* (SNAP)—or food stamps—and the Women, Infants, and Children (WIC) program) can *increase the purchasing power of residents, and therefore can improve sales of healthy food at small stores in low-income communities.*

**Encourage stores to accept WIC vouchers.** The WIC food package has been updated to include fruits and vegetables, whole grains, soy products, and low-fat dairy products, which could increase demand for healthy foods at small stores. Merchants benefit from WIC sales, but in some cases will have to develop new skills in buying, handling, and promoting produce, and may need to purchase refrigeration units. Advocates need to make sure that merchants in underserved communities are able to successfully incorporate the new WIC foods into their stores. Local and state policymakers should adopt measures to ensure that this expanded food package is accessible in lower-income communities by building the capacity of WIC-authorized stores.

**Connect stores with government resources.**

**Secure financing for corner store improvement.** Various arms of local government such as redevelopment agencies and health departments can collaborate to improve small stores. When new funding is not available, existing resources should be used creatively to target stores in low-income communities. *For example, the City of San Francisco was able to use tobacco prevention funds to shift the product mix at several local small stores, which primarily used to sell tobacco and alcohol but now are shifting towards sales of healthy foods.* States and the federal government can create an *innovations fund,* similar to the Fresh Food Financing Initiative, to support corner store improvement by providing funding for business plan development, feasibility studies, refrigeration units and supplies needed to store and preserve fresh fruits and vegetables, technical assistance, and other conversion costs.

**Connect stores with small business development resources.** Cities usually make available an array of financial and technical assistance resources to small businesses (generally defined as those with sales of up to $750,000 per year) located in underserved communities. These resources can be directed to stores that are willing to improve their selection of healthy foods and/or institute new practices to better meet the needs of low-income customers. Retailers could take out low-cost loans to outfit a store to sell produce and buy initial new stock produce. They could take advantage of technical assistance to help them tailor their merchandise to community needs, train employees in how to buy and sell perishable goods, market their new products, and improve their general business planning. To improve the overall quality of corner stores and to make them more appealing shopping sites, city agencies and community organizations can conduct outreach to small stores to increase their awareness of existing resources. They can also create small business programs that are specifically tailored to the financial and training needs of neighborhood grocers.

**Include mobile vending.**

*Mobile vending carts carrying fresh fruit and vegetables are another way for communities to increase access to healthy foods in underserved areas and provide economic opportunities for low-income entrepreneurs.* Mobile vending carts are already prevalent in many cities, but most sell only unhealthy, processed food. Policies are emerging, however, that promote mobile vending of healthy foods. *Efforts to expand healthy food vending must find ways to attract the interest of current or new vendors, and address food safety issues that accompany healthy food,* Discounted city permits for healthy carts have been used to promote retailing of healthy food in New York City and in Kansas City, Missouri.
Financing

The effort of re-outfitting a corner store to sell fresh produce can cost less than $100,000 in technical assistance, equipment, and initial inventory. A typical market makeover budget that covers personnel and operating costs is $20,000 to $50,000. For transforming multiple corner stores, the budget is higher. In some cases, one project coordinator leads the overall project and one youth coordinator is charged with organizing young staff to assess the food environment and identify potential store partners. Operating costs may include incentives for participation, meeting expenses, marketing, produce racks, refrigeration units, interior and exterior renovation, and new fruit and vegetable inventory.

Ideally, funding support should come from multiple sources to demonstrate true interest and partnership within the community. These consist of, but are not limited to, private foundations (local, family, national), city funds such as block grants and community redevelopment money, neighborhood and religious councils, business improvement entities, health-related funders, private donors, community fundraising efforts such as walkathons or car washes, and in-kind donations from coalition members (cash or human resources).

