

Not Making the Grade:

A Community Evaluation of Grocery Chains' Impact on Los Angeles Neighborhoods

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A Critical Industry

The neighborhood grocery store plays a critical role in maintaining healthy communities. Stores are the primary source of food for residents and act as economic anchors that have historically provided good jobs and benefits.

However, there is a widening grocery divide in Los Angeles between wealthy neighborhoods with an abundance of stores offering quality products and good jobs, and low income communities with inadequate grocery options, limited products and lower-quality jobs.

Communities like South L.A., East L.A. and the Northeast San Fernando Valley face a rising health epidemic caused by inadequate access to healthy food. This is directly related to leading national

chains abandoning these communities.

Following the 1992 civil unrest, the industry made promises to reinvest in the community. However, a report by Occidental College found a net gain of just two stores fifteen years later.¹ A Blue Ribbon Commission on L.A.'s Grocery Industry and Community Health, convened in 2008 issued a series of recommendations designed to improve the industry.²

Evaluating the Chains

Earlier this year, the Alliance for Healthy and Responsible Grocery Stores undertook a study to build on the Commission's work by evaluating – from the perspective of residents living in food deserts – each major grocery chain's effectiveness in

serving the needs of Los Angeles residents.

The right to adequate stores, healthy foods and community standards are the guiding principles behind this report card. The Alliance set out objective standards and surveyed 11 chains that operate in the city of Los Angeles in order to assess their performance in the areas of:

- **Food Access** – the proximity of a chain's stores to underserved areas of Los Angeles;
- **Store Quality** – the availability and variety of healthy foods, condition of food, cleanliness of store, and overall shopping experience; and,
- **Job Quality** – wages, benefits, and employee relations of each chain.

Findings

Overall the Alliance found that no one retailer performed exceptionally well. Some chains offer a superior shopping environment but did not have stores in food deserts. Others are represented in underserved areas but provide limited healthy food options and lower-quality jobs. As a result, no chain received an A-rating. Particularly in underserved areas, the scarcity of stores earning good scores for all

three categories was of great concern to the Alliance. The Alliance found that residents had to choose between shopping at lower-quality supermarkets that offer a limited selection of foods or spend scarce time and money going to stores outside their neighborhood. Moreover, food deserts are less likely to have markets that offer quality jobs with health benefits, though these communities are often

most in need of these kinds of jobs.

Food Access

The Alliance defined food deserts as zip codes with low grocery density and adjusted for diet-related illness to show the areas most in need of access to healthy food.

Some grocery chains demonstrate a stronger commitment to serving all

	<u>Food Access</u>	<u>Store Quality</u>	<u>Job Quality</u>	<u>FINAL GRADE</u>
Albertsons	D-	A	B+	C+
Food 4 Less	B+	B-	B	B-
Fresh & Easy	C	C	D	D+
Ralphs	C	A-	B+	B-
Smart & Final	D	B-	F	D
Super A	B+	B-	B+	B
Superior	A-	B-	D-	C
Trader Joe's	D-	A-	D-	D+
Vallarta	C-	B-	F	D
Vons	D-	A-	B+	C+
Whole Foods	F	A	D	C-

communities than others. Food 4 Less, Superior, Vallarta, and Smart & Final have a number of stores in food deserts where these stores are often the only option for fresh foods.

Absent from food deserts are Whole Foods and Trader Joe’s, despite residents’ interest in shopping at these stores.

Conventional retailers, once a common sight all over the city, have also abandoned some neighborhoods. These chains still operate in the San Fernando Valley, but in 2009, Vons closed its last store in East L.A. Kroger has closed Ralphs brand stores in South L.A., leaving mostly Food 4 Less stores. To Kroger’s credit, the chain recently began much needed upgrades to a number of Food 4 Less stores in underserved areas.

Some chains are also better at ensuring access for residents with limited incomes by accepting Food Stamps and WIC.

Market analysis shows that residents without adequate grocery retail options leave their neighborhoods to shop. The Los Angeles Drilldown report found \$112 million in grocery leakage

from just nine communities in South and East L.A.³

Store Quality

To meet basic human and neighborhood needs, grocery stores need to offer healthy foods and clean facilities.

With medical data showing that rates of some diet-related

illnesses are higher in low-income communities, the availability of healthy food options is critical.

However, most stores in food deserts have a smaller selection and the least offerings in terms of health food options. Superior, Food 4 Less and Vallarta were the least likely to have healthy egg options (Omega-3 and egg substitute). Finding leaner grades of beef was also more difficult. The shortage of healthier alternatives reduces chances for residents to consume a healthy diet and fight disease and obesity.

Our survey also found that cleanliness and maintenance varied across the 32 stores.

