Dollar stores and the food environment: Consumer perceptions and policy opportunities

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We envision a retail food environment where all people have access to healthy food, regardless of where they live or shop.

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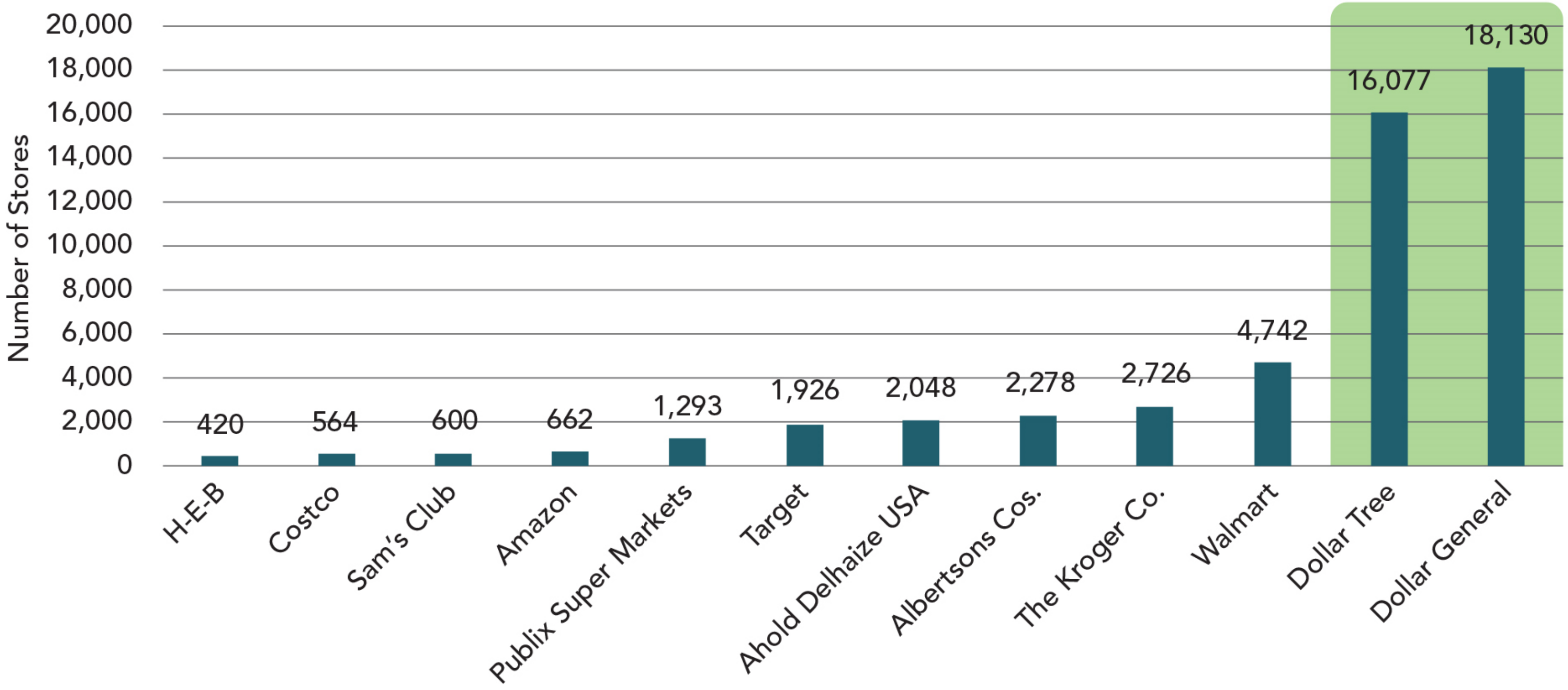
Background

Largest food retailers in the United States, 2021



Adapted from Chenarides 2023.

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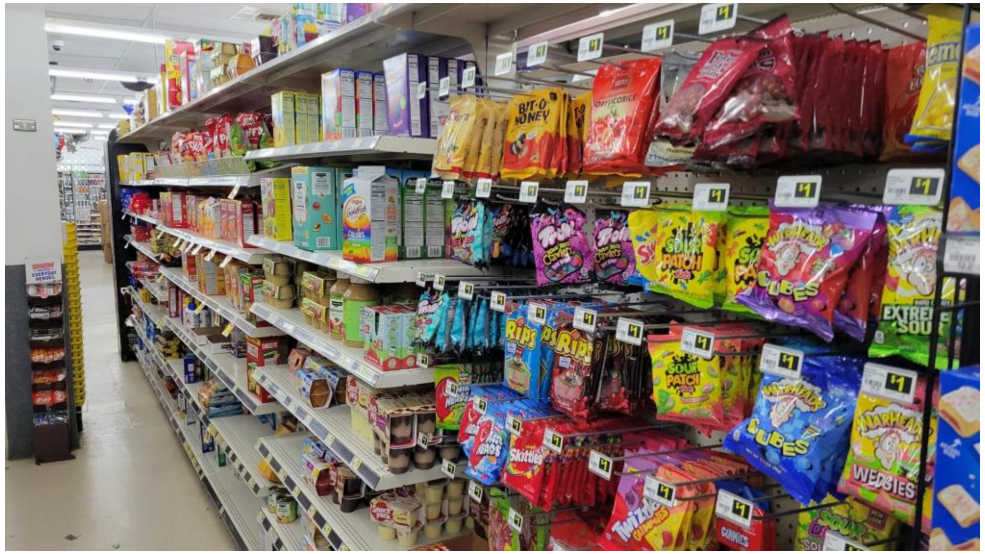
Background

- **Dollar store location**: Concentrated in South and Midwest, but rapidly expanding in all regions. More concentrated in Black and Latine communities and communities with lower incomes. Unclear in the literature whether dollar stores deter grocery store market entry or fill food access gap – evidence in literature for both.

- **Dollar store food environment**: Dollar stores tend to carry foods that are lower in nutrients and higher in calories, few stock fresh produce. Some evidence of lower prices healthy items.



- **Dollar store food purchasing**: Dollar store food purchases have nearly doubled in the last 15 years but still make up a relatively small portion of total food spending. They are a more important food source for people living in rural areas and with limited incomes.

Research questions

What are the perceptions of dollar stores amongst shoppers with limited resources?

How do shoppers with limited resources use dollar stores?

What are opportunities for dollar stores to improve healthy food access for their customers and communities?

Methods

- **Focus groups**
  - Sample: Frequent dollar store shoppers with incomes <200% FPL or SNAP participation in the past year
  - Data collection: Virtual focus groups of urban residents (n=14) and rural residents (n=12) conducted in February 2022
  - Analysis: Formative research to inform survey

- **Survey**
  - Sample: People who live near dollar stores with incomes <200% FPL or SNAP participation in the past year
  - Data collection: National online survey (n=750) conducted in April 2022

Results: Dollar store perceptions

Favorability of food retailers and desire for a hypothetical new store in respondents' neighborhood (N=750)

Store type	Favorability[i] of store type	Desired store for hypothetical new store
Big box	85.4%	26.1%
Supermarket	81.9%	29.9%
Dollar Tree	80.1%	18.8%[ii]
Dollar General	70.9%	18.8%[ii]
Pharmacy	69.0%	2.3%
Family Dollar	62.4%	18.8%[ii]
Convenience	51.7%	3.4%
Small food store	42.4%	8.9%
Wholesale club	40.1%	10.6%

[i]Percentage of respondents who indicated they had a "very favorable" or "somewhat favorable" opinion of store type.
[ii]This question asked about 'dollar stores' generally, not about specific dollar store chains.

Results: Dollar store perceptions

Deterrents from dollar store food shopping:

Store cleanliness

"...but the store is cluttered, understaffed, dirty, under stocked, cluttered and piled up aisles."

"Dirty, unorganized."

Low-quality products

"Inexpensive, cheap, not good quality."

"I just think the items are cheap and don't usually hold up very long at all."

Inconsistent stocking

"Chaotic, nothing is stocked and most stuff is is [sic] in boxes and on carts."

"I dread that they are usually out of stock of what I need."

Results: Dollar store perceptions

Motivators for dollar store food shopping:

Convenience

> *"They are convenient for those who are disabled and on a fixed income. They are closer to those neighborhoods and make it easy for them to shop on a budget."*

> *"It's smaller. I don't have to walk a mile [within the store itself] to get milk."*

Affordability

> *"I live in a senior complex. We have a Dollar Tree right up the street. I feel that it has a good impact on this community because we all are on social security and or state aid. It helps us to be able to get a few things we otherwise couldn't afford."*

> *"I can stretch the food stamp dollar farther at the dollar store."*

Specialty items

> *"...carries some snack items hard to find elsewhere."*

> *"I am usually looking for something specific that I know is available at a low price."*

Results: Dollar store utilization

Food shopping frequency[i] at each store type, overall and by SNAP participation (N=750)

Store type	Overall	SNAP participation		
		SNAP (N=385)	Non-SNAP (N=365)	Difference
Supermarket	78.4%	79.9%	75.9%	4.0%
Big box	67.6%	69.4%	64.6%	4.8%
Dollar General	43.6%	47.5%	37.2%	10.3%*
Dollar Tree	39.3%	45.0%	29.7%	15.3%*
Convenience	31.4%	38.0%	20.4%	17.6%*
Family Dollar	28.6%	33.8%	20.0%	13.8%*
Small food store	24.5%	28.1%	18.5%	9.6%*
Pharmacy	23.0%	25.6%	18.8%	6.8%
Wholesale club	16.7%	18.0%	14.4%	3.6%
99 Cent Store	15.1%	18.5%	9.5%	9.0%*
Dollar Plus	10.7%	13.2%	6.6%	6.6%*

*P < 0.05, meaning that there is a statistically significant difference between SNAP and non-SNAP participants.
[i]Frequency is defined as shopping more than once per month.

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Results: Dollar store utilization

Types of foods purchased at chain dollar stores, overall and by SNAP participation (N=625[i])

Food Items	Overall	SNAP participation		
		SNAP (N=331)	Non-SNAP (N=294)	Difference
Pantry staples	60.5%	65.0%	53.0%	12.0%*
Canned fruits or vegetables	58.4%	59.4%	56.7%	2.7%
Dairy	50.8%	53.6%	46.2%	7.4%
Whole grains	49.4%	54.9%	40.1%	14.8%*
Pre-made meals	36.0%	40.6%	28.3%	12.3%*
Frozen fruits or vegetables	28.7%	32.0%	23.2%	8.8%*
Fresh fruits or vegetables	19.5%	23.3%	13.0%	10.3%*
Fresh meat or seafood	13.6%	17.0%	7.9%	9.1%*

*P < 0.05, meaning that there is a statistically significant difference between SNAP and non-SNAP participants.
[i]Respondents who shopped at dollar store chains (Dollar General, Dollar Tree, Family Dollar) at least once per month.

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Results: Opportunities for healthier dollar stores

Desire to buy healthy options if made available, by dollar store shopping frequency (N=724[i])

Food items	Overall	Dollar store shopping frequency		
		Frequent shoppers[ii] (N=559)	Infrequent shoppers[iii] (N=165)	Difference
Healthy pantry staples	74.8%	85.4%	73.7%	11.7%*
Canned fruits or vegetables	74.5%	85.1%	74.7%	10.4%
Healthy snacks	70.2%	85.3%	79.8%	5.5%
Whole grains	68.7%	81.0%	68.7%	12.3%
Fresh fruits or vegetables	67.1%	81.2%	69.0%	12.2%
Frozen fruits or vegetables	65.5%	79.7%	69.3%	10.4%
Healthy drinks	58.5%	75.5%	47.8%	27.7%*
Healthy frozen meals	58.8%	74.8%	56.4%	18.4%*
Frozen meat or seafood	47.0%	65.4%	33.6%	31.8%*
Healthy pre-made meals	48.5%	67.0%	42.5%	24.5%*
Fresh meat or seafood	43.7%	61.6%	28.1%	33.5%*

*$P < 0.05$, meaning that there is a statistically significant difference between frequent and infrequent dollar store shoppers.
[i]Respondents who shopped at dollar stores.
[ii]Frequent shopping defined as shopping more than once a month at dollar store chains (Dollar General, Dollar Tree, Family Dollar).
[iii]Infrequent shopping defined as shopping less than once a month at dollar store chains (Dollar General, Dollar Tree, Family Dollar).

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Results: Opportunities for healthier dollar stores

Support for opportunities to promote healthier dollar stores,
overall and by SNAP participation (N=750[i])

Health-promoting opportunities	Overall support	SNAP participation		
		SNAP (N=385)	Non-SNAP (N=365)	Difference
Dollar stores should stock more healthy options. (N=659)	81.1%	81.3%	80.6%	0.7%
Dollar stores should do more to market and identify healthier options. (N=630)	74.0%	76.5%	69.5%	7.0%
Dollar stores have a responsibility to improve the health of the communities to which they belong. (N=630)	64.5%	71.4%	53.3%	18.1%*
Dollar stores should stock fewer unhealthy food options. (N=630)	44.3%	45.3%	42.4%	2.9%

*P < 0.05, meaning that there is a statistically significant difference in the proportion of respondents who agreed between SNAP and non-SNAP participants.
[i]For each question, those who respondent "I don't know" were dropped from the analysis

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Results: Opportunities for healthier dollar stores

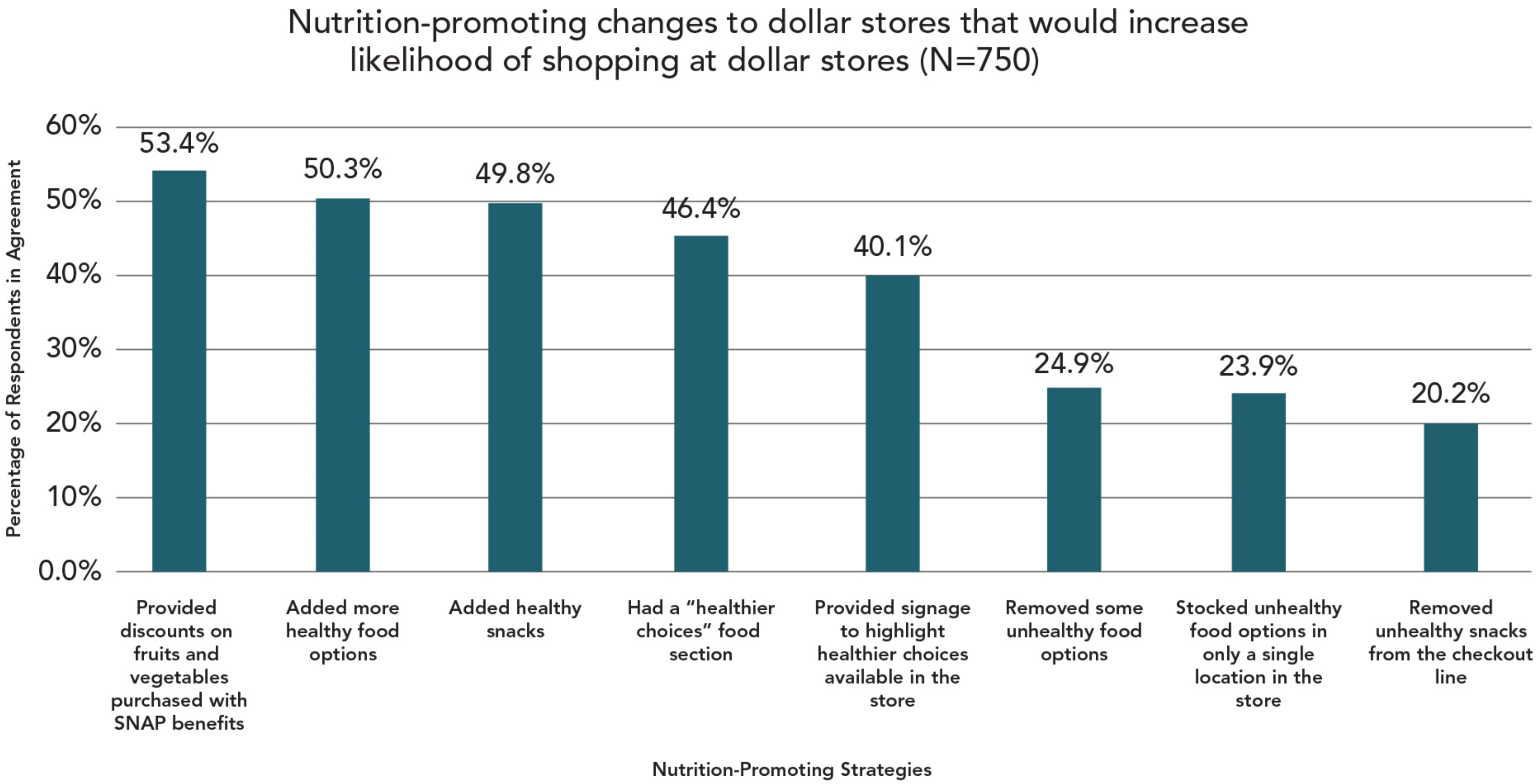

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Table 1. Local dollar store policy mechanisms

Policy mechanism	Description	Examples
Ban or time-limited moratorium	Moratoriums include banning permit applications or rezoning such that no new dollar store can be introduced within a defined area, often used to preserve the status quo, as a community or legislature considers a new zoning ordinance or other local policy.	A zoning ordinance in Stonecrest, Georgia bans small box discount stores in high-rise mixed-use zones.[80]
Conditional use ordinance	A conditional use ordinance allows for local government to approve or deny each new dollar store, often with an approval process that ensures specific standards are met.	A conditional use ordinance in Fate, Texas only allows small box discount stores via special use permits.[81]
Permitting ordinance	A permitting ordinance allows local government to specify or cap the number of permits awarded within a specific area.	A permitting ordinance in Forest Park, Georgia caps permits for small box discount stores at three.[82]

Dispersal ordinance	A dispersal ordinance allows a local government to define a minimum distance between dollar stores.	A dispersal ordinance in Lauderhill, Florida requires new dollar stores locate a minimum of one mile from existing small box discount stores.[83]
Policies to increase healthy food availability	Local governments can use several different policy mechanisms to incentivize business owners to increase healthy food availability.	The zoning code in Tulsa, Oklahoma creates a Healthy Neighborhoods overlay, which sets small box discount store dispersal limits but exempts stores that contain a prescription pharmacy or dedicate a minimum floor area to selling fresh meat, fruits, and vegetables.[77]
Staple foods ordinance	Local governments can use staple foods ordinances to require food retailers (including dollar stores) to stock specific foods within a specific area.	A staple foods ordinance in Minneapolis, Minnesota requires food retailers (the code's definition encompasses dollar stores) to stock certain staple foods, including dairy and dairy alternatives, animal and vegetable proteins, fruits and vegetables, juice, whole grains, and legumes.[84]

Model Ordinances: Dollar Stores

This document presents a menu of legislative options that localities can use to address the role of dollar stores in their communities. Each policy option is described in its respective section below. These options are not mutually exclusive and can be combined. Further, any of these policies can be combined with policies restricting dollar stores to only certain local zoning areas (see Note in Bans and Time-Limited Moratoria section).

Most ordinances refer to dollar stores as "small box discount stores." This document uses that language.