The Healthy Corner Stores Network points to the following practical tips for increasing chances of receiving funding:

- Get local funders to give funding continuously over the years in order to win time to find other funders.
- Letters of support can show collaboration with diverse groups (working with universities can make it possible to receive additional funding).
- Build on a research and evaluation base, so that risk-averse funders are more likely to fund. (Tell stores upfront what type of information is needed to quantify corner store work; share evaluation results with partners.)
- Advocate for involvement in national movements such as the Healthy Corner Stores Network to connect your efforts to larger trends.
- Get the program off the ground quickly to demonstrate momentum.
- Show that the program can serve as a model and be replicated.
Case Studies

Creating a Network for Change

A study of Philadelphia corner stores that was published in *Pediatrics* found that 29 percent of students shop at corner stores twice a day, five days a week, and consume almost a pound worth of additional calories as a result. The Food Trust developed the Healthy Corner Store Initiative (HCSI) to increase the availability of healthy foods in corner stores and to educate young people about healthy snacking. HCSI partners with corner store owners to increase the availability of fresh fruits, vegetables, and water, and has formed the Philadelphia Corner Store Network linking together corner store owners, community partners, and local farmers. The Food Trust conducts nutrition education in schools, and runs a Snackin’ Fresh Crew youth leadership program, in which youth work together to make changes in their communities.

By developing a network of stores, instead of focusing on a single individual store, The Food Trust has pioneered an innovative approach for achieving long-term sustainability for corner store improvement efforts. Store membership nearly quadrupled (from 11 to 40) when one of the participating corner store owners saw the benefits of recruiting other store owners into the network. This owner developed an entrepreneurial strategy that reduces time and effort for his fellow store owners and allows him to make a small but reasonable profit for himself. When in season, he buys fruit at local distributors, chops and packages the fruit salad in his certified kitchen, and delivers it once or twice a week to his fellow store owners. The store owners then sell the fruit salad out of refrigerated barrels provided by The Food Trust through funding from the Fresh Food Financing Initiative. The fruit salads have been hugely popular with students at nearby schools as well as with their parents and grandparents.

The Food Trust is partnering with the Philadelphia Department of Public Health in its Get Healthy Philly campaign, and aims to expand the corner store network to 1,000 stores throughout the city in coming years. The Food Trust also helps support the efforts of corner stores in other parts of the country through the national Healthy Corner Stores Network.

**Good Neighbor Program**

In 2000, Literacy for Environmental Justice (LEJ), a community-based nonprofit organization working to improve the environment in a low-income community of color in San Francisco, undertook an assessment of the community’s food environment. The youth interns who surveyed residents and local merchants found that corner stores were a primary food shopping destination for residents, and that these stores devoted an average of only 2 percent of shelf space to fresh food.

LEJ then launched the Good Neighbor Program, a partnership between Bayview’s community-based organizations, businesses, and city government to improve the quality of foods available in Bayview Hunter’s Point. The program developed criteria that defined “good” store neighbors. It included devoting at least 10 percent of inventory to fresh produce and an additional 10 to 20 percent to other healthy foods; accepting food stamps; limiting tobacco and alcohol promotion; and adhering to environmental and health standards.
Stores that agreed to comply with these criteria received technical assistance and training, energy efficiency upgrades, and marketing assistance. They also received grants to make initial purchases of healthy foods and to test how the items sold.

LEJ partnered with a small neighborhood store, Super Save Grocery, to pilot how a Good Neighbor agreement would work. In exchange for the store's commitment to stock fresh, healthy food, LEJ engaged in outreach and promotion activities such as nutrition education and food tastings, which encouraged the community to patronize the store. The group also arranged for Whole Foods Market to provide free technical assistance to help Super Save better display the new produce. The program expanded to additional stores. Four years after Super Save Grocery made these changes, an evaluation showed that average sales of produce had increased by 12 percent, alcohol and cigarettes sales were down 10 percent, and overall profits were up 12 percent. LEJ concludes that the technical assistance portion of this work is currently better suited to government entities or nonprofits with more small business and/or economic development expertise, but they believe that the improvements at Super Save Grocery will continue. They are pleased that the San Francisco Redevelopment Department and the Southeast Food Access Coalition will continue to provide assistance to ensure ongoing success.

