

**AFRICAN AMERICAN OWNED GROCERY STORES:  
A FRAMEWORK FOR FOOD POLICY DEVELOPMENT**

A thesis

submitted by

Brytanee Brown

In partial fulfillment of the requirements  
for the degree of

Master of Arts

in

*Urban and Environmental Policy and Planning*

**TUFTS UNIVERSITY**

Date

(August 2013)

ADVISER:

James Jennings

## **Abstract**

The purpose of this thesis is to 1) enhance the sustainability of grocery stores locating to the inner city, 2) strengthen the existing grocery stores in the inner city and 3) support existing businesses that have a good relationship in the community. Capital and investment has played a major role in the inner city. Supermarkets are one of the many manifestations of this capital investment. Current policies today—the funding and support for supermarkets in neighborhoods—call into question their relationship to the inner city. African American owned supermarkets are important to look at because they are examples of private capital that have had a fundamentally different relationship to inner city neighborhoods. They are instances in which resources have been leveraged to develop a business in spite of lack of financing, government subsidy, and security costs. Their narratives are important because they point to some of the deep challenges policy makers face and will continue to face if food access is not thought of as a manifestation of a much larger issue: lack of transformative community development. Their narratives encourage policy makers to inject the right kinds of capital into communities.

## **Acknowledgements**

I have been blessed with a network of support that has made this process truly fulfilling. I would like to thank my thesis committee for all of their encouragement; James Jennings and Lorlene Hoyt, I thank you all for the guidance. James and Lorlene your brilliance and passion have been beyond helpful. I thank you both for believing in my work. Special thanks to Penn Loh, my UEP advisor, who has been an advocate and mentor. I would like to extend my deepest gratitude to my interviewees: Leonard Harris, James Hooks, Alphonzo Cross, Shari Runner, and Cathy N'Dong. I thank you for your time and expertise. I would also like to thank my colleagues who listened to my thesis as it blossomed, especially the Anchors thesis group, you all rock! And last but definitely not least to my family and friends, you all deserve the ultimate praise for your unconditional love.

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## **Introduction**

*Today's food deserts are the result of the compounded problems of politics, public policies, and social institutions, which intentionally or unintentionally resulted in the ultimate exclusion of populations from the crucial resources or representation necessary to ensure adequate access to food. Resulting from these failings, we find that food deserts represent an equilibrium outcome of two main factors: demand for and supply of healthy foods. Demand-side reasons, including residents' low income; high prices of healthy food options; low convenience in terms of food preparation; and cultural and taste preferences, all lead to low demand for healthy food and high demand for fast food in low-income neighborhoods. Supply-side reasons, including a small customer base; low neighborhood income; high operating expenses; high security risk and costs; at times ineffective public policy; and the lack of large contiguous space in the inner city, all lead to high costs to retailers and low supply of healthy food (Chicago Policy Research Team, 2010).*

### *Supermarkets and Grocery Stores*

The Healthy Food Access Portal (PolicyLink, 2012) defines supermarket as “a self-service retail store that sells dry groceries, canned goods, nonfood products, and perishables and is often characterized as having annual sales of \$2 million or more. These stores typically carry between 15,000 and 60,000 unique products and tend to have multiple service departments including but not limited to bakery, butcher, deli, fishery, floral, pharmacy, photo, etc. Traditional supermarkets vary significantly in size but typically range between 20,000 to 65,000 square feet” (PolicyLink, 2012).

Although supermarkets and grocery stores may merchandise similar goods, they have different connotations. Grocery stores are usually considered smaller and independent, while supermarkets are generally thought of as larger format stores with a wider variety of goods. The traditional definition of grocery and supermarkets are not applicable. This research focuses on African American grocery store owners. Grocery stores, as defined in this research, are diverse in

size and merchandising. All stores that offer a “market basket of goods” e.g. meat, dairy, fruits and vegetable and dry goods are considered “grocery stores.” Thus, supermarkets can be under the umbrella of “grocery stores.”

Throughout this thesis, a grocery store is defined as an entity that 1) is “primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry (U.S. Census Bureau, 2008),” 2) can vary in size, and 3) places particular emphasis on merchandising a sizeable quantity of non-perishable goods. Grocery stores that sell alcohol in close proximity to other “market basket goods” were excluded from the study.

### *Food Deserts*

The 2008 Farm Bill defined a “food desert” as an area in the United States with limited access to affordable and nutritious food, particularly such an area composed of predominantly lower income neighborhoods and communities. These areas lack supermarkets or large grocery stores (food stores with at least \$2 million in sales that contain all major food departments) (USDA—FAQs about Food Desert Locator Tool).

One of the goals of this research is to demystify the language around food deserts. Food desert as a concept is great because it provides policy makers with context but not moving past the term to reveal the people in the communities has the potential to create stagnant solutions. When food deserts are discussed as being located in “inner city” areas—a term that is unpacked in William Julius Wilson’s *Truly Disadvantaged* (1978) and is used to identify low-income urban

communities—popular discourse is essentially talking about predominantly African American and Latino neighborhoods. “Urban”, “inner city”, “ghetto”, and “low-income” will be used interchangeably throughout this paper as these are terms that have been used throughout history to describe neighborhoods in the United States that are predominantly African American and Latino, even when income is taken into consideration. Low-income neighborhoods are disproportionately affected by both a lack of healthy food options and higher incidences of diet-related illnesses, with low-income African American neighborhoods being the most disadvantaged (Gallagher, 2006). Thus, food policy that addresses African American and Latino communities is essential.

#### *The Healthy Food Financing Initiative*

In 2012, The Healthy Food Financing Initiative (HHFI) was developed in partnership with the Department of Treasury, the Department of Agriculture and the Department of Health and Human Services in efforts to bring healthy food to underserved areas (Treasury Public Affairs, USDA Office of Communications, HHS/AC2010). This multi-agency initiative would allocate more than \$400 million in financial and technical assistance to community development finance institutions, nonprofits, and businesses with solutions for addressing healthy food deserts.

The initiative will make available a mix of federal tax credits, below-market loans, loan guarantees, and grants to attract private sector capital that will more than double the total investment. Federal funds will support projects ranging from the construction or expansion of a grocery store to smaller-scale interventions such as placing refrigerated units stocked with fresh produce in convenience stores (Treasury of Public Affairs, USDA Office of Communications, HHS/ACF Press Office).

Through this multi-year initiative and investing in the private sector the Obama Administration seeks to eliminate food deserts across the country within the next seven years. These agencies also report that the first year of funding will leverage enough investments to begin expanding healthy food options into as many as one-fifth of the nations food deserts. In addition to enhancing access and affordability of healthy foods in urban and rural communities the HFFI creates jobs and promotes economic development. In the budget, the HFFI emphasizes supermarket expansion.

While encouraging supermarkets to build in communities that lack access to healthy food is commendable, but these policies have done little to address the historic relationships that food retailers have had in these communities.

Supermarkets were once in these food deserts. In fact, the term food desert in it of itself is misleading because it alludes to the lack of access to healthy food as being a naturally occurring process. Food deserts, however, are not natural occurrences but rather a consequence of the policies put into place to attract supermarkets to suburban areas while disinvesting in the inner city.

In examining the historical relationships of supermarkets and inner city neighborhoods, one can view a troubling trend. While supermarkets were able to bring capital to the neighborhoods, supermarkets often relocated when the inner city became too chaotic and/or business looked more profitable in the suburbs. In relocating, they removed the capital that was brought to the communities. In examining this history, it becomes evident that supermarkets are not and should

not be the only way to bring healthy and affordable food to inner city communities.

### *African American Ownership*

In the 1960's and 1970's when supermarkets were closing their doors in the inner city, many scholars pushed for African American ownership of supermarkets (Edwards, 1978; Bloom, 1969). They believed that supermarkets were the best methods for inner city food distribution compared to a corner grocery store or delicatessen, but struggled with the fact that supermarkets were leaving the inner city.

Some of the literature points to the lack of quality foods in the supermarkets located in African American neighborhoods. Supermarkets left because they could not remain profitable in the inner city and in addition there was a great failure to provide quality food at reasonable prices (Edwards, 1978). Inner city residents discontent with supermarkets was expressed in the urban riots of the 1960's where grocery stores were hit hard (Edwards, 1978). Prior to supermarkets' exodus in the 1960's and 1970's many inner city residents viewed them as economic and emotional rip offs (Edwards, 1978).

Scholars supported African American ownership of supermarkets because of the market that was left behind by the closing of inner city supermarkets. This push was also encouraged by the ideas surrounding Black capitalism and entrepreneurship—a concept that delineates Black business owners as simultaneously economically and emotionally motivated (Bloom, 1969). Moreover, Black entrepreneurship has been seen as an alternative to wage

working jobs (Wong, 1977 & Poe, 1999). Being the owner of a grocery store entailed a level of “class status and political clout...especially in a business with such a strong social dimension” (Poe, 1999; p. 6). Many entrepreneurs saw themselves as “missionaries of capitalism,” whose job it was to lead the Black community in realizing the American dream of self-sufficiency (Poe, 1999; p. 24). For Black entrepreneurs’ owning a business was as much about profit making as assuming the role of leader in the community and being the symbol of success and self-determination (Wong, 1977).

It is difficult to determine exactly how many black owned supermarkets are in operation in the U.S. today. While there were 6,400 African American owned grocery stores in the 1930s, Anderson & Gregory (2012) reported that there were only 19 full service grocery stores in operation. In 2000, The Survey of Business Owners reported that there were 9,016 Black owned food and beverage retail businesses in operation; but this number can be misleading because it includes liquor retail and specialty food stores (US Census Bureau, 2000). Researchers at the Kellogg School could only find evidence of three black-owned full-service grocery stores (Anderson & Gregory, 2012).

The low number of black owned grocery stores aligns with the stagnant market share that Black businesses have in the African American market. Black businesses only get two percent of the one trillion dollars of African American buying power (Black Voices, 2012). Food access becomes a critical issue of economic development. It can leverage buying power and build entrepreneurship among African Americans. This leverage and entrepreneurship could act as a

viable solution for forging strong partnerships with inner cities in subjected to lack healthy food access because the history of African American owned business in inner cities reveals a different trend than those mentioned above that were not owned by African Americans.

Historical and contemporary analyses of African American owned supermarkets reveal that African American owned grocery stores are important examples of private capital that have had a fundamentally different relationship to inner city neighborhoods. African American owned grocery stores are instances in which resources have been leveraged to develop a business in spite of disinvestment. Their narrative of rising and falling is important because it points to some of the deep challenges policy makers have and will continue to face if food access is not thought of as a manifestation of a much larger issue: lack of community development. This thesis unearths how essential African American owned grocery stores are when developing food policy that addresses transformative community development.

