



The Dollar Store Invasion:

Communities are in Revolt, But the Chains' Predatory Tactics Also Call for Federal Action

By Stacy Mitchell, Kennedy Smith, and Susan Holmberg
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IISR INSTITUTE FOR
Local Self-Reliance

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The Institute for Local Self-Reliance (ILSR) is a national research and advocacy organization that partners with allies across the country to build an American economy driven by local priorities and accountable to people and the planet. Whether it's fighting back against the outsize power of monopolies like Amazon, ensuring high-quality locally driven broadband service for all, or advocating to keep local renewable energy in the community that produced it, ILSR advocates for solutions that harness the power of citizens and communities. More at ilsr.org.

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Table of Contents

Preface	4
INTRODUCTION	
The Dollar Store Invasion	5
PART ONE	
Predatory Tactics: How the Dollar Chains Have Taken Over	8
PART TWO	
Dollar Store Chains Harm Local Economies and Communities	14
PART THREE	
Turning the Tide: Communities Rise Up	17
PART FOUR	
Local Action is Not Enough: What Federal Policymakers Must Do	20
Appendices	24
Notes	28

Preface

Four years ago, we published a report, **Dollar Stores are Targeting Struggling Neighborhoods and Small Towns. One Community is Showing How to Fight Back** (written by Stacy Mitchell and Marie Donahue). The report struck a nerve. It documented something that people in many places were experiencing – the rapid proliferation of chain dollar stores – but that, at the time, had received little attention from journalists and researchers. It also validated many of the conclusions that people on the frontlines of this phenomenon had already drawn on their own about the dollar chains: namely that they use predatory tactics to undermine grocery stores, they target Black communities and rural towns in particular, and there are strong reasons to fight their spread. Within days, the report drew more than 100,000 readers. It soon spurred coverage by the *Washington Post*, *NBC Nightly News*, and many other media outlets.¹

Since then, much has happened. In more than 70 cities and towns, people have organized and successfully blocked new dollar store projects, by our count. More than 50 cities have enacted laws limiting dollar store expansion, often in conjunction with measures designed to facilitate the expansion of grocery stores. One notable example of this can be seen in North Tulsa, the predominantly Black neighborhood of Tulsa, Okla., whose fight against dollar store proliferation was a focus of our 2018 report. After successfully pushing adoption of an ordinance that restricts the opening of new dollar stores, City Councilor Vanessa Hall-Harper and other community leaders helped secure financing for Oasis Fresh Market, which opened in 2021, becoming the first supermarket to serve North Tulsa in 14 years.² It is a locally owned, independent business.

While more city leaders have taken action on dollar stores, federal officials have given scant attention to the policy changes needed in antitrust and finance to stop the chains' predatory practices.

Researchers have also turned more attention to dollar stores. Dr. Jerry Shannon, a geographer at the University of Georgia, published a study in 2021 concluding that the presence of chain dollar stores is "highly associated with neighborhoods



Local residents in southwest Atlanta protest the building site of a Family Dollar store. The store was built in 2012, but that loss helped catalyze a wave of dollar store opposition in the Atlanta metro area. Photo Credit: Screenshot of Patch.com video coverage.

of color."³ His findings, which controlled for household income and other factors, confirmed the link between race and dollar stores that we'd shown visually in maps of Tulsa and other large cities.⁴ (Our analysis flowed from interviews with community leaders, who understood this racialized dynamic long before we did.) Shannon's research also found, as we had, that dollar stores "are effectively replacing small groceries in many neighborhoods." These small, independent stores are often the sole providers of fresh food in communities of color. Shannon concluded that the proliferation of the dollar chains "both reflect and, potentially, contribute to long histories of racial exclusion."

Yet, even as awareness of the implications of dollar stores has grown and many more places have intervened to block their expansion, the two major chains have only accelerated their growth over the last four years, especially in the wake of the pandemic. Classified as "essential businesses" because they sell some food, Dollar General and Dollar Tree, which owns Family Dollar, benefitted from lockdown measures that forced other retailers to close. And while more city leaders have taken action on dollar stores, federal officials have given scant attention to the policy changes needed in antitrust and finance to stop the chains' predatory practices and ensure fair opportunities for local grocers and other businesses.

