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**The Impact of the State Enterprise and Federal Empowerment Zone Programs on the
Local Food Environment**

Ummey Honey* and Joel Cuffey
Department of Agricultural Economics & Rural Sociology, Auburn University, AL
***email: uzh0003@auburn.edu**

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The impact of the state enterprise and federal empowerment zone programs on the local food environment



Ummey Honey and Joel Cuffey

Department of Agricultural Economics & Rural Sociology, Auburn University, AL

Introduction

- Neighborhood food environment: access to healthy food stores (supermarkets or grocery stores) or access to unhealthy stores (convenience stores or fast-food restaurant)
- Place based policies encourage private investments by providing capitals or tax credits or wage subsidies.
- They can influence food environment

Background

- To promote the economically distressed areas the U.S. states launched subsidies starting from 1980s and federal govt on 1990s
- Fed programs are known as Empowerment zones (three rounds in 1993, 1997 and in 1999), two rounds of Enterprise Community (in 1993 and 1997) and one round of Renewal Communities (in 2000)
- The programs are administered by the Department of Health and Human Services (HHS), Department of Housing and Urban Development (HUD) and United States' Department of Agriculture (USDA).
- These tax subsidies can potentially attract new investments or boost existing small and large local businesses overcoming barriers to entry in the markets of the distressed communities.

Research Focus

- We evaluate the short-term and long-term impact of Federal and state level enterprise zones on the local food environment.

Related Literature

- Empirical studies assessing the local and nationwide impact of federal, or state empowerment zones report ambiguous impacts on outcomes such as employment and wages.
- Ham et al. (2011): positive Impact on poverty reduction and local employment
- Neumark and Young (2021): No impact of any federal zone or state zones from 13 states
- No study on local food environment so far

Data

- Name, type and exact locations of all SNAP accepting retail food stores from USDA-FNS
- Outcome: Number of each type of stores in a census tract as of 2012 for short term study and as of 2021 for long term impact evaluation.
- Store types: Supermarkets, grocery stores, convenience stores, combination stores, fast-food restaurants (RedLion & safegraph)

Data (contd.)

- Federal and State level Enterprise zone data from Neumark and Young (2021)
- Census tract level demographic data for Decennial Census 1980, 1990 and 2000 for pretreatment covariates.

Method

- We generate census tract level Inverse Probability Weights using the zonal designation as treatment depending on the propensity scores generated from pre-treatment covariates.
- Then we use the following model to estimate the impact of state level enterprise and federal level empowerment zone on our outcomes.

$$Y = \alpha \text{ State} + \beta \text{ Fed} + \delta \text{ other} + \mu$$

[aweights = IPW weights]

- Y = Number of each type of stores
- State = state level enterprise zone designation
- Fed = Federal level empowerment zone
- Other = other govt. incentive program

Preliminary Result

- The programs impact the food stores disproportionately depending on their types.