## **Literature Review**

This literature review unpacks the historical processes of capital and investment in the inner city. This analysis develops a framework for understanding what kinds of capital the inner city needs as well as the analyzing the viability of this capital. This literature review will not discuss the public health implications for communities with little to no access to food. While diabetes, heart disease and obesity are important and valuable to discuss as they relate to food deserts, these ideas already receive great attention in food access discourse. One can find these food related health disparity statistics and narratives in public health journals and policy reports, but it is hard to find discussion of African American owned grocery stores and economic capital.

This literature was conducted by reviewing numerous books, journal articles, and newspaper articles. Urban theory, economic development, food and social justice, supermarket and business development as well as black capitalism were topic areas that were explored to emphasize African American owned grocery stores as examples of the viable kinds of capital.

Michael Porter's (1995) influential piece "Competitive Advantage of the Inner City" emphasizes the various assets that he believes the inner city has: strategic location, human resources, export markets, regional clusters, and local market demand. Porter uses these assets to prop up his assertions for private, for-profit, initiatives and investment based on economic self-interest and genuine competitive advantage in the inner city. Porter (1995) encourages policy makers to develop an economic model that prioritizes the profitability and competitiveness

of inner city businesses. Porter (1995) problematizes the government's social model efforts for improving the inner city—built around meeting the needs of individuals—through income assistance, housing subsidies, and food stamps. Furthermore, Porter asserts that social spending has isolated minority businesses and its economy and as a result has increased the “mainstream” economy's reluctance to invest in the inner city (Kanter, 1995).

Many scholars, however, reject Porter's argument that the inner city is isolated from the “mainstream economy” (Dymski, 1997; Kanter, 1995). Dymski (1995) argues that the inner city is already open to market forces, which have devastated its job and wealth structures. According to Wilson (1987), Porter's (1995) argument undermines the two decades of private-sector deindustrialization that devastated the inner city economy. These industrial job losses that have been centered in the city as well as the bank branches that have disproportionately closed is evidence that the inner city has not been isolated from the “mainstream economy.” The Los Angeles entertainment clusters and New York financial clusters also serve as examples of business connections between the inner city; these industrial clusters employ thousands of inner city residents in janitorial, food service, and other poorly paid service sectors jobs (Dymski, 1997).

Differential trajectories of wages, real estate prices, and equity values are all forms market driven wealth redistribution, showing, rather explicitly, how market forces create wealth in some places and destroy it in others: “The inner city is, then, hardly isolated from economic dynamics, its increasing deprivation relative to the “mainstream” economy is due precisely to these broader dynamics”

(Dymski, 1997, p. 55). These broad economic dynamics that, create affluence for some and exacerbate poverty for others, implicate the government should mandate wealth redistribution rather than wealth creation (Dymski, 1997; Kanter, 1995).

Scholars engage economic deterministic frameworks to unpack food access in the inner city (Eisenhauer, 2009; McClintock, 2010). McClintock (2010) discusses the history of capital in Oakland, California and how it was invested and then extracted leaving behind an infrastructure that was not conducive to development, more less food retail. Oakland, California is an example of how the socioeconomic terrain demarcating poverty and affluence in a city can follow the contours of its physical geography of flatlands and hills:

The flatlands host the lowest percentage of homeownership and the lowest levels of educational attainment. Unemployment here is roughly twice the citywide rate. Crime and public health statistics overlap in a more or less identical fashion. In predominantly black flatlands neighborhoods, such as West Oakland and Central East Oakland, these statistics are even bleaker. It is precisely in these flatlands neighborhoods that the city's food deserts can also be found (McClintock, 2010, p. 99).

McClintock (2010) spatializes capital and food deserts to show how they are both manifestations of disinvestment.

The history of supermarkets, especially in urban areas, is layered and complex. And while a lot of this dialogue is rooted in the fact that there are no supermarkets in urban areas today, it is essential to unpack supermarket's business practices prior to their mass exodus during the 1950s through the 1980s. In a Black Enterprise article titled, "Let Them Stale Cake" Edwards (1978) problematizes the relationship supermarkets had in the inner city prior to their

departure. Edwards notes, “Accompanying the supermarkets’ failure to remain profitable in the inner cities has been an even greater failure on their part to provide quality food at reasonable prices to the cities’ people” (1978, p. 40).

Edwards (1978) further develops this analysis as he writes:

It was no accident that during the urban riots of the 1960s, the one store inevitably looted and often burned to the ground was the local supermarket. Seen as both an economic and emotional rip-off, supermarkets were those overpriced, dirty, poorly stocked and badly managed stores you had to shop in at least once a week. They were the small, crowded places where you stood in long, slow-moving lines to buy spoiled meat, stale bread, or bruised produce at prices higher than at the same chain’s store selling fresh food in the better part of town. If we are what we eat, supermarkets in the inner city have long confirmed what society thinks poor people are (p. 40).

Among other factors, many scholars have called into question the normativity of supermarkets especially as they relate to being seen as the best and only solution to food access in the inner city (Edwards, 1978; Eisenhauer, 2009). In fact, given their history, scholars suggest that supermarkets should not be seen as unambiguous force in the urban economy.

Historically, supermarket industry innovation—accommodating larger inventories of both food and non-food items and increasing sales volume—has been inextricably linked to suburban development (Edwards, 1978; Eisenhauer, 2009). Precipitated by the 1950s emergence of a new retail form, the shopping center, anchored around supermarkets and generally located outside the cities, supermarkets were able to increase sales volume in unprecedented ways (Eisenhauer, 2009; Progressive Grocer (PG), 1987). During World War II, a number of supermarket chains purchased parcels outside the cities in anticipation of development. After the war, they often built new stores and waited for

residential development to come to them; suburban land parcels allowed the chains to build even bigger stores, and by the 1950s, newly constructed stores had grown from 10–15,000 square feet to 20–25,000 square feet. Supermarkets were rapidly becoming the dominant form, and between 1950 and 1960, supermarkets share of the retail food market jumped from 35% to 70% (PG, 1987). By the end of the 1960s supermarkets owned and operated by a single family headed for extinction; (and many) large corporations snapped up family businesses, while others simply went out of business (PG, 1987).

The supermarket industry in the 1970s and 1980s was marked by a period of intense competition, where the losers were more than often inner city residents (Chevalier, 1995; Eisenhauer, 2009). By the 1970s supermarket chains were engaging in competition through “price wars”—two or more chains competing for market dominance. Larger companies were more able to survive these wars and protect themselves from hostile takeovers through the use of leveraged buy-outs (LBOs)—an acquisition where the purchase price is financed through a combination of equity and debt. The Progressive Grocer reports that in the late 1980s, these companies were grappling with the dual challenge of raising money to pay down debt, while maintaining day-to-day operations. Chevalier (1995) found that most supermarkets that undertook LBOs in the late 1980s were responding to unwanted takeover attempts by competitors. The debt incurred by these companies tended to constrain their liquidity, and higher prices tended to be the end result. In fact, Chevalier (1995) found that LBO stores tended to follow one of three specific courses of action after an LBO: less profitable stores would

be sold or ‘spun off’, prices would remain the same or be dropped in profitable stores that were located in more competitive markets, and prices would be raised in profitable stores that were located in less competitive markets. Given the rates of urban disinvestment by the supermarket chains through the 1970s and 1980s, Eisenhauer (2009) suggests that it should not be too much of a stretch to suppose that the less competitive markets were more likely to be urban than suburban. These mergers and LBOs in the 1980s, which hit sixteen of the top twenty chains, only exacerbated the trend towards fewer, bigger stores outside the cities (Eisenhauer, 2009; Turque et al., 1992).

Through the 1970s to the 1980s cities experienced a net loss of supermarkets (Edwards, 1978; Eisenhauer, 2009). Between 1978 and 1984 Safeway closed 600 stores in inner city neighborhoods (Eisenhauer, 2009). In Chicago, between 1970 and 1976, the number of supermarkets in a two-and-one-half-mile by three-and-one-half-mile area declined from six and two (Edwards, 1978). From 1970 to 1975, the number of supermarkets in an inner city area of Boston, two-by-five miles in size, declined sixteen to nine. Washington, D.C. lost 33 percent of its total supermarkets from 1968 to 1974 (Edwards, 1978). Supermarket industry representatives describe these closings as a function of higher urban land, labor, and utility costs as well as low profit margins on more perishable food items and increased theft problems. Consequently, the general attitude of the industry was that “it makes no sense to serve distressed areas when profits in the serene suburbs come so easy” (Business Enterprise Trust, (BET),

1993, quoted in Eisenhauer, 2001, p.128). Scholars and policy makers, however, contest the validity of this argument.

Scholars and policy makers have identified the supermarket industry's practices as "supermarket redlining" (Bennett, 1992; Eisenhauer, 2009). As with the more familiar form of redlining, the driving force behind 'supermarket redlining' (and other corporate decisions about investing in particular neighborhoods) is perception based on stereotype (Eisenhauer, 2009). Kantor and Nystuen (1982) note in their analysis of residential redlining, decision makers draw broad conclusions about the investment-worthiness of communities based on "flat stereotypes of gross income, race, and reputation of the neighborhood. In this way the imagined and assumed worlds impinge upon actual events" (p. 326).

Regardless the cause of supermarket chains evasive relationship in the inner city; the impact of their disinvestment is unequivocal. By the mid-1990s its effects were devastating. In 1995, the poorest 20 percent of urban neighborhoods had 44 percent less retail supermarket space than the richest 20 percent (Emert, 1995). Eisenhauer (2009) asserts, "Annually, more chains still close more urban stores than they open, leaving behind vacant buildings and demoralized local residents" (p. 128). These losses—access to affordable, quality food and jobs—exacerbate the conditions of already distressed communities. Turque et al. (1992) writes, "The loss of a supermarket tugs especially hard at the fabric of a [poor] neighborhood" (p. 36). Eisenhauer (2009) further emphasizes the implications that the presence of a supermarket has on a community's livability:

The departure of a supermarket from a poor neighborhood contributes to its decline in obvious ways – by reducing access to food and eliminating

jobs – and in less visible ways – by becoming a symbol of the neighborhood’s distress and failure, as well as a signal of the withdrawal of the ‘outside world’ from the community’s affairs. The decision of a supermarket chain to divest from a poor neighborhood can contribute to the perception that the neighborhood is a bad investment risk, which has the potential to discourage further investment. The loss of an ‘anchor’ store can also contribute to the decline of smaller neighboring stores. Ultimately, long term community isolation and loss of resources can increase distress, hopelessness, and hostility (Eisenhauer, 2009, p. 129).

These chain supermarkets reveal a set of practices that contrast the practices of independent supermarkets and grocery stores, both of which are small businesses.

Thus, it is important to understand the implications of small businesses.

Christiansen, Stitely & Hoyt (2008) discuss the ways in which small businesses expand local economic activity, create jobs, have the ability to stay open during hard times, stabilize neighborhoods, develop local leaders, and have the ability to start up quickly. Furthering the conversation is African American grocers who are unique in that they have understood the capacity of their businesses impact on their communities.

“At one time, the most important guiding research framework for the study of Black communities was based on the success of business people and the development of self-help organizations” (Butler, 1997, p.41). Black entrepreneurship will be essential to the development of the inner city economy. While Porter’s assertion of attracting businesses to the inner city is crucial, Butler (1997) believes that people within the inner city will have to be major players as owners of enterprises for the cities to be totally rebuilt. In addition, inner city residents themselves will have to replace the social welfare model with the creation of entrepreneurial enterprises as well as become owners of major

enterprises in inner cities. In order for Black entrepreneurship to flourish, Butler urges a change in popular discourse. Despite the fact that, Black business has been the center of the Black community (Butler, 1997), current literature frames Black America's failure rather than Black America's creative energies. Many scholars acknowledge that, long-term Black success has stood on the shoulders of Black entrepreneurs, community and family.

In Bloom's seminal article titled "Black Capitalism, Black Supermarkets" (1969) he unpacks the "nature of the supermarket industry" as well as the "the problems of the ghetto environment" as a barrier to success for any supermarket owner who operates in the inner city. In this "cold" analytic appraisal of both issues, he finds that the difficult nature of the supermarket industry—low profit margins, high transaction costs, high employee turnover rates—coupled with issues within a ghetto environment proves to be disadvantageous for Black owned supermarkets. He asserts that the prospects for profits by black owners of supermarkets in American's ghettos can lead to only one conclusion:

A few will make it. The rest will fail. The nature of the business, the hardships presented by the environment, and their own lack of managerial experience are against them. Yet the march of events will make black ownership of supermarkets in ghettos essential to the maintenance of an economical distribution of foods in these areas. As each year passes, as violence recurs in various ghettos, we shall find an increasing number of white-owned supermarkets closed down, stark symbols of the inability of the white business establishment to cope with the social problems which years of neglect have spawned in the dark streets of our ghettos (Bloom, 1969, p.25).

While Bloom (1969) stresses that "few will make it and the rest will fail" he also affirms Black ownership of supermarkets in the inner city as "essential to the maintenance of an economic distribution of foods in these areas" (p. 25).

By juxtaposing the difficulties that Bloom (1969) lays out against information gathered through interviews and secondary data (newspaper articles, census level data, policy reports) this paper goes beyond assessing the feasibility of Black owned grocery stores to deliver an analysis that frames Black ownership of grocery stores as “success stories.” This thesis seeks to develop a narrative that acknowledges that despite major challenges that Black grocery store owners face they still invest real capital in Black communities.

## **Methodology**

The process of writing this thesis was by no means straightforward. Rather it has been indicative of food policy work, work that is deep, analytic, and multi-layered. The original goal of this paper was to understand the role of economic and community development in food policy development, a topic area that could be explored from many angles. In unpacking food policy and community development the role of African American owned grocery stores in communities became the focus. It became clear that if I wanted to know about African American owned grocery stores that I would have to go directly to the source: African American grocery store owners.

Semi-structured interviews were conducted with three African American grocery store owners: Leonard Harris of Chatham Food Center; James Hooks of Metro Foodland; Henry Baines of Stop Shop Save; Alphonzo Cross of Boxcar Grocer. While my sample size was limited—I interviewed three African American owned grocery stores out of the six that exist nationwide—it should not deflect the importance of each of these businesses. Both Chatham Food Center and Metro Foodland maintained African American ownership for over thirty years and Boxcar Grocer has developed a business model that is highly replicable. These grocery store owners are key voices in this discourse. Their narratives transcend “anecdote hood” and form a theory that is legitimized as primary knowledge. The “Black grocer” and African American owned grocery store is a micro narrative as a profile and institution in the neighborhood.

My goal was to locate and conduct interviews with as many African American owned grocery store owners as possible. The limited sample size of African American owned grocery stores, however, in the United States informed my case studies approach. Given the sample size it became clear that these interviews would have to be woven into broader neighborhood and city level analyses. These case studies frame the rich histories and contemporary analyses of the cities in which these grocery stores are located in: Atlanta, Chicago, and Detroit. They engage census data, economic policy, business development, political and social history, and public health data. Given more time, sources would have included customers and employees as well as “people in the field” e.g. scholars and practitioners that interacted with food both directly and indirectly (See Appendix B).

Based on the earlier findings of researchers from the Kellogg school, as detailed in “Our Black Year” (Anderson & Gregory, 2012) there was evidence of only three Black-owned full-service grocery stores in all of the United States of America. In accordance, I set out to find the researchers of this study; I wanted to know how they developed their definition of an African American owned grocery store. I contacted Steven Rogers, former director of the Levy Institute at the Kellogg School of Management, who was mentioned in “Our Black Year” (Anderson & Gregory, 2012) as being involved in the study. While, we were able to communicate through email, time constraints prevented me from going into depth about the study. Instead, I developed my own standards for an African American owned grocery store.

I used the US Census definition of Black owned businesses: firms in which Black people or African-Americans own 51 percent or more of the equity, interest or stock of the business. The definition for grocery store established earlier in the research: 1) “primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry (U.S. Census Bureau, 2008),” 2) understands that grocery stores can vary in size, 3) excludes stores that sell alcohol in close proximity to other “market basket goods,” and 4) emphasizes stores that merchandise a sizeable quantity of non-perishable goods, was also used to assess the amount of total grocery stores owned by African Americans.

My survey of total African American owned grocery in the United States was conducted through numerous targeted Google searches which consisted of me combining words like “Black owned,” “African American owned,” and “grocery stores” or “supermarkets.” It became essential to use the quotations especially when searching for businesses that were African American owned because it narrowed the search engine results. I was also given a list of stores owned by African Americans from Leonard Harris (founder of the Chatham Food Center). Because stores do not typically advertise the ethnicity of their owners, finding grocery stores owned by African Americans was difficult. Instead, I found newspaper articles and blog posts that had interviewed these store owners. This literature consisted of profiles of the stores that highlighted the work they were doing in the predominately African American communities they served.

Through data collection I found a total of five grocery stores owned by African Americans (see Appendix B). Once I located these grocery stores and storeowners I set out to contact the owners for interviews. The gathering of this primary data was conducted over the course of four months. During this time, I made phone calls and sent emails multiple times throughout the week to set up interviews with the storeowners. Making appointments for the interviews took up the bulk of my time. I experienced many rescheduled interviews. One storeowner explained how he was currently doing community organizing, managing his grocery store and developing a business association. I found that this was the case for most of the storeowners, who were involved in multiple organizations as well as managing their stores.

Overall, I conducted three interviews with grocery store owners: Leonard Harris, James Hooks, and Alphonzo Cross. These interviews were conducted over the phone and lasted an average of an hour and a half. They were recorded (FreeConferenceCall.com) with the permission of the interviewees. Afterwards, each interview was transcribed verbatim. Leonard Harris was the first grocery store owner that I interviewed. My interview with Harris began with me asking the question: *Tell me a bit about your background and experience. How, why, and when did you start Chatham Food Center?*

I had always wanted to be in business for myself but really growing up I didn't know anybody who was in business. My mother was a housewife and my father worked as a Pullman Porter...I wasn't really that clever or bright, I just knew that I wanted to do better (Leonard Harris, Chatham Food Center).

All of my interviews began this way. I discovered that this open-ended question built trust and allowed the storeowners to talk more freely. I believe they appreciated me wanting to hear about their personal lives. Hooks and Harris, especially, provided me with autobiographies. Their dialogues marked the beginning of what resulted in an instrumental and extensive phone interview. Harris remarked how all of that [his story] may have been “too round about” but nonetheless is important because when he meets someone he always wants to hear their story. This provided me with a foundation for understanding both the development and longevity of the Chatham Food Center.

#### List of Interview Questions:

1. Tell me a bit about your background and experience. How, why, and when did you start your business?
2. What do you find to be the most satisfying about your business? What is most frustrating – where and why is it difficult to reach your goals?
3. Who are your customers? Do they live in [insert place of business]? What do they value the most when looking for food options?
4. How have you been able to supply the demand of your customers? Where is most difficult to satisfy the demand?
5. What do you like the most about being in [place of business]? What are some of the challenges – where and why is most difficult to reach your goals?
6. How do you define success for your business? Does your definition of success align with the community’s definition of success?
7. Would you be willing to talk about an experience you had where you overcame a challenge?
8. Can you talk about a challenge that no matter how hard you tried reappeared and proved to be just insurmountable?
9. How do you envision your customers in the next 10 years?
10. When thinking about providing quality food at all times to a community, are African American owned grocery stores important?
11. Would you encourage more African Americans to start grocery stores?

In trying to locate African American owned grocery store owners I came across the nextOne Program, a program developed and implemented by the Chicago Urban League that works collaboratively with business owners to build

capacity and plan strategically. Leonard Harris was a participant of the program. An interview with Shari Runner, Senior Vice President for Strategy and Community Development at the Chicago Urban League and Cathy N'Dong, Program Associate at the Chicago Urban League was conducted. This interview lasted for a total of an hour and a half and was conducted over the phone. Runner details how the Chatham Food Center was a “success story,” entrepreneurially, but challenged the basis of my thesis because it is no longer African American owned.

While Harris eventually sold both of his stores, it is key to note that he sold them as operating grocery stores. This is in stark contrast to the national, regional and even local chains that were discussed earlier, that left the stores in states that resembled abandonment. Harris selling Chatham Food Center as a fully operating grocery store that is still in business today means that in the Chatham neighborhood jobs were retained, apart of the food system was sustained, and the social infrastructure that the store provided was not completely lost. These elements deepened my analysis of African American owned grocery stores.

## **Case Studies**

### ***The Community's Store***

#### **Chicago, Illinois: Chatham Food Center**

The Chatham Food Center was founded in 1983 and up until it was sold in 2008 it remained the only African American owned grocery store in Chicago and the state of Illinois. The Chatham Food Center is located in one of Chicago's most prominent African American communities on the Southside of Chicago. In 2008 the store posted \$4.4 million in sales, a figure it had averaged in its last few years (thesixthward.blogspot.com, 2008). For twenty-five years the store had remained a fixture in the community, boasting fresh produce, affordable items, personal relationships, and thirty employees (YoChicago1, 2007).

The problem of "food deserts" in Chicago is a serious one: low-income neighborhoods are disproportionately affected by the lack of access to healthy fresh food options, and the individuals living in them disproportionately suffer from diet-related illnesses. The link between inadequate access to nutritious food and quality of health in the city of Chicago has been extensively studied by the Mari Gallagher Research and Consulting Group, whose examination of the issue in the 2006 report, "Good Food: Examining the Impact of Food Deserts on Public Health in Chicago," established the existence of a significant correlation between health and food access in Chicago's communities.