Job Quality

With over 800 stores and 70,000 workers in LA County, the grocery industry has a significant impact on the local economy. As a traditionally

unionized industry, many workers are in the middle class.

However, the growth of low-road retailers and

independent markets have created a growing gap in job quality, including wages and benefits.

Payroll data from the California Employment Development Department found a wage gap based on the location of employment. On average workers at stores in West LA earned \$7,000 more a year than grocery workers at stores in East L.A., South L.A. and the Northeast San Fernando Valley.⁴

Moreover, not all retailers offer similar benefits. While union stores offer affordable health coverage for part-time and full-time employees, many other retailers do not have affordable family health coverage or offer benefits to part-time employees.

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Recommendations

We hope this report card will motivate company executives, community leaders and elected officials to take actions to ensure that this critical industry is held to the highest standards. We call on stakeholders to make food access, quality stores and high job standards a priority. The Alliance will continue to work with all parties to ensure that our concerns are heard in grocery stores, executive boardrooms and at City Hall.

The Alliance calls on grocery retailers that have avoided or abandoned underserved communities to review their policies and take immediate and deliberate actions to rectify this situation.

- The Alliance calls on all grocery retailers to strive for higher levels of service to communities, including healthy options.
- We ask industry executives to provide quality jobs with

benefits that sustain families.

- It is the city's responsibility to protect the health and welfare of its residents. Much like the city ensures that all residents have power and running water, food is also a critical need. The city should establish standards to ensure all neighborhoods have access to quality grocery stores and high quality jobs for workers.

Alliance Members

The Alliance is a coalition of community, faith and labor leaders working to ensure that all communities have access to responsible grocery stores, and the quality foods and good jobs they provide.

- AGENDA/SCOPE Corporation
- Alliance of Californians for Community Empowerment—Watts Chapter
- APRI
- Avalon Carver Community Center
- CLUE-LA
- Coalition LA
- Community Call to Action & Accountability
- Community Services Unlimited
- Congress of California Seniors—LA Chapter
- East Los Angeles Community
- First New Christian Missionary Baptist Church
- Hunger Action LA
- IKAR
- Inner City Struggle
- Jewish Labor Committee
- Koreatown Immigrant Worker Advocates
- LA African American Women Public Policy Institute
- LAANE
- LA Black Worker Center
- LA County Federation of Labor
- LA Voice/ PICO
- LA Mission College AB-540 Student Committee
- Mama Hill's Help
- Mount Gilead Baptist Church
- Progressive Jewish Alliance
- Pueblo Y Salud
- St. John's Well Child & Family Clinic
- UFCW Local 770
- Urban & Environmental Policy Institute, Occidental College



Citations

- 1 Urban and Environmental Policy Institute, Occidental College. (2002) Shaffer, Amanda. *The Persistence of L.A.'s Grocery Gap: The Need for a New Food Policy and Approach to Market Development*. Los Angeles, CA: p. 36.
- 2 *Feeding Our Communities: A Call for Standards for Food Access and Job Quality in Los Angeles's Grocery Industry*. A Report of the Blue Ribbon Commission on L.A.'s Grocery Industry and Community Health. July 2008.
- 4 Social Compact, Inc. (2008). *Los Angeles Neighborhood Market Drill Down: Catalyzing Business Investment in Inner-City Neighborhoods*. p. 9
- 5 California Employment Development Department, Third Quarter 2006 ES Data, NAICS code 44511. Wage data is from 5 zip codes in each of the four areas of East L.A., South L.A., West L.A. and the Northeast San Fernando Valley.



About this report

The eleven grocery chains evaluated in this report were graded on three criteria: food access, store quality and job quality.

Food access: Grocery stores were evaluated based on whether they had stores in food desert neighborhoods and accepting Food Stamps and WIC programs. We considered food desert zip codes as those with low grocery store density per population and adjusted according to health indicators in order to define the areas most in need of healthy food options.

Store Quality: Grocery stores were evaluated on whether they provided healthy and high quality foods through the use of a store quality survey. Factors that were considered include quality of the produce, sell-by date of dairy products, availability of healthy dairy options, availability of lean cuts of meat, maintenance of stores and service quality as evident by availability of specialty departments (bakery, deli, meat and seafood) and cashiers. Thirty-two stores were surveyed by community members between September and October 2010. Stores were selected from across Los Angeles and included the areas of East L.A., South L.A., West L.A. and the San Fernando Valley.

Job Quality: Factors determining a store's grade for job quality included wages, job security, and health benefits (availability and affordability). To gather this information community members interviewed workers at the six non-union chains and requested information from corporate offices and individual store managers. Job information for Albertsons, Ralphs, Vons, Food 4 Less and Super A was obtained from their collective bargaining contracts.



For further information about the report, contact (213) 977-9400 x133.