Throughout this time, ILSR has been providing research and policy assistance to community leaders, connecting local activists in different cities with one another, and continuing to deepen our understanding. This report represents an update to our 2018 analysis. We're releasing it in conjunction with a new strategy guide for local leaders. We hope this information – with new data, new voices and stories, and new details about the tactics dollar stores are using to dominate competitors and communities – will be helpful to those involved in these fights and policymakers both locally and nationally.



INTRODUCTION

The Dollar Store Invasion

In 2021, nearly half of new stores that opened in the U.S. were chain dollar stores, a degree of momentum with no parallel in the history of the retail industry.⁵ At the start of 2022, Dollar General and Dollar Tree, which owns Family Dollar, together operated more than 34,000 stores in the U.S., more than McDonalds, Starbucks, Target, and Walmart combined.⁶ In cities, it is common to find dollar stores clustered by the dozen within certain neighborhoods. The two corporations operate more than 100 outlets in metro Atlanta, for example, primarily in the city's Black neighborhoods on its south and west sides.⁷ Dollar stores have likewise overrun much of rural America. In some small towns, they seem to be the only retail left.

Both corporations intend to get much bigger. Over the last four years, Dollar General has added about 3,500 locations – opening more than 100 new stores across New York, nearly 200 in Ohio, and 300 in Texas – bringing its roster to more than 18,000 stores and cementing its status as the largest retailer in the U.S. by number of

Photo Credit: Luke Gannon

locations.⁸ By the end of 2022, Dollar General and Dollar Tree together were on track to open 1,700 new stores.⁹ And both report that they have identified many more locations; in the coming years, they plan to grow their combined empires to more than 51,000 outlets.¹⁰

In cities, it is common to find dollar stores clustered by the dozen within certain neighborhoods. In rural towns, they typically locate near the only grocery store, and often succeed in wiping it out.

One might assume that the dollar chains are simply filling a need, providing basic retail options in cash-strapped communities. But the evidence shows something else. These stores aren't merely a byproduct of economic distress, they are a cause of it. As this report shows, in small towns and urban neighborhoods alike, dollar stores drive grocery stores and other retailers out of business, leave more people without access to fresh food, extract wealth from local economies, sow crime and violence, and further erode the prospects of the communities they target.

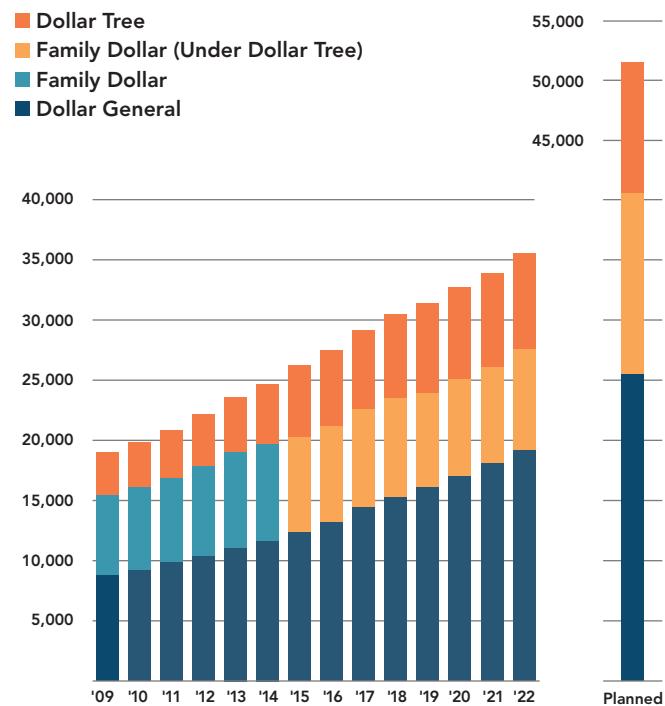
Dollar General and Dollar Tree (and its subsidiary Family Dollar) single out communities that have been marginalized economically and politically. In urban areas, they blanket Black and Latino neighborhoods, opening multiple outlets near one another.¹¹ This carpet-bombing strategy undermines existing food stores, especially the independent grocery stores that often serve these communities, and makes it hard for new businesses to take root and grow, effectively locking in neighborhood deprivation.

