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Stretching the Dollar

Community-Informed Opportunities to Improve Healthy Food Access through Dollar Stores

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Executive Summary

Dollar stores are the fastest-growing food retailer in the United States by both sheer number of stores and consumer food expenditure share. Just two corporations, Dollar General and Dollar Tree (which also owns Family Dollar), operate more than 35,000 stores across the country. A limited but growing body of research finds dollar stores offer limited healthy food options and play an especially prominent role in food environments in the South and Midwest regions and in rural communities, Black and Latine communities, and communities with limited financial resources. Media coverage of dollar stores focuses on the low nutritional value of foods available, the stores' interaction with poverty and race, competition with other food retailers, and the increasing number of local policies to prevent dollar stores' spread. In fact, more than 50 communities have passed policies to ban, limit, or improve new dollar stores in their localities.

However, important questions remain unanswered. Do dollar stores and their limited food selection negatively impact communities and their health? Do dollar stores serve a critical role as food sources for communities otherwise lacking food retailers and affordable food options? To begin to address these questions, community voices must be collected and amplified to inform policy and corporate action.

To this end, in April 2022, the Center for Science in the Public Interest (CSPI) conducted the first national survey of consumer utilization and perceptions of dollar stores. Specifically, we surveyed 750 people who live near a dollar store and have limited financial resources. The aims of this survey were to better understand dollar store perceptions, dollar store utilization and shopping patterns, and opportunities to make healthy choices easier at dollar stores.

KEY NATIONAL SURVEY FINDINGS

- **Community members had overall positive perceptions of dollar stores.** Most survey respondents (82%) indicated dollar stores helped their community. Overall, dollar store chains were viewed favorably, ranking third after big box stores and supermarkets, but ahead of convenience, small food, and wholesale club stores.

- **Convenience, affordability, and selection of specialty items motivated shopping at dollar stores.** A multi-faceted concept of convenience emerged as a driver of dollar store utilization that included store proximity, ease of navigating a small store size, and an overall quick shopping trip. Many respondents also mentioned being able to stretch their budget at the dollar store, including Supplemental Nutrition Assistance Program (SNAP) participants purchasing more food with their SNAP benefits.

- **Low-quality products, product availability, store appearance, and inadequate staffing deterred shopping at dollar stores.** Amongst dollar store non-shoppers, 58% stated they did not shop at dollar stores because of the quality of the products available. Additional drawbacks to dollar stores identified by respondents included store cleanliness and organization, insufficient staffing, and inconsistent stocking.

- **Dollar store food shopping was secondary to big box stores and supermarkets but played a larger role for shoppers utilizing SNAP.** Respondents shopped most frequently and acquired the greatest share of food at big box stores and supermarkets, followed by dollar stores. Most respondents shopped at dollar stores for specific items (50%) or to supplement their larger food purchases (31%). SNAP participants reported shopping for food more frequently at dollar stores and purchasing fresh and frozen fruits and vegetables, fresh meat or seafood, pantry staples, whole grains, and pre-made meals more often as compared to non-SNAP participants.

- **Community members strongly supported increasing healthy food and beverage options at dollar stores.** Most survey respondents believed dollar stores should stock more healthy options (81%) and do more to market and identify healthy options (74%). Specifically, there was highest support for dollar stores to provide SNAP fruit and vegetable discounts, stock healthy options and snacks, and identify and place healthy options in prominent locations. Both frequent and infrequent dollar store shoppers were interested in buying healthy pantry staples, fruits and vegetables in all forms, whole grains, and healthy snacks if made available at dollar stores. In addition, some dollar store non-shoppers indicated they would start shopping at their local dollar store if more healthy items were stocked.

Additionally, CSPI has supported mixed-methods research, including store environment assessments, key informant interviews, and focus groups, to better understand dollar store food environments and community perceptions to inform the development of state and local healthy retail policies. Research in Michigan and Baltimore from 2021-2023 found that few dollar stores offered fresh produce, but many stocked a variety of canned and frozen fruit and vegetable items. Community members had mixed perceptions about the healthfulness and affordability of food and beverages available at dollar stores. Aligned with CSPI's national survey findings, there was strong desire for increased availability and marketing of healthy options at dollar stores.

Based on our survey findings and the broader research, news media, and policy context, we developed recommendations to create a healthier retail food environment at dollar stores through policy, corporate, and research action.

POLICY RECOMMENDATIONS

Federal

- **Strengthen SNAP retailer stocking standards.** Strengthening existing stocking standards to better align with the Dietary Guidelines for Americans would make healthy foods more available at all SNAP-authorized retailers, including dollar stores.

- **Create SNAP retailer marketing standards.** Implementing marketing standards, like healthy checkout areas, for SNAP-authorized retailers would place more healthy options in prominent locations of the store and make healthy choices easier for customers.

Local

- **Pass local staple foods ordinances.** A staple foods ordinance for all retailers within a community, including dollar stores, would require retailers to increase the number and depth of stock of healthy foods, thus making healthy foods more available to the community.

- **Expand local dollar store density and conditional use ordinances to include healthy food criteria for new and existing dollar stores.** Some communities have started to impose limits on new dollar stores through dispersal and conditional use ordinances. Strategies for improving on these policies by increasing healthy food availability at dollar stores include requiring dollar store healthy stocking standards, creating a healthy food overlay in the local zoning code, or exempting dollar stores from dispersal limits if they stock a specific variety and number of healthy staple foods.

- **Pass local healthy checkout policies.** A policy that improves the nutritional quality of the food and beverage items sold in areas where shoppers stand in line to pay for their purchases can make all retail food environments in a community more conducive to healthy eating, including dollar stores.

CORPORATE RECOMMENDATIONS

- **Increase the stock of healthy items to increase shopper purchases and new customer acquisition.** By expanding healthy offerings, dollar stores could increase healthy food sales through their existing customers' purchases and draw new customers attracted by dollar stores' expanded healthy food options.

- **Prioritize fresh food expansion in areas with lower incomes and limited food access.** Dollar stores can serve as an important food access point for communities in rural areas and those with limited incomes. Dollar stores should prioritize store concepts that stock fresh, healthy foods like fruits, vegetables, dairy, eggs, and meat in locations with limited incomes and limited food access.

- **Develop and report progress annually on environmental, social, and governance (ESG) priorities that include healthy food access and nutrition goals.** Annual reporting on food and nutrition ESG priorities would establish to shareholders and customers the importance of healthy food access to their business model and philanthropy and create accountability for progress towards those goals.

- **Implement and evaluate SNAP fruit and vegetable financial incentives in dollar stores.** Piloting discounts on fruits and vegetables purchased with SNAP benefits could ensure fruits and vegetables are available and affordable at dollar stores.

- **Expand Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) authorization of dollar stores.** Increasing the number of dollar stores participating in WIC could expand WIC availability, especially in areas lacking a WIC-authorized retailer. Meeting WIC's stocking standards would increase healthy food availability for every person who shops at a WIC-authorized dollar store.

- **Apply for Healthy Food Financing Initiative (HFFI) funding to increase stock and promotion of healthy items and evaluate impact.** HFFI improves access to healthy foods in underserved areas through investments in healthy food retail projects and food supply chain enterprises, including retail equipment that supports healthy food expansion (e.g., refrigeration, signage) and innovative healthy marketing. Dollar stores could apply for HFFI funding to pilot and evaluate innovative healthy food stocking and marketing interventions in their stores and strengthen projects through community partnerships.

- **Partner with community organizations and SNAP state and local agencies to improve healthy food access through dollar stores.** Dollar stores could proactively seek out partnership with SNAP state and local agencies and community organizations to implement and evaluate SNAP Education policy, systems, and environments interventions in dollar stores, such as the stocking and increased marketing of healthy foods.

RESEARCH RECOMMENDATIONS

- **Replicate the CSPI dollar store survey at the local level to inform local policy and corporate interventions.** The CSPI dollar store survey reflects national consumer perceptions but does not represent all communities and their unique retail food environment characteristics and needs. Prior to pursuing local dollar store policy or corporate action, communities could adapt and administer CSPI's survey to ensure interventions are community informed.

- **Conduct research to better understand current dollar store food environments and their variation across the country.** Researchers should explore the adaptation of existing food environment measures, like the Nutrition Environment Measures Survey for Stores, for dollar stores and assess a larger sample of dollar stores across the country, including those serving urban and rural communities.

- **Collaborate with dollar store corporate offices to understand relevant internal research findings, including identifying barriers to improving stock of healthy foods.** Dollar store corporate offices should share their own research findings related to improving healthy food accessibility, including challenges associated with increasing the stock of healthy food items, such as cost, space, and supply chain complexities. Researchers and dollar store corporations should collaborate to better understand those barriers and develop creative solutions that work for retailers and consumers.

- **Pilot healthy food marketing (i.e., product, placement, price, promotion) interventions in dollar stores.** Researchers and corporations should co-design, implement, and evaluate robust healthy marketing interventions, filling a large evidence gap and identifying salient healthy marketing strategies for dollar stores.

Despite the rapid proliferation of dollar stores and growing dollar store research, news media coverage, and policy passage, this is the first national study of community member perspectives of dollar stores. Among dollar store shoppers with limited resources, CSPI found that dollar stores had an important role in their food acquisition and identified a strong desire for dollar stores to make healthy choices more available, affordable, and accessible. Our survey results do not support widespread bans of new dollar stores. However, some communities may want to stop the spread of dollar stores locally and could replicate our survey in their community to inform policy action. Notably, policies to date have only focused on new dollar stores. Critically (and perhaps most importantly), additional policy, corporate, and research solutions are necessary to improve the healthfulness of the existing 35,000 dollar stores across the country, including through the recommendations outlined in this report. Policymakers, corporations, and researchers should leverage the ubiquity of dollar stores to improve healthy food access nationwide.

VIEW THE FULL REPORT HERE.