Here is a video that profiles the Good Neighbor Program. LEJ has also published the Good Neighbor Best Practices Guide, which outlines the steps by which a community can establish a corner store conversion program.

**Providence Healthy Corner Store Initiative**

Two corner stores on the Southside of Providence, Rhode Island, got a healthy store “makeover” in August 2010, thanks to the Providence Healthy Corner Store Initiative (PHCSI), a new program that unites Rhode Island farmers, corner store owners, and community residents in an effort to increase the availability of fresh fruits and vegetables, whole grain items, low-salt and low-sugar canned goods, and healthy snacks in Providence neighborhoods. The PHCSI is a collaborative project, led by the Environmental Justice League of RI (EJLRI) with support from Farm Fresh RI, Kids First, the Rhode Island Department of Health, Providence high school students, and local farms and business owners.

The two stores were chosen after youth working with EJLRI staff in the spring surveyed numerous corner store owners around the Southside to gauge interest in the project. Store owners participating in the project received technical support for bringing healthy options into their stores and agreed to meet project expectations. These included stocking certain healthy items and accepting or applying to federal nutrition assistance programs, such as the Supplemental Nutrition Assistance Program, or SNAP (formerly called food stamps), and Women, Infants, and Children coupons (WIC). During the spring and summer, PHCSI volunteers interviewed store owners about what barriers they face in trying to stock healthier items and conducted customer surveys and taste tests to learn more about the shopping preferences of store customers.

“Corner stores are important economic and cultural anchors in the community,” says Amelia Rose, EJLRI’s director. “The PHCSI wants to work side by side with store owners to make healthy foods more available, as well as strengthen these small businesses. We want to know what sorts of healthy foods people will buy, and show everyone involved—owners, vendors, and customers—that healthy products are in demand.”

The PHCSI was launched with an “Iron Chef”–style cooking competition, pitting teams of students against one another from the three participating high schools to make the healthiest meal they could, using food purchased for less than $10 at a nearby corner store. Leading up to the makeovers, PHCSI partners and
volunteers worked hard identifying new, healthy items for stores to stock and preparing marketing and outreach materials to inform store customers and community members that healthy items were coming soon to their neighborhood. At the makeovers, in addition to rearranging products and displays to promote the healthiest options, volunteers also tagged healthy food items with the PHCSI logo, made sure that price tags and labels were visible, and clearly identified the healthy items families could purchase with their WIC coupons.

As part of the special store makeover days, numerous local businesses provided one-time donations of healthy items to sell and to sample. In the coming year, the PHCSI will continue to talk to more storeowners on the Southside and in other Providence neighborhoods about enrolling in the initiative.
Resources

Organizations /Websites / Programs

Bodega Chronicles, Urbane Affairs
California Food Policy Advocates
Environmental Justice League of Rhode Island
Fresh Food Financing Initiative
Healthy Corner Store Program, DC Hunger Solutions
Healthy Corner Store Resource Guide
Healthy Corner Stores for New Orleans Neighborhoods
Healthy Corner Stores Network (HCSN)
Healthy Corner Stores Project, Johns Hopkins
Healthy Eating Active Communities
Healthy in a Hurry Corner Stores
Healthy Kids, Healthy Communities Case Examples: Healthy Corner Stores
Healthy Selection Program
Literacy for Environmental Justice
Market Makeovers
Providence Healthy Corner Store Initiative
The Food Trust, Healthy Corner Store Initiative and Snackin’ Fresh

Readings

2009


Healthy Snacking at the Corner Store: A Healthy Corner Store Program Curriculum for Middle-School Age Youth. DC Hunger Solutions, 2009.


2008


Creating Healthy Stores in the District of Columbia. DC Hunger Solutions, 2008.


2005


2004


2003


2002


1997