These stores aren't merely a byproduct of economic distress, they are a cause of it.

The chains also target rural towns, many already struggling from the effects of corporate consolidation and globalization.¹² They typically locate on the same block as or across the street from the town's only grocery store, and often succeed in

Number of Dollar Stores by Year and Planned Stores

"Planned" stores are based on identified opportunities for new locations, as reported by the major dollar store chains.



Sources: Dollar General, Dollar Tree and Family Dollar Annual Reports and Dollar General's "2020 Vision: Invest for Growth" presentation.

wiping it out. Dollar stores are dismal substitutes for grocery stores; they stock little fresh produce and sell only a narrow range of processed foods, such as canned soup and soda.

As they expand, Dollar General and Dollar Tree not only profit from economic fragility and structural racism, they deepen both. Grocery stores are important anchors, and not having one sets off a spiral of economic decline. It imposes daily hardships on residents, who must either undertake long trips to buy food or subsist on the dollar store's meager offerings. According to some city leaders, this has contributed to poor health and lower life expectancy.¹³ It's a reality largely invisible to people in better-off places, who might be startled to learn the extent to which Americans rely on dollar stores for groceries, or that Dollar General accounts for a much bigger slice of the grocery market than Whole Foods does.¹⁴ Indeed, more than any other landmark, dollar store chains have come to delineate the nation's stark and widening disparity. They are "markers of a geography of the places that the country has written off," notes the journalist Alec MacGillis.¹⁵

Since 2018, at least 54 cities and towns have enacted laws that sharply restrict new dollar stores.



At the start of 2022, Dollar General and Dollar Tree, which owns Family Dollar, together operated more than 34,000 stores in the U.S., more than McDonalds, Starbucks, Target, and Walmart combined.

A negligent approach to antitrust has allowed Dollar General and Dollar Tree to flex their market power unfairly and overrun their less powerful competitors.

With dollar stores continuing to multiply at breakneck pace, communities across the country are grappling with the fallout, and a growing number of citizen groups and local officials are rising to turn them away. Since 2019, at least 75 communities have blocked proposed dollar stores, with more than 50 of those defeats occurring between January 2021 and the end of 2022, according to our tally. At least 54 cities and towns – including Birmingham, Ala.; Fort Worth, Texas; Kansas City, Kan.; and Plainview, Neb. – have gone further. They've enacted laws that sharply restrict new dollar stores, typically by barring them from opening within one to two miles of an existing dollar store. At least one town,

Stonecrest, Ga., has imposed a total ban on new dollar stores. These laws are often adopted in conjunction with measures designed to support the retention and development of grocery stores.

Yet, as widespread as this backlash has been, it's not enough on its own. Communities need reinforcements to stop the encroachment of dollar stores. They need action at the federal level, where a negligent approach to antitrust has allowed Dollar General and Dollar Tree to flex their market power unfairly and overrun their less powerful competitors, especially independent grocery stores.¹⁶ We need to invigorate our antitrust laws, especially the long-dormant Robinson-Patman Act, to block dollar chains' predatory tactics and create fair markets in which independent retailers can thrive. We also need stronger financial protections that put limits on Wall Street's ability to underwrite those tactics while also making capital available for the development of local grocery stores.



PART ONE

Predatory Tactics: How the Dollar Chains Have Taken Over

In March 2022, residents of the Collinwood neighborhood on Cleveland's northeast side learned that the area's only grocery store, Dave's Market, would be closing after more than 30 years in business. The store was part of a small, locally owned chain of supermarkets founded in the late 1920s and run over the decades by five generations of the Saltzman family. With about a dozen locations today, Dave's Market is a staple of life in many Cleveland neighborhoods. The news of the Collinwood store's closing was met with an outpouring of grief and worry from neighbors, especially older residents of several nearby high-rises who are unable to drive or cannot afford a car.

