

SUPERMARKET IMPACTS ON COMMUNITIES

ECONOMIC IMPACT STUDY OF SUPERMARKETS ON THEIR SURROUNDING COMMUNITIES

Econsult Solutions, Inc. (ESI) was retained by The Reinvestment Fund (TRF) to assess the impact of new supermarket development on consumers and on their communities. In addition, ESI's report provided a basic template for the future assessment of the impacts of new supermarkets being developed in other underserved communities.

The results of this study were generated using regional Input-Output models. These models provide accurate estimates of the indirect and induced economic impacts associated with new direct investment in supermarket construction and operation. The output of these models must be interpreted carefully, however, because the retail operations of new supermarkets may entail a shift in activity away from existing retailers, and hence overstate the total impact of operations.

Three supermarkets, located in Philadelphia, the Philadelphia suburbs, and Pittsburgh, were examined in this study. The impacts were quantified in terms of increases in regional economic activity, employment and wages. Using models developed by ESI, the fiscal impacts on local governments were also computed.



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