Two important considerations are:

1. *Placement of the ordinance within a locality's existing codes. Small box discount store ordinances are generally in the zoning code or the zoning chapter of the main code.*
2. *Whether a policy can and should apply to both existing and new small box discount stores. It is not possible to apply certain policies, like dispersal ordinances, to existing stores. However, other policies, like staple food ordinances, can apply to existing and new stores.*

These policies can be modified to meet your locality's unique needs, but ***please note that changes should be made with guidance from an attorney or other expert in legislative drafting. The information in this document is for educational purposes only and does not constitute legal advice or representation.***

##.##. Definition. [APPLIES TO ALL POLICY OPTIONS]

A. "Small Box Discount Store" means a retail establishment with a floor area less than 12,000 square feet that offers for sale a combination and variety of convenience shopping goods and consumer shopping goods, and continuously offers a majority of the items in its inventory for sale at a price per item of $10.00 or less, adjusted for inflation. This definition shall control any use that fits the same despite otherwise being termed "Grocery Store," "Variety Store" or [OTHER RETAIL STORE DESCRIPTORS IN CITY/COUNTY CODE] under the provisions of the [CITY/COUNTY CODE].

Staple Foods Ordinance

Staple foods ordinances require small box discount stores to stock certain healthier food and beverage items.

##.##. Staple Foods Standards.

Each small box discount store shall continuously offer for sale at least three (3) stocking units of at least seven (7) different varieties for each of following four (4) staple food categories:

A. Dairy/dairy alternatives: Milk (unsweetened, fluid cow's milk (only skim, 1% or 2%)) or milk alternatives (unsweetened or "plain" soy milk or other cow's milk alternatives), yogurt, kefir, or cheese.
B. Animal and vegetable proteins: Fresh or frozen meat and poultry, canned fish packed in water, fresh eggs, or vegetable proteins such as nut butter and tofu. Containers of nut butter may not contain any other food products such as jelly, jam, chocolate, or honey.
C. Fruits and vegetables: Fresh, frozen, or canned fruits and vegetables that do not contain added ingredients, including sweeteners, salt, sauces, or seasonings, at least four (4) varieties of which must be fresh and perishable.
D. Whole grains: 100% whole grain products such as bread, corn tortillas, brown rice, or oatmeal.

Such staple foods and beverages shall be non-expired, not spoiled, and maintained according to established industry standards for food safety. To count towards the staple foods standards, perishable items, including fresh fruits and vegetables, shall be offered in good condition, meaning not overripe or seriously deformed, and free from decay, discoloration, bruising, and surface damage.

In this subsection, "stocking unit" means an individual food or beverage item. If a food or beverage is not usually sold individually, then it does not individually constitute a stocking unit. Such food items are usually sold in bunches, boxes, bags, or packages, and these instances the bunch, box, bag, or package is one stocking unit. For food items stored singly in a common container and sold to a customer by weight (for example, grains, dried fruits, nuts, deli cold cuts), one pound (1 lb.) is one stocking unit.

In this subsection, "variety" means foods that differ from each other by distinct main ingredient or product kind.

[CITY/COUNTY ENTITY] shall bi-annually review the staple foods standards. Changes to the staple foods standards shall take effect [#] days after publication of such changes.

Note: Consider providing examples of varieties in a regulation or guidance related to this ordinance. Section IV List of Examples in Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program, which provides examples of varieties that retailers can stock to comply with federal SNAP stocking standards can serve as a template.

Dispersal Ordinance

Dispersal ordinances require new small box discount stores to be located a certain distance from an existing small box discount store.

Corporate Campaign – Dollar General

- Dollar General should make healthier foods more accessible to moms and kids by expanding WIC authorization of their stores

- Results
  - Petition – over 6,000 emails sent to Dollar General
  - Organizations and researchers signed an advocacy letter
  - Have met with Dollar General senior executive twice to discuss campaign and corporate recommendations
  - Ongoing conversations with Dollar General and coalition partners

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Thank you!

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