While the Collinwood store was beloved and the only source of fresh produce and meat in the neighborhood, for the last few years it had struggled to stay in the black. There were multiple reasons for this,

Photo Credit: Luke Gannon

the Saltzmans explained, but one factor was the influx of dollar stores. Within two miles, there are seven Family Dollar and Dollar General outlets. By saturating the neighborhood with stores that carry some of the same packaged foods – like chips, cereal, and cake mix – found at Dave's, the dollar chains siphoned off enough of the grocery store's sales to leave it struggling to stay afloat. It's a pattern the two chains have repeated across the country.

Part of the reason their strategy often proves lethal to grocery stores has to do with the economics of food retailing. Grocery stores run on very thin margins, typically one or two percent. Because perishable food is generally a money-loser, grocers rely on sales of packaged foods and other goods – all the items sold in the center aisles – to cover their overhead and stay afloat. Take away a portion of these center-aisle sales and the whole enterprise can collapse.

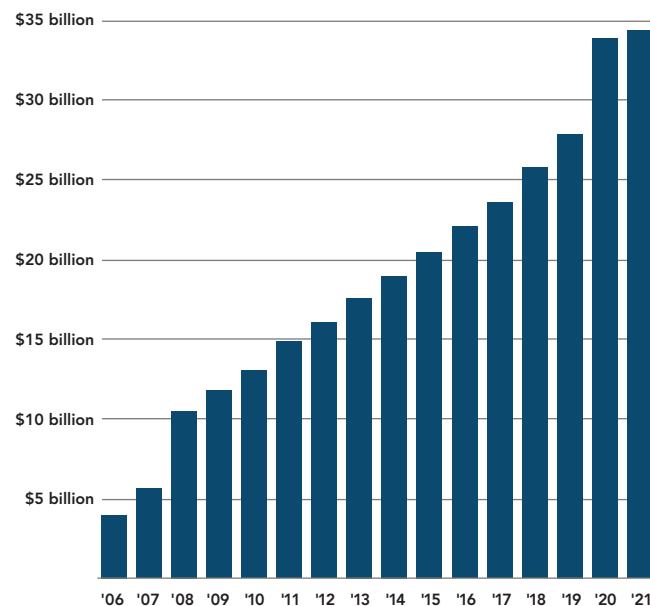
For Collinwood, like many other neighborhoods and small towns across the country, that's meant that people no longer have nearby access to a store selling produce and other fresh foods. "As a resident that lives down the street from this Dave's location – and a regular shopper there, to boot – our only alternatives left in this immediate vicinity are a Dollar General and a Family Dollar," lamented Adam Tully on a neighborhood Facebook group. "Neither of these stores are equitable to what Dave's offers."

Dollar store chains target communities with diminished economic and political power. In cities, this generally means neighborhoods, like Collinwood, that are predominantly Black or Latino.

Although Dollar General has added a very small selection of produce to about a quarter of its stores, most dollar stores stock no fresh vegetables, fruits, or meats. They carry only a limited selection of processed, packaged foods. Their food isn't necessarily less expensive, either. Many of the products on their shelves are packaged in single servings or otherwise sold in smaller quantities than the same items sold at grocery stores. They may charge lower prices, but products can be more expensive per ounce.¹⁷

Dollar General's Annual Revenue, 2006-2021

Dollar General, which is nine times larger than it was 15 years ago, grew rapidly during the pandemic.



Source: Dollar General's Annual Reports

Despite being a substandard option for grocery shopping, dollar stores thrive by being the only game around. "Food deserts are its sweet spot," the analyst Ann Natunewicz wrote in a research note about Family Dollar.¹⁸ The chains appear to seek out food deserts and, where those conditions do not yet exist, they often create them by pushing local grocers out of business. Their presence can also lock in a lack of fresh food for the long-term by making it difficult for a new grocery store to obtain financing, take root, and succeed. And while their impact on grocery stores is particularly consequential, dollar stores undermine other types of businesses too, and can diminish a community's prospects.

Dollar General and Dollar Tree use three primary strategies to monopolize local grocery markets and extract wealth from urban and rural places.

