

Illinois Grocery Initiative: Industrial Policy to Increase Food Access

June 24, 2024 – Erion Malasi, Illinois Director of Policy & Advocacy



Economic
Security
Project

**THE ECONOMIC SECURITY
PROJECT MOBILIZES
RESOURCES AND PEOPLE
BEHIND IDEAS THAT BUILD
ECONOMIC POWER FOR ALL
AMERICANS.**

Our Playbook



Provoke

Challenge the orthodoxy with bold new ideas



Legitimize

Build support among champions/leaders to advance new ways to address food deserts



Win

Shift the narrative by engaging community and implementing a PO Grocery Store

OUR TOOLBOX

- Agenda-setting & thought leadership
- Organizing & resourcing partners
- Narrative Change & Strategic Communications
- Building Champions
- Technical Assistance
- Political Strategy

Building the Ecosystem



Food deserts in the Illinois Context

- The grocery store industry and much of the supply chain consolidated in recent decades- forcing many smaller stores out of business
- More than 3 million Illinoisans live in food deserts – communities with little to no access to grocery stores or fresh food.
- These deserts persist in urban and rural areas.
- The industrial policy tools communities currently rely upon – tax credits, cash subsidies, and other inducements – have not worked to keep stores tethered to communities.



Repeated Failures Demand New Ideas

1. **Market Failure:** While private operators have opened stores in neighborhoods with inequitable food access, they struggle to sustain profitable operations.
2. **Community Misalignment:** Initial conversations with community members and groups showed that grocery operators stop marketing and engaging residents to understand the products and services that residents want, need, and can afford.
3. **Lack of Operating Support:** While there are numerous external funding sources to support development and introduction of new grocery space, there are scant resources to support ongoing operations.
4. **Historic Disinvestment:** Decades of disinvestment in South Side, West Side, and Downstate communities resulted in a lack of housing and resident density, disposable income, and neighborhood infrastructure.

**An Industrial Policy Approach:
Strategic leveraging of public
sector power to transform
markets, improving access in
underserved areas.**

Illinois Grocery Initiative

Increasing Access to Fresh Food

- The Illinois Grocery Initiative is a bi-partisan effort that established a \$20m grant program to support retail grocery options. This State Industrial Policy does the following:
 - Grants funds to existing grocers to purchase, upgrade, or repair cooling equipment;
 - Grants funds to help existing grocers expand their footprint – cover capital costs; and
 - **Enable nonprofits, local governments, school districts, and other government units to launch their own stores.**

Tools that meet the market and community needs → assist existing market actors & enables the public to participate in the markets

The Public Option for Grocery Stores

- Economic Security Project is providing the City of Chicago and Venice (Metro East) with technical assistance and funding for a feasibility study to apply for state grant funds to start a public grocery store
 - **Today:** ESP is presenting our feasibility study alongside the City of Chicago, Business leaders, and advocates as the City uses the study to apply for the Illinois Grocery Initiative
- Providing narrative change and communications support
 - By connecting our Cash and PO work, we aim to create coalitions that seek to ensure parents have the income and access in their community to ensure they can put healthy food on the table.
- De-risking efforts through regular, on-going research and engagement

North Star:

**We can shape
markets to work
for low- and
middle-income
Americans, not
just the few.**

THE FIGHT

By countering private power with public power – regulation, enforcement and public options – we acknowledge that we have the power to shape markets that work for us. We aren't bystanders, we are co-creators.

THE IMPACT

When we shape markets, we make sure they deliver to meet people's basic needs, build thriving local communities, support entrepreneurs and small businesses, and recognize the contributions of workers.

Thank you



Economic
Security
Project