In 2010, the Chicago Policy Research Team (CPRT) published a report detailing the food access experiences of specific neighborhoods on Chicago's South Side. Their work, both qualitative and quantitative, contributes a rich and comprehensive examination, of Chicago's food desert crisis. Through their study

of four Southside Chicago neighborhoods, they proposed policy recommendations that would contribute to providing solutions to Chicago's complex food desert crisis.

Chatham is classified as having middle- to upper-income residents, with a median income of around \$36,174. The neighborhood is 98 percent African-American, the poverty rate is 17.7 percent, and unemployment is 15.3 percent in Chatham (US Census Bureau). Chatham contains two large supermarkets: Jewel-Osco and Food4Less. Both stores are within walking distance of the 87th Street Red Line stop. According to GIS mapping fieldwork conducted by the CPRT (2010), small corner stores make up 17 percent of Chatham residents food sources and fast food restaurants account for 53 percent of the food landscape in the area. Findings show that there are 45 fast food restaurants for every square mile of the neighborhood (CPRT, 2010). The CPRT (2010) report reveals that residents of both East and West Chatham are unsatisfied with the availability of healthy food, particularly with respect to convenience stores, overabundance of fast food, and the risk and distance involved in obtaining healthy foods. Many residents express their distrust of Arab owners regarding the unhealthy and overpriced products they sell as well as their frustration with these storeowners lack of connection to the community.

Leonard Harris's path to the grocery business was by no means conventional. Harris was not a "foodie." He obtained his Bachelor of Arts in Accounting and then went on to work for Washington, Pitman & McKeever, one of the leading African American accounting firms in Chicago. In light of his wan

relationship to business owners in adolescence, he decided to move forward in a career that would develop his business sensibilities. Harris says, *“I had always wanted to be in business for myself but really growing up I didn’t know anybody who was in business. My mother was a housewife and my father worked as a Pullman Porter...I wasn’t really that clever or bright, I just knew that I wanted to do better.”* While at Washington, Pitman & McKeever, Harris prepared financial statements for Ernest Collins, owner of the Food Basket. While Harris believes his entrance into the grocery business was happenstance, meeting Mr. Collins, an established grocery store owner, proved to be nothing less than opportunistic.

Harris left his accounting firm and went into the grocery business getting his start at the Food Basket. During his time at the Food Basket he worked as a bagger and cashier and in the produce and meat department, learning “enough to know what was supposed to be done and how it was supposed to be done.” By the time Harris left The Food Basket, he was President of the corporation, had obtained an MBA from the University of Chicago, and had an 11 percent share of the company.

Harris describes Ernest Collins as “truly entrepreneurial.” Mr. Collins originally owned a barbeque restaurant and developed an understanding of the grocery business by supplying grocers’ with items such as ketchup, barbeque sauce, hot sauce, bread, and meat. Collins had been instrumental in chartering the Seaway National Bank, an African American bank in leadership and clientele, by helping to raise \$1 million in capital. Seaway Bank, founded in 1966, came out of necessity of African American business owners being denied financing in other

financial institutions. For the past 46 years Seaway Bank has been the “largest black-owned bank in the city [of Chicago],” and is currently the fourth largest in the Midwest. Seaway Bank continues to be a source of stable and longstanding capital within the Chatham business scene; additionally, the bank caters its services to local residents (CPRT, 2010).

Unstable capital has proven to be detrimental to the city of Chicago and its neighborhoods. The late 1950s and early 1960s marked a time when national grocery chains, Kroger, National, A & P as well as regional and local chains, Red Rooster, Dell Farm, Hillman’s, and Bi-Lo, were leaving the inner city for the suburbs. Harris discusses how these stores were also leaving behind “an outdated format”: *All the neighborhood stores were 6,000-12,000 square feet and they were starting to open stores at 25,000-30,000 square feet, a big store at that time was 50,000 square feet* (Harris, 2012). While the opportunity to build larger stores may have encouraged their move to the suburbs it only perpetuated the limited mobility that Chicago’s Black inhabitants faced.

As Whites departed from adjacent residential areas, the Black Belt only expanded: the South Side ghetto expanded east into Hyde Park, Oakland, and Kenwood and south into Woodlawn, Park Manor, Chatham and Englewood. Although Whites surrendered their contiguous living spaces, no integration resulted (Biles, 1995). In the 1940s, Chicago’s Black population rose 77% and 49% of the city’s Black residents lived in entirely Black census tracts; in the 1950s this number rose to 53% (Biles, 1995). Hirsch details the years between World War II disturbances’ and the 1960s race riots as “an era of hidden

violence”: a period of interracial violence occurring within the city as a result of Black Chicagoans trying to escape the “misery of ghetto life” (Biles, 1995). This interracial violence involved intimidation of Blacks who purchased homes in White neighborhoods along the fringes of the Black Belt.

Chicago’s supermarket exodus had major implications for business owners and residents. As a result of supermarket closings the inner city was left with: 1) the former employees of these supermarkets, many of them skilled workers, 2) customers who were still subject to a system of segregation, and 3) the stores themselves, void of food but abundant in existing equipment and supplies. While devastating for residents, Harris describes this phenomenon as an opportunity:

At that time you had several advantages you had a market that was tremendously underserved, you had available employees who were desperate for jobs because everybody else was closing up, and you had stores with equipment already in them and you could for a little of nothing buy a building, the land, the equipment, find employees and be in business for a fraction of what it would cost you if you were building a new building and starting from scratch, those were the advantages that made it possible for African Americans to go into the grocery business at that time.

Harris purchased his first grocery store, The Harbor Market, in East Chicago, Indiana in 1978. He bought the store from a Jewish family who, after doing business in the East Chicago neighborhood for many years, decided to retire. In 1983 Harris was asked if he wanted to buy Collins Certified, a grocery store that had been purchased by one of Collins’s former highly skilled managers but struggled financially and was under threat of being bankrupt. Harris reopened the store a year later after renovation and renamed the store Chatham Food Center

Chatham became the one of the first communities that Blacks had the opportunity to move into and out of the ghetto. Historically, the neighborhood had been Irish and Polish American, but as African Americans moved in White families moved out. Between 1968 and 1969, two thousand White families moved out. Chatham became one of the most stable middle class communities in the city of Chicago. Harris details the pride people had in “ownership of their homes” as well as “the institutions that were in their community” and the ways in which this pride manifested “in the care they took of their lawns.” He also says, “the banks, the barbershops, the construction companies, restaurants all of these businesses were thriving in this community.”

#### *The Community’s Store*

Harris discusses how the Chatham Food Center was woven into the fabric of the Chatham neighborhood. One of the main reasons Harris decided to become a business owner in Chatham was because of his closeness to the community; both he and his wife grew up in Chatham and were living there when he opened Chatham Food Center. Harris asserts that his store was not in fact his store but rather it was the community’s store. He goes on to say:

It was really a place where people from the community congregated and met unofficially. It served a variety of purposes. Folk would just stand around in the front of the store and talk to one another. The owners of Johnsons Publishing and Johnsons Hair Care both lived in the Chatham community. You had people that owned McDonalds living in the community, you had contractors who lived in the community, and they lived around the store so that's where they shopped. Coming into Chatham Food Center in the early days you may see politicians, bankers, lawyers, doctors all standing around talking to one another.

Indeed the Chatham Food Center's success was part and parcel of the collective and prideful spirit of the neighborhood.

In the 1980s Chatham experienced competition, mostly, from neighborhood grocery stores. Eventually, however, Harris faced competition or the threat of competition from national, regional, and local chains that were looking to enter or reenter the inner city. In the 1990s grocery stores with larger formats like, Dominics and Cub Foods, began to see the inner city as a viable market. However, these stores were met with strong opposition from community organizations like Chatham Business Association, Chatham Avalon Community Council, and local politicians. These groups were able to halt Cub Foods for ten years and Dominic's for five years. When they were finally able to come in, Harris describes their impact as the following:

Our margins were not growing like we wanted them to grow but we were able to sustain. They thought they could merchandise better, price better. But we met the competition and we were successful. So it wasn't just that we had the market all to ourselves that we were able to be successful; we were able to market to the community, supply the community with the quality and service that they demanded.

In regards to the competition he faced at the Chatham Food Center, Harris describes a set of values and store operations around quality, affordability, community agency, specialization, and convenience that he strived to maintain throughout his twenty-five years in business.

### *Shifting Competition*

The Chatham Food Center experienced two periods of competition from big box stores, and while the first period in the 1990s was marked by community mobilization and efforts to stymie big box competitors the second period revealed

a different set of values. In the 2000s, both Target and Walmart saw the Chatham neighborhood as a potential market. The community's response, however, in the 1990s was remarkably different from the response of the community in the 2000s. The neighborhood and business associations supported both Target and Walmart. While, Cub Foods and Dominic's had stunted Harris's growth, they did not hurt his bottom line as much as Target and Walmart. During this time he saw a significant decline in profit and, *"so the writing was on the wall I needed to make my exit and was blessed with the opportunity to do so."* Harris sold the store to a Lebanese developer in 2008.

Burgeoning competition was one among the many factors that impacted his decision to sell Chatham Food Center; Harris describes the demographic changes to the Chatham neighborhood as impactful as well. He says, *"I ran out of solutions. I would still be in the grocery business probably today, would have encouraged my sons to go into business if I had an answer to what happened to one of the most admired African American communities."* For Harris violence has been a major part of neighborhood decline, *"If you look at the news today its one of the most crime ridden communities in the City of Chicago. It seems to me we open the newspaper, everyday, to a new shooting or killing in Chatham."* Safety has been a prevalent concern in the South Side of Chicago and in the Chatham neighborhood specifically (CPRT, 2010).

In addition to the violence, Chatham has experienced a decline in the number of household members. Harris describes this as "the grey end of Chatham" where *"you had the same number of rooftops but the grocery bill was*

*different, the dog had died, and the kids had moved away, probably one of the spouses had died, so now you're feeding one mouth.*" Finally, he discusses the city of Chicago's redevelopment plan and more specifically the tearing down of public housing projects in Chicago's core and the relocation of these folks to fringe neighborhoods like Chatham. Harris believes that these demographics changes were more relevant than the competition he faced.

The contemporary debate around Walmart locating in Chicago's neighborhoods still generates chasms. While, not everyone agrees about the construction of a Walmart Supercenter in Chatham, there has been some support for the corporation among business leaders and residents (CPRT, 2010). A Walmart store in Chatham has been proposed by some, as a mechanism for easing difficulties around food access on the South Side. In a survey generated by CPRT (2010), Chatham residents overwhelmingly supported the idea of Walmart coming to the area. Moreover, CPRT (2010) found that Alderman Sandi Jackson of the 7th Ward also seemed to agree with the sentiments of survey participants. In advocating for a Walmart Supercenter in Chatham, Jackson told the Chicago News Cooperative in January of this year that, "Not one person has told me to vote against a Walmart store coming into Chatham, the 9th Ward, the 34th Ward, or any of the other food deserts in the city" (Fretland 2010). CPRT (2010) states that support of a Walmart from city leaders and residents is an indicator that Chatham is indeed a food desert and that a store like Walmart could be part of the solution.

Harris's experience with competition provides food access literature key insights on community development. While he was not in support of the Chatham Business Association encouraging chain stores to come in, he now realizes that this may have been a flaw in his thinking as opposed to a flaw in theirs:

Things are changing we need to progress, we need to encourage development, and I'm saying what about the existing businesses in the community? And we know what has happened in not just the Black community but also in the white communities throughout America where national chain stores have come in and the existing businesses have closed up but its called growth, its called progress, its called development. The reality is I was fighting it and I didn't want it and in many respects it was a flaw on my part. What I should have been doing was saying how is this going to affect me and how do I have to adapt, its coming.

By the time Harris sold his store, Chatham Food Center was the one of the last African American owned grocery stores in the Midwest. When asked if he would have preferred to sell it someone who was African American he said, 'yes.'

This discourse, both personal and political, provides a foundation for understanding both the development and longevity of the Chatham Food Center. There were market forces that attracted Harris to the grocery business: the flight of the grocery chains, the readily available workforce, and the customers who were underserved as a result of the flight. There was also his close relationship with Collins that shaped his interest and sharpened his management in the grocery business. And lastly it was Harris himself whose own passion and desire "to do better" helped to sustain himself and his business over the years. The Chatham neighborhood should also be seen as part and parcel to the stores success.

*The Independent City*  
**Detroit, Michigan: Metro Foodland**

Metro Foodland currently operates in the Rosedale Park neighborhood, a historic district in the city of Detroit. Since 1984, Metro Foodland has been owned and operated by James Hooks. Hooks takes pride in defying the stereotypes of an inner-city supermarket. The Detroit MetroTimes (2012) reports that in Hooks' store the floors are mopped and swept, food on the shelves is arranged in crisp rows, and the produce section gleams with bright colors. In addition, the store has outdoor stands with Michigan-grown fruits and vegetables, a deli featuring just-cooked meals, and a Healthy Rewards program that allows customers to redeem points when they buy healthy food (MetroTimes, 2012).

Despite the fact that there are approximately 80 full-service grocery stores that offer a range of healthy and affordable food choices, many Detroit neighborhoods are underserved (Pothukuchi, 2011). In Mari Gallagher's 2007 study, "Examining the Impact of 'Food Deserts' on Public Health in Detroit" she notes that fast food and so-called "fringe food outlets" such as gas stations and liquor stores are ubiquitous throughout the city, adding that not a single outlet of a major supermarket chain exists within Detroit's borders. In a report produced by Kami Pothukuchi (2011) for the Detroit Food Policy Council, food insecurity in Detroit is reported to be more than double the national rate of 14.7 percent. Pothukuchi (2011) explains this disproportionate level as attributed to Detroit being an urban area with communities that are predominantly people of color as well as having a high number of people who live in poverty. According to a study by the US Conference of Mayors, requests for food assistance in Detroit went up

30 percent in 2009 relative to the previous year, 75 percent of people requesting assistance were part of a family (Pothukuchi, 2011).

In the Detroit Food System Report (2010), on average, residents in the Detroit study area traveled a distance of 0.59 miles to reach a full-service grocer, yet in some neighborhoods residents traveled a greater distance, nearly double the city average. Residents' food shopping choices has major implications for Detroit's economy. In a study sponsored by the Detroit Economic Growth Corporation (DEGC) an estimated \$200 million in unmet demand exists in the city (Pothukuchi, 2011). This estimated \$200 million in grocery leakage could potentially support an additional 583,000 square feet of grocery retail space in Detroit (Pothukuchi, 2011). Existing grocers in Detroit capture only 69 percent of residents' expenditures and provide an average of only 1.59 square feet of grocery retail space per capita, compared to an industry standard of 3.0 square feet per capita.

Hooks was introduced to the grocery business in 1969 as a bagger at Bi-Lo Discount Foods, a subsidiary of the Kroger Corporation. Coming from a single parent household, Hooks viewed his position as a bagger, in high school, as an opportunity for him to finally have "some money in his pocket." Hooks worked for the Kroger Corporation for fifteen years and was promoted to store manager before opening his own grocery store. In 1984, Hooks along with his two partners, formed the corporation Metro Food Inc. buying three former Kroger stores. They opened stores in 1) Southfield, Michigan, a southern border suburb of Detroit, 2) Ferndale, Michigan, a northern border suburb of Detroit, and 3) Rosedale Park, a

historic district in the city of Detroit, the current site of Metro Foodland. Hooks underscores the instrumental role Kroger played in providing him this opportunity to become a business owner: during this time the Kroger Co. was offering financing to any manager wanting to buy a Kroger store.

Similar to Harris's narrative, Hooks' entry into being a grocery store owner came at a time when chain supermarkets were leaving the inner city. By the late 1960s all of the stores operating under the banner "Kroger" were located outside the city of Detroit and in the suburbs. The Kroger Corporation, however, remained in Detroit operating under the banner "Bi-Lo." Sources from *Grocerteria* report that Bi-Lo was "one of the first 'no-frills' limited assortment stores, since the stores did not carry meats, dairy products, frozen foods, produce, or other perishables, carrying only canned and boxed goods, mostly Kroger or Cost Cutter brands." Hooks describes Bi-Lo as having a model that targeted the low-income African American market, "*These Bi-Los were in majority African American communities and sold products that were marketed to African Americans.*"

Kroger closed its Bi-Lo stores in 1974, and opened "Kroger" stores. In 1984 the Kroger Corporation ceased all of its operations in the city of Detroit. Hooks attributes this decision to merchandising—these stores sold products that African Americans demanded e.g. collard greens, neck bones etc. These products were sold only in Kroger's Detroit stores. During this time Kroger only operated four stores, serving primarily African Americans compared to the eighty Kroger stores in the suburbs outside of Detroit.

### *The Independent City*

Currently there are no supermarket chains within Detroit's borders.

Hooks' asserts that these chains have no desire to return to the city of Detroit: 1) taxes in the city of Detroit are higher than they are in the suburbs and 2) crime in the city of Detroit is the biggest problem. He goes on to say, "*Anybody [chain stores] who has ever done business in Detroit will never come back because it just cost too much to do business. Its too many problems and they don't get the return on their investment that they think they should receive.*" Security of ones store, or the threat to it, in Detroit has been perennial for business owners; Hooks employs security guards to watch his store throughout the day and night. Other grocers have taken a different approach; "*Chaldeans put barbed wire on the fences and roofs. It looks bad but they do what they have to do to keep people out.*"

In a city in which four out of five residents are African-American, Metro Foodland remains the only African American owned grocery store in Detroit. At present day, there are over eighty independent grocery stores in the city of Detroit and many if not all are owned by Chaldeans. While there is limited literature around Chaldean grocery store ownership, Hooks offered an extensive history. He describes how in the 1960s when African Americans were beginning to work in the manufacturing companies e.g. Chrysler and Ford, Chaldean immigrants began purchasing "party stores," small grocery stores from African Americans. The Detroit Food System report (2010) underscores the importance of learning more about the ownership patterns of food system businesses by Detroit residents, particularly African Americans. Pothukuchi (2010) discusses how the businesses

owned by African American residents in Detroit have a higher profile in the community.

Hooks, however, is frustrated with his hold, or lack thereof, of the Detroit grocery market share. While he believes that his market dominance is influenced by a myriad of factors, one of the more salient factors, he believes, is the lack of support he receives from African Americans in the city of Detroit. Hooks goes on to say, *“What is most frustrating is being the only African American supermarket in the city of Detroit that is 85-90% African American and you don't get the support from your own community like other nationalities do, that is most frustrating.”* While Hooks may have a level of privilege as a business owner, he understands that race matters. As an African American grocery store owner, he emphasizes the difficulties he faces: *“Why should white people who live in the suburbs shop with me? They are going to shop with their own. It doesn't make sense to me. Just like it doesn't make sense to me that I don't get the support from our folks.”* The same constraints that are placed on residents shopping experiences are also part and parcel of the experiences faced by African American owners. The mobility of supermarkets, manifested through their exodus out of Detroit, becomes an intersectional narrative.

Hooks experiences both wavering and resilient customer support. Outside of the city there are supermarkets that are national chains with hundreds and thousands of stores, which have an economy of scale that Metro Foodland, with one store, simply cannot compete with. Many of these customers who drive to the suburbs, Hooks' believes have choices and choose to shop outside of the city

because they believe they are getting a “better deal.” In contrast, Hooks has received backing from local activists, preachers, politicians, and neighbors, who see the relevance of a Black owned supermarket. He describes the support:

Most of them [Metro Foodland customers] come from a mile and a half radius around the store. We have some who are die hard African Americans who believe in patronizing Black owned businesses, they come from further distances but the majority of them live right around the store.

When it comes to providing healthy food, Hooks deemphasizes his race, “*I don't think it's important that I am African American; I think it's important that somebody is doing it.*” He goes on to say, “*The best thing that could come out of this is if my competition, which is all independent Chaldean operators, would say we need to copy what he's doing. That would mean that there would be a movement in the city of Detroit started by somebody Black like me, that's encouraging Black folks to eat healthier and consequently live longer and healthier lives.*”

Despite the fact there are over 80 independent grocery stores in Detroit, some studies assert that full-service grocery supermarkets that offer a range of healthy and affordable food choices underserve many Detroit neighborhoods (Pothukuchi, 2010). Hooks, however, would disagree. He prides himself on the quality of food he provides and his attentiveness to the demand of his customers. He goes on to say, “*We run a great store. Everybody in our industry would be the first ones to tell you that we are great operators—being looked upon by my peers as one of the better independent markets in the Detroit area and being the only African American that's satisfying to me.*” Hooks believes that there is a market for healthy foods in the city of Detroit. He discusses the healthy food options at

Metro Foodland's "hot food bar" and the introduction of the vegetarian chef. In addition, this upcoming spring Metro Foodland will participate in the Double Up Food Bucks Program, a program that matches Michigan grown produce purchases made using SNAP benefits.

While Metro Foodland has become a model for addressing healthy food access in Detroit, city leaders have begun to put their energies towards drawing in national supermarket chains. In 2012 the Michigan Economic Growth Authority approved \$3.3 million tax credits to Meijer's, a national supermarket chain, to develop its 26-acre site. Within the same year, Whole Foods received \$5.4 million in subsidies and tax credits, from the city of Detroit, the state of Michigan, and the Kregse Foundation. Despite Hooks' healthy food strides and longstanding presence in the community he has yet to receive any subsidy from the local or state government. Hooks states:

The people that are in city government think they haven't been successful until they have got a chain store doing business in the city of Detroit by any means necessary. These eighty stores that are operating in the city of Detroit, the majority of them, at some point in time were chain stores that were just reopened and have been operating.

The heavy subsidies given to supermarket chains to locate in the city of Detroit not only limit funding for the other eighty independent grocery stores, it also undermines the legitimacy of them as actual grocery stores.

While Hooks is frustrated with the level of financial support that Whole Foods has received from the city of Detroit, he sees Metro Foodland's relationship to Whole Foods differently. This past year Hooks developed a rapport with a Whole Foods representative. As a result, Metro Foodland employees

received training from the Whole Foods Company around how to market the benefits of eating healthy to customers. He has decided to work with Whole Foods rather than against them. This may be because he does not see Whole Foods as his competition, as the store that is opening will be an hour driving distance from Metro Foodland. He is hoping to establish more strategic partnerships with supermarkets as well as be apart of local and state government programs that are involved in healthy food access.

***“Community Development in Castleberry Hill”***  
**Atlanta, Georgia: Boxcar Grocer**

Boxcar Grocer located in southwest Atlanta’s Castleberry Hill neighborhood opened in 2011. It is owned and operated by siblings, Alison and Alphonzo Cross. This smaller format store (2800 square feet) combines business development with food justice by offering healthy, organic foods to a community that previously lacked access, but not demand, as well as recognizing the varied historical associations of their community to the food and farming systems. The owners see Boxcar as calling for structural change in Atlanta that helps to shift how the city allocates tax money to support community-based businesses.

In 1990, Castleberry Hill had a population of 1,569 with 96 percent of its residents being African American (US Census Bureau). The 2010 US Census reports the neighborhood having a population of 9,021 with now 86 percent of its residents being African American. While the decline of the African American population seems modest it should be noted that in some census tracts the white population rose from 15 to 30 percent—a 200 percent increase. The Castleberry Hill Master Plan of 2000 discusses the difficulty of obtaining demographic data—the US Census Bureau divides the neighborhood into five separate census tracts. As a result demographic data must be interpolated from the relative areas of the different census tracts. Neighborhood leaders assert that the community is more culturally diverse and economically affluent than portrayed by the US Census (Castleberry Hill Master Plan, 2000). The Castleberry Hill Neighborhood Association expresses the need for the neighborhood to conduct its own census.

Fresh food access has been a perennial issue for the many residents in the city of Atlanta. In Fulton County, the principal county of the Atlanta metropolitan area, 30 percent of residents live in an area classified by the USDA Economic Research Service as a food desert. This lack of access has had major implications for Atlanta's southwest residents. In mapping residents' access to fresh and fast food, the Atlanta Regional Commission (2011) found that residents living along the GA 400 corridor have the best access to grocery stores, while the residents living in west Atlanta and south of I-20—also known as southwest Atlanta—have the best access to fast foods.

Boxcar Grocer has addressed the demand of its customers in a fundamentally different way. In light of the fact that demand for fast food restaurants like KFC and Burger King is unequivocally high, Boxcar Grocer sees the value in being able to recognize and understand those demands. Cross uses the phrase, “meeting them where they are.” For Boxcar Grocer this means providing food that is similar. Cross asserts:

We will never be able to take the place of [fast food restaurants] because that's literally comparing apples and oranges. We can't meet that demand, it's impossible. In order to meet them where they are, we do our best to provide healthy prepared food options, which is all that you are really talking about when you're talking about fast food you're just talking about people wanting food quickly.

Their goal has been to provide healthy food options that are available, accessible, easy to locate, and varied.

In response to healthy food access in Atlanta, city leaders have been working to bring in food retailers such as chain supermarkets. In January 2013, Walmart opened in the Westside Village, a historic district neighborhood abutting

Castleberry Hill. Prior, to Walmart the site had been vacant since Publix, a Florida based national supermarket chain, closed in 2009. Despite the support from the city and the neighborhood, some worry that the discount retailer will leave as did Publix when it experienced lower than expected sales and closed after seven years. Sources report that the store brings 150 new jobs to the area. In addition, the store will offer community programming such as, product samplings and giveaways from companies such as Coca-Cola, Frito-Lay and Nestle. Walmart has also developed a partnership with the Atlanta-based, Arthur Blank Foundation who will be giving away gift certificates for healthy meals. In an interview with the Store Manager, Quincy L.A. Springs, IV says, "My team and I are thrilled to have this opportunity to serve as good stewards of the community. We are excited to provide groceries, produce and general merchandise to our community so they can save money and live better" (CBSAtlanta, 2013).

#### *Community Development in Castleberry Hill*

In 2009, Alison and Alphonzo Cross attended a Castleberry Hill Neighborhood Association monthly meeting with a proposal to open a store with healthy food options. In response, the neighborhood association offered them an overwhelming amount of support. Cross goes on to say, "*When we told them we were coming there was a round of applause and people saying, 'Please hurry up and open!'*" The Boxcar Grocer proposal was also presented to the city of Atlanta. And while he describes the city being in support of the store he states the city did not have the capacity to fully support the store. He says, "*We started this thing after the financial meltdown. We did present Boxcar Grocer as a viable*

*asset in the community and that it would be great for the revitalization but the city just didn't have any money.”* When the store opened in 2011 it received support from a range of neighborhood and city leaders and stakeholders.

Boxcar Grocer has become the epicenter of community change. The presence of a grocery store has positively impacted the Castleberry Hill community. The urgency and strong support, however, that existed for this store has faded. Cross attributes the level of Castleberry Hill’s support to the development process that the community is currently undergoing. He believes that the community has struggled to find a collective identity and as result is not fully developed. Moreover, Castleberry Hill is still recovering from the financial meltdown in 2008—when development and revitalization was burgeoning. Cross goes on to say, *“Again we are a community that doesn't really know ourselves yet. We have a bit of an identity crisis and unfortunately that spills over to how we support our local businesses.”*

Community outreach has been one of the ways in which Boxcar Grocer has addressed wavering community support. One of its most prominent community interactions has taken shape in the form of developing local businesses. In 2012 Boxcar Grocer worked with business and neighborhood leaders to develop the Merchants Associated Team of Castleberry Hill (MATCH). Cross says, *“We quickly realized that having the businesses organized allowed for better development in the community—better business development, which increases foot traffic, which, therefore, adds a lot of value to all of our businesses as well as helping to further develop the community.”*

The question of community development, no doubt, has its place in this food discourse. Cross believes that food access, healthy food and the Food Justice Movement cannot be discussed without thinking about the conditions of the community. Historically, development, or lack thereof, which Cross attributes to disinvestment when he discusses “white flight,” has created these neighborhoods, like Castleberry Hill, that are in a perpetual state of redevelopment and revitalization. Thus, food deserts are by-products of this disinvestment. The essentiality of community development has major implications for Boxcar Grocer. For Cross, this means that Boxcar Grocer must build a relationship with the community that extends beyond simply providing food. This idea is best exemplified when Cross says:

We realized that we couldn't open up and be just a grocery store—that ended a long time ago. The second we opened we realized we do not have that luxury to completely not pay attention to what was around us which was the fact that it wasn't about the food its about the development its about the community and so therefore people don't look to us just for food. They look to us as the community leaders. I can't be just a grocery store owner—I have to be an urban developer, which is not what I signed up for. I have to do all this stuff I never in a million years thought I would do. There are no Black grocers because there are no opportunities for Black grocers to just be grocers. Not everyone has the where withal to sit around and organize a whole community.

Boxcar Grocer is a multi-store business model. The Castleberry Hill store served as a pilot. From this flagship store the owners anticipate the need for community outreach and engagement when developing future stores. This grocery store approach, however, runs counter to the city of Atlanta's current business development policies.

The funding of a Walmart reveals a set of values that the city of Atlanta holds. Walmart provides the residents of the historic Westside Village as well as the surrounding communities with low prices and wider variety priorities that are especially appropriate for lower income communities. The problem with prioritizing funding a Walmart over a Boxcar Grocer, however, lies outside of the store itself. Cross details these implications:

We are looking at it from a big box approach, no community involvement whatsoever. That's why Boxcar Grocers is relevant but also scarily appropriate. This works and it only works by reimagining our communities and retail distribution models. How do we open smaller stores in dense communities? For the price of one large supermarket (your average supermarket cost about \$20-\$30 million) and that's just one store—no community involvement that's just opening up and selling food I can open up two hundred stores across the United States for \$20 million. For the price of a Walmart I can completely abolish this whole thing. This is not about the Boxcar Grocers being some sort of superhero this about the Boxcar Grocers showing a new blue print—a new model of how all of this can be dealt with and its so easy.

Based on articles detailing the opening of the Westside Village Walmart there has been a level of community engagement. This does not, however, negate the fact that the city has infused huge subsidies into the development of the store, while Boxcar has yet to receive any funding. While Walmart is in the community today there is no guarantee it will not follow in the footsteps of its predecessor, Publix and close after seven years.

## **Conclusion**

### *The Role of Black Grocers*

Black grocers rationale for coming into inner city neighborhoods has been and can continue to be impacted by economic conditions of the inner city, serving a market left by the exodus of large-scale grocery stores. Hooks discusses the financing and connections to wholesalers he received from Kroger, as a requisite for his replacing the corporation's store. Harris details the supermarket infrastructure that was already in place:

At that time you had several advantages you had a market that was tremendously underserved, you had available employees who were desperate for jobs because everybody else was closing up, and you had stores with equipment already in them and you could for a little of nothing buy a building, the land, the equipment, find employees and be in business for a fraction of what it would cost you if you were building a new building and starting from scratch, those were the advantages that made it possible for African Americans to go into the grocery business at that time.

This serves in stark contrast to the relationship that many large-scale grocery stores had with the inner city during this time. In the 1980's many large-scale grocery stores participated in Leveraged Buy Outs where a store after engaging in and winning a "price war" with another grocery store would offer a purchase price. This was seen as a better option than having to go out of business after sustaining losses. These large-scale grocery stores after obtaining ownership would then raise prices in depressed markets and lower prices in more competitive markets. Within this same historical moment, Safeway closed over eighty of its inner city stores (Eisenhauer, 2009). This summation is not meant to vilify supermarkets but to simply frame their motivations and ways of doing

business across communities. In the inner city supermarkets may be instructed by the laws of economics to not do business or raise prices because of their dominant share of the market.

While Black grocery store owners may operate within the same inner city market, the conditions of their identity delineate different ways of doing business. Black capitalism literature informs this theory: Black grocers, as a subset of Black entrepreneurs have had greater difficulty accessing loans; Black grocers, also a subset of Black business owners, have been confined to “a Black market”—Black grocers traditionally serve Black neighborhoods; historically, Black entrepreneurs have been called upon to assume the role of moral and political leaders in their communities, seeing themselves and their businesses as shining examples in the community. So while there is a range of reasons as to why Black entrepreneurs open businesses in Black neighborhoods, the take away is that their distinctive relationships have been developed alongside their identities.

The interviews that have been conducted as well as the analysis of data and literature reveal the symbiotic relationship that grocery store owners have within inner city communities. While African American owned grocery stores invest in communities, it becomes clear that in order for them to succeed communities must also invest in them. Equally important, Black grocers in Black neighborhoods face a set of challenges, and yet they still invest in communities. The comment that Black grocery store owners make on investment is that capital is not a one-time infusion but rather a process. Their relationship with the communities grounds them in issues that frame grocery store development in the

inner city. This particular frame allows them to invest capital that sustains their business for longer. Their investment in communities underscores the importance of thinking holistically. This holistic approach is also informed by a set of challenges that they themselves face as African Americans. African American grocers have developed a framework that both addresses food access and business development in the inner city as well as speaks to the difficulties they face as African American entrepreneurs.

#### *Financing, Real Estate and Ownership*

Financial capital has been a site of struggle for Black grocery store owners. It should be noted that Black capitalism is difficult because many Black entrepreneurs have historically been denied loans. Hooks was able to secure a 504 loan and used this money to purchase property and remodel his store. Cross discusses Boxcar Grocer one-year journey to find financing.

One of the key findings is the essentiality of property ownership. All three grocery stores owned the property where their grocery stores were and have been located. This speaks to the level of investment they have in the community. It also develops a clearer definition of Black capitalism for the three grocery stores their ownership of the building was part and parcel of their agency in determining their businesses destiny. Their ownership of property also may speak to whether or not they can abandon a neighborhood. For an independent grocery store that is not apart of a national or regional chain it may not be financially feasible to vacate a store.

As discussed in an earlier chapter, both of Harris's stores were eventually bought and sold. Harris calls his capacity to sell his stores "blessings." Runner, of the Chicago Urban League, makes the same case, but however, warns that this could push back on the premise of stores needing to be owned by African Americans in order for them to be a successes for the community. Runner discusses African American businesses and their impact on neighborhoods:

The Chatham Food Center was a participant in our NextOne program; they did very well and then they did so well that they were bought out. They are a success story, entrepreneurially. You have to look at it from a perspective of business success versus community success and that's always an issue when you start to talk about entrepreneurship from the perspective of what's best for the African American community (Chicago Urban League, Runner, 2012).

Harris selling Chatham Food Center as a fully operating grocery store that is still in business today means that in the Chatham neighborhood jobs were retained, apart of the food system was sustained, and the social infrastructure that the store provided was not completely lost. Smaller grocery stores are usually sold as operating grocery stores. This is in contrast to the national, regional and even local chains that were discussed earlier, that left the stores in states that resembled abandonment. Thus, the overall processes of acquisitions and transfer of ownership implicate community development goals.

#### *Merchandising—Challenges and Opportunities*

The distinctive shopping habits and needs of their customers pose a set of challenges for Black grocers. Bloom (1969) notes that ghetto consumers usually shop throughout the week purchasing a small amount of items rather than making one shopping trip and buying items for the week. In effect, the ghetto supermarket

has a higher proportion of small transactions and higher operating costs. In addition, inner city customers cannot afford specialty items and instead buy staple items like flour, sugar, coffee, and canned goods. This provides a narrow profit margin for supermarket owners. Moreover, there is also the perception amongst Black customers that Black grocers have higher prices. Bloom, however, argues that this may be more perceived than an actual practice. He provides an example where a Black supermarket owner cut prices of two hundred high volume items below competitive level.

All grocers express their commitment to maintaining stores that provide a quality product mix. Harris describes how he continued to provide quality foods despite higher prices and shrinking net profit. All three grocers laud their stores non-perishable offerings, e.g. meats and produce. This finding complicates Bloom's statement that Black customers cannot afford specialty items and instead buy staple items. While all three grocers may understand their customers' budget constraints they continue to sell a mix of quality market basket goods. This allows customers to make decisions about their food behaviors at the site of where they make their purchases. While this may seem like an irrational business practice, it should be noted that both Chatham Food Center and Metro Foodland maintained an operational business in the same community for over twenty years.

All grocers have supplied what their customers have demanded rather than what they think their customers want. This counters what many large supermarkets will do, make decisions about what should be sold to inner city customers based on a set of assumptions rather than everyday interactions. All

three grocers discussed the importance of talking to their customers and listening to what they wanted. Hooks remarks how he made changes in his store because the community pushed for it. This deep understanding of customer demand has been achieved through their affinity with their respective community. This is evident when I asked Hooks why he classified Bi-Lo as a store that targeted African Americans and he answered because of their product mix and low prices. Grocers also discussed providing fresh food in spite of competition as well as using their product mix as a mechanism for distinguishing themselves from other stores.

Black Survival Food Shoppers is a framework used to describe the shopping habits of Black low-income residents in West Oakland (Brown, 2010). These are consumers who may not be eating locally grown or organic foods but strive to purchase foods that are healthy, affordable, and culturally acceptable. Many of these people shop at multiple stores. Black Survival Food Shoppers can be used to explain the strategies utilized by the urban poor to address inadequate access to quality food sources. This concept is also explored in The Chicago Policy Research Team's Report (2010):

The individuals illustrated for us the great lengths they go to in order to meet their grocery needs while being confined to a limited budget. Byron, Gloria, and Harvey collectively agreed that you go to "Moo and Oink...to get your meat, and you always go to Jewel to get the rest of your stuff." Affected by the seemingly mixed pricing of the different grocery stores, these participants were left traveling the neighborhood in attempts to meet their grocery needs at various places (CPRT, 2010).

Despite the fact that residents within West Oakland and in the Southside of Chicago are subjugated to liquor stores, fast-food restaurants and convenience

stores, they establish access to discount stores, supermarkets, and major retailers and conduct most of their shopping at these locations. Black residents in food deserts have become more than convenience food shoppers; they have become food shoppers that struggle to find healthy and affordable food for their families in a community where there is none (Brown, 2010).

*The Supermarket as “normative”—evaluating the capacity of inner city grocers*

Economies of scale are something that has directly impacted African American grocers. In 1985 a real estate developer approached Harris with an opportunity to be an anchor grocery store for a shopping mall that was to be built, with the condition that he prove that he could sustain \$1 million in losses in his first year. Harris stated this was an unreasonable condition for a store his size. He believes that this condition catered towards big box stores that have traditionally lowered their prices when they first opened driving out smaller businesses and then raising their prices once they dominate the market i.e. many chain supermarkets can buy their competition.

Customers value prices and have the perception that smaller grocery stores, especially Black owned supermarkets have higher prices. Hooks remarks that his customers are constantly complaining that his prices are higher than the big box stores in the suburbs. Bloom (1969) asserts that this may be more of a perception than fact. However, the question of whether or not big box stores are cheaper must be assessed? To bring a store into a community there is a cost. The city of Detroit along with some foundations is going to provide Whole Foods with

\$5.4 million to come into Detroit. Walmart has managed to capture over \$1 billion in subsidies from local governments in 35 states.

When many of these big box stores come into communities, there is the perception that they are doing the community the favor. One of the things that these subsidies represent is that the community has a bigger voice in demanding what they want from these stores. Customers can demand a “dignified shopping experience.” This may include large stores coming in and having a community engagement process where large stores that involve the community creating a product mix rather than basing their product mix on a set of assumptions. This would also involve big stores not basing their product mix on raw numbers. Within the confines of business feasibility, stores would have to continue to sell products even if they were not being sold in large quantities.

This speaks to the flexibility that independent grocery stores have to purchase from a mix of wholesalers. Smaller stores also have the ability to purchase a smaller quantity of products whereas a store like Walmart will have one truck filled with ketchup. This delivery mechanism is not feasible for smaller stores; one truck may have collard greens, tomatoes, ketchup and sugar. This speaks to the idea of the smaller stores being better equipped to respond to the needs of the inner city.

*Crime and Violence—The Cost of Business, The Cost of Vitality*

Bloom (1969) asserts that Black supermarket owners are not only faced with merchandising and operating problems but they are also burdened with

complex social problems that the government and community have been unable to solve. Bloom explains further:

Most critical of the problems unique to the ghetto is the atmosphere of violence, which has become an everyday part of ghetto living. The ever-present threat of riots and bombing makes fire insurance extremely costly. Despite the passage by Congress in August 1968 of the FAIR program (Fair Access to Insurance Requirements), one third of the states have not adopted FAIR plans and the program is not affording much relief even in the states where it is operating. A Congressional subcommittee was told recently that some Chicago ghetto dwellers are paying five times as much for coverage as they did before the April 1968 riots, when there was no FAIR program. (Bloom, 1969).

Due to the distinct transfer of ownership many African American grocery stores entered communities in the 1970's and 1980's when large supermarkets were leaving. While they may have known that the cost of doing business would be higher in the city that did not deter them. In fact, the exodus of supermarkets throughout the 1960's to the 1980's provided an opportunity for African American grocery store owners.

Hooks is an example of ways in which grocery stores respond to the threat of crime. He hires security guards to watch the store 24 hours. Chatham Food Center, under the ownership of Harris, operated 24 hours. Both mechanisms of operation deliver security that is responsive to crime rather than perpetuating it. Hooks remarks how Chaldean supermarket owners place barbed wire on their stores roofs. Porter asserts that the cost of doing business is the major reason why businesses do not enter the inner city. However, in the case that they do they are forced to create an infrastructure that protects them from crime. This is usually manifested through their multiple security guards and high fencing.

Crime and violence in communities is discussed as a threat to not only daily operations but rather a threat to the vitality of a community. The threat of crime has impacted the kinds of businesses that locate in community as well as the demographic of the neighborhood. The role of crime and violence in inner city grocery store development calls for a community effort. If there is a perceived threat in the neighborhood then it only makes sense that the store will function as an extension of that threat. Thus the conversation must be how do we make neighborhoods safer for residents rather than how do we lower security costs in an effort to attract businesses.

*Community Development—Beyond the Scope of Food*

This thesis details how Black grocers engage in transformative community development. Leonard Harris, James Hooks, and Alison and Alphonzo Cross discovered that they could not simply sell food. They realized that building capacity of their grocery stores meant building the capacity of the entire neighborhood. Boxcar Grocer helped to develop a neighborhood business association, MATCH, because they realized that in order for their business to be successful a strong business center would be indicative. Harris was apart of the Chatham Neighborhood Association and Hooks expressed an involvement with multiple of neighborhood and business organizations. A community with a vibrant retail sector is beneficial for everyone in the community, especially for existing businesses as well businesses looking to newly locate.

These grocery store owners have pushed to make their neighborhoods desirable for existing residents and have seen the value in attracting residents and

businesses. Though they may not have called it strategic level planning, they have engaged in a level of community involvement that extends beyond the walls of their business. They articulate how the lack of healthy food access exist and manifest because of larger issues. These grocery store owners see food access as a result of neighborhood conditions. Indeed, if healthy food access is to be addressed through a transformative community development framework it is critical that African American grocery store owners are apart of food policy development.

The current discourse and leadership around food access limits efforts to achieve food justice. There is a need for Black-owned businesses that sell food. Racial segregation and racial discrimination still exist. When we ignore the distinctive conditions of people of Color in the United States by using color-blind terms like food desert, inner city, and urban, we lose so much. While the term Black-owned has been given the connotation of reverse racism and separatist values, there are many vibrant business centers that are formed around a collective cultural identity. This is not to essentialize Blackness but rather to acknowledge the cultural implications of business and food.

Food is inscribed in the urban landscape; a landscape that had been shaped by historical and economic processes; processes that have contributed to grave racial and social inequities. Food has become an indicator of social status and class; this is an unequivocal fact. Food has come to symbolize different things for different communities. In accordance, having businesses that sell food in ones neighborhood means a lot as well. Grocery stores owned by African Americans

have an interesting space in the communities; they both influence change and are affected by change. It is critical to examine Black grocers in depth, as they epitomize food and institutions. Food will have to be supported by people and must operate in an organizational framework.

Supermarkets are a solution because they have proven to be the most efficient system for food distribution. But what about supermarkets owned by African Americans? *If governments want to address food access then there must be a reshaping of who and what we put or don't put in communities.* African American owned grocery stores are fundamental to this conversation because they themselves can address the lack of food in neighborhoods, they can provide strategies that can be translated to chain grocery stores and independent grocery stores. Their history frames why food distribution is the way it is. Their way of doing business in neighborhoods underscores the importance of not just providing food but also points to their deep understanding of community development.

## Recommendations

Dear Healthy Food Financing Initiative Advocates:

I would like to share some of the most revealing pieces of my Master's Thesis titled –**African American Owned Grocery Stores: A Framework for Food Policy Development**. This research demarcates how capital and investment has played a major role in the inner city and reveals how African American owned supermarkets are important to look at because they are examples of private capital that have had a fundamentally different relationship to inner city neighborhoods. African American owned grocery stores are instances in which resources have been leveraged to develop a business in spite of lack of financing, government subsidy, and security costs. This kind of analysis employs a best practices framework for evaluating African American owned grocery stores.

This research was developed by conducting two-hour interviews with three African American grocery store owners: Leonard Harris of Chatham Food Center; James Hooks of Metro Foodland; Alphonzo Cross of Boxcar Grocer. Both Chatham Food Center and Metro Foodland maintained African American ownership for over thirty years and Boxcar Grocer has developed a business model that is highly replicable. These interviews have been woven into a broader neighborhood and city level discussion to frame the rich case studies of the cities in which these grocery stores are located in: Atlanta, Chicago, and Detroit. They engage census data, economic policy, business development, political and social history, and public health data.

### Key Findings

#### *I. The Role of Black Grocers*

While Black grocery store owners may operate within the same inner city market as a non-Black owned grocery store, the conditions of their identity delineate different ways of doing business. Black capitalism literature informs this theory: Black grocers, as a subset of Black entrepreneurs have had greater difficulty accessing loans; Black grocers, also a subset of Black business owners, have been confined to “a Black market”—Black grocers traditionally serve Black neighborhoods; historically, Black entrepreneurs have been called upon to assume the role of moral and political leaders in their communities, seeing themselves and their businesses as shining examples in the community. So while there is a range of reasons as to why Black entrepreneurs open businesses in Black neighborhoods, the take away is that their distinctive relationships have been developed alongside their identities.

## II. *Financing, Real Estate and Ownership*

All three grocery stores owners owned the property where their grocery stores were and have been located. This speaks to the level of investment they have in the community. Their ownership of property also may speak to whether or not they can abandon a neighborhood. For an independent grocery store that is not apart of a national or regional chain it may not be financially feasible to vacate a store.

## III. *Merchandising—Challenges and Opportunities*

All grocers express their commitment to maintaining stores that provide a quality product mix. Harris describes how he continued to provide quality foods despite higher prices and shrinking net profit. All three grocers laud their stores non-perishable offerings, e.g. meats and produce. This finding complicates the belief that Black customers cannot afford specialty items and instead buy staple items. While all three grocers may understand their customers' budget constraints they continue to sell a mix of quality market basket goods. This allows customers to make decisions about their food behaviors at the site of where they make their purchases. While this may seem like an irrational business practice, it should be noted that both Chatham Food Center and Metro Foodland maintained an operational business in the same community for over twenty years.

## IV. *The Supermarket as “Normative”*

The term food desert is misleading because it alludes to the lack of access to healthy food as being a naturally occurring process. Food deserts, however, are not natural occurrences but rather a consequence of the policies put into place to attract supermarkets to suburban areas. Historically, supermarkets relationship to inner city neighborhoods helps to dispel the myth that the problems of the inner city will be cured by the injection of capital. Indeed, supermarkets did inject capital into the inner city but removed their capital when the problems of the inner city became too grave and prospects looked brighter in the suburbs. While supermarkets are by no means the only cause for neighborhoods lack of access to healthy and affordable food they should by no means be the only solution.

## V. *Community Development—Beyond the Scope of Food*

These grocery store owners have pushed to make their neighborhoods desirable for existing residents and have seen the value in attracting residents and businesses. Though they may not have called it strategic level planning, they have engaged in a level of community involvement that extends beyond the walls of their businesses. They articulate how the

lack of healthy food access exist and manifest because of larger issues. These grocery store owners see food access as a result of neighborhood conditions. Indeed, if healthy food access is to be addressed through a transformative community development framework it is critical that African American grocery store owners are apart of food policy development.

Food policy development has chosen to shy away from racially targeted policies but I would recommend that it does not. Why? Because most of the food access literature already describes urban food deserts as being predominantly Black and Latino. If Black and Latino folks are articulated as healthy food access disparate groups, shouldn't they be involved in the solution? African American ownership of supermarkets in the inner city has been deemed essential to the maintenance of an economical distribution of foods since the 1960s. There is a need for Black-owned businesses that sell food. Racial segregation and racial discrimination still exist. When we ignore the distinctive conditions of people of Color in the United States by using color-blind terms like food desert, inner city, and urban, we lose so much.

As food policy makers you all should know that the grocery store owners interviewed for this thesis are frustrated with the amount of interviews they give to policy makers and food access advocates. They are tired of telling people how their stores are successfully addressing healthy food access in their communities without ever receiving funding and support. And what makes this discrepancy so glaring is that they are not asking for millions of dollars like Walmart or Whole Foods. In fact, lower level infusions of grants over their lifetime would ensure their continued success. These stores must be recognized at the national level for the transformative community development work they have done: expanding local economic activity, creating jobs, staying open during hard times, offering quality and affordable food, and alleviating the abandonment of the supermarket exodus. It is my hope that you take this evaluation into consideration when you are developing food policy.

Sincerely,  
Brytanee Brown

## Appendices

### Appendix A: List of Involved Healthy Food Financing Initiative Agencies and Funding Opportunities

#### Treasury Department

*Support private sector financing of healthy foods in distressed urban and rural communities*

- \$250 million in New Market Tax Credit (NMTC)
- \$25 million Financial assistance to treasury certified community development financial institutions (CDFIs)

#### United States Department of Agriculture

*Nutrition assistance programs, business opportunities for farmers, economic development in rural areas*

- \$150 million in public/private investments = loans, grants promotion, and other programs that would address access, expand demand, and retail outlets for farm products
- Ex. People's grocery stores—expand agricultural supply chains

#### Depart of Health and Human Services

*Specialize in community-based efforts to improve the economic and physical health in distressed areas*

- \$20 million in Community Economic Development
- Finance grocery stores, farmers markets and other sources
- Serve dual purpose of facilitating access to healthy food—creating jobs, business development opportunities in low-income communities—since grocery stores are anchor institutions in commercial corridors ex. Plaza del Valle—Panorama City, CA

#### Federal Opportunities

- Healthy Food Financing Initiative
  - The Healthy Food Financing Initiative serves as a supplemental funding opportunity under the CDFI Program for eligible Community Development Financial Institutions

#### State and Local Opportunities

- California FreshWorks
- Illinois Fresh Food Fund
- New Jersey Food Access Initiative
- The New Orleans Fresh Food Retailer Initiative
- The New York Health Food Healthy Communities Fund
- Food Desert Oasis Act (currently in Congress)
- Supermarket Tax Exemption Act (passed in 2000)
- Child Nutrition Act (up for reauthorization in Fall 2010)

Appendix B: List of interviewees, African American Grocery Store Owners and  
“People in the Field”

List of Interviewees

Alphonzo Cross, Boxcar Grocer, Atlanta  
Leonard Harris, Chatham Food Center, Chicago, Illinois  
James Hooks, Metro Foodland, Detroit, Michigan  
Cathy N’Dong, Program Associate, Chicago Urban League  
Shari Runner, Senior Vice President for Strategy and Community Development,  
Chicago Urban League

African American Grocery Store Owners

Henry Baines, Stop Shop And Save, Baltimore, Maryland (phone)  
Greg Calhoun, Calhoun Enterprises, Montgomery, Alabama (phone)  
Alison and Alphonzo Cross, Boxcar Grocer, Atlanta  
Leonard Harris, Chatham Food Center, Chicago, Illinois  
James Hooks, Metro Foodland, Detroit, Michigan  
Greg Martin, Lemmington Foods, Milwaukee, Wisconsin

“People in the Field”

Maggie Anderson, Our Black Year, Chicago  
Ajuma Brown, Director of Nutrition Programs, New York Housing Authority  
Mari Gallagher, Consulting Group, Chicago  
Caroline Harries, Food Trust, Fresh Food Financing Initiative, Philadelphia  
Linda Sprig Martinez, Professor, Community Health, Tufts University  
Sheela Muhammad, Fresh Moves, Chicago  
Kami Pothukuchi, Professor, Food Systems Expert, Wayne State University,  
Detroit  
Katia Powell, Public Policy, PhD Candidate; UMass Boston—culturally relevant  
foods  
Steven Rogers, Harvard School of Business  
Bryant Terry, Vegan Chef and author

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