First, they target communities with diminished economic and political power. In cities, this generally means neighborhoods, like Collinwood, that are predominantly Black or Latino. Maps of dollar store locations across several metro areas (see accompanying maps, including those in the appendix) show this visually: in choosing locations, the chains appear to be driven more by race than income.

How Walmart's Dominance Spurred the Rise of the Dollar Chains

The dollar store business model took off in the wake of Walmart's rapid and unprecedented consolidation of the grocery sector. Indeed, there's a strong link between the two. As Walmart amassed market power and killed off local grocery retailers, it created fertile ground for dollar stores to proliferate.

To understand why, we need to go back to the beginning and look at how Walmart came to dominate food retailing. In 1988, Walmart entered the grocery market by opening its first supercenter, a store format that combined the retailer's regular array of merchandise with a full supermarket. Over the coming years, Walmart built thousands of these stores, blanketing metro areas and rural regions all over the U.S. It muscled other retailers out of business by using its vast resources to engage in two potent anti-competitive tactics.¹⁹ Both tactics had long been prohibited by U.S. antitrust law, and both were often fatal to independent grocery stores and small supermarket chains.

First, it sold key goods, and even entire product categories, at a loss at new locations until nearby retailers, unable to finance similar losses, went out of business.²⁰ (The antitrust term for this is "predatory pricing.") Second, Walmart used its power as a major buyer to compel suppliers to give it deep discounts while charging other retailers higher prices.²¹ (A tactic we call "predatory buying," though the legal term typically used is "price discrimination.")

As Walmart stripped neighborhoods of their grocery stores, Dollar General and Family Dollar moved in with the force of an invasive species let loose on a denuded landscape.

Yet Walmart's behavior drew no scrutiny from federal antitrust enforcers. That's because, just a few years earlier, policymakers and the courts had begun to radically reinterpret the antitrust laws, gutting enforcement and effectively greenlighting predatory pricing, predatory buying, and other tactics on the theory that concentrated market power is good for consumers.

Walmart deftly exploited this shift in antitrust enforcement. By 2005, it had become the largest grocer in the country, an ascent unrivaled in speed and reach. Today, Walmart captures



\$1 in \$4 that Americans spend on groceries and controls more than 50 percent of the grocery market in 43 metro areas and countless smaller markets.²²

Walmart's takeover of Tulsa, Okla., was typical. In the space of a few years, the retailer opened dozens of supercenters and stand-alone supermarkets across the metro. It located these stores in the outer reaches of the city and its surrounding suburbs. By 2012, Walmart had captured control of 55 percent of the metro region's grocery market.²³ Competing supermarkets closed in droves. Particularly hard hit were small, family-owned chains and independent grocers. These are the types of food retailers most prevalent in Black and Latino communities and low-income neighborhoods.²⁴ (Rural towns are also more likely to be served by independents.²⁵)

As these neighborhoods lost their grocers, Walmart didn't fill the gaps. Nor did other major supermarket chains. These big retailers generally sidestep low-income urban neighborhoods, especially Black neighborhoods, in favor of locations that are whiter and more suburban, engaging in what Dr. Jerry Shannon, a geographer at the University of Georgia, termed "supermarket redlining."²⁶

As Walmart stripped the Black neighborhoods on the northside of Tulsa of their grocery stores – the last supermarket in the area closed in 2007 – Dollar General and Family Dollar moved in with the force of an invasive species let loose on a denuded landscape. By 2018, North Tulsa was home to more than a dozen dollar stores and not a single grocery store.²⁷

This same pattern unfolded in metro after metro. It played out in rural regions too. As Walmart saturated rural areas with its massive supercenters, typically building them in relatively larger towns, it pulled sales away from smaller communities in the vicinity.²⁸ This weakened local grocers and other retailers, rendering them particularly vulnerable as the chains, especially Dollar General, began to flood these small towns with dollar stores.

In 2021, Dr. Jerry Shannon, a geographer at the University of Georgia, confirmed this link. He analyzed 27 metro areas and, after controlling for household income and other factors, found “a significant association between proximity to dollar stores and patterns of racial segregation,” with chain dollar stores more heavily concentrated in neighborhoods of color.²⁹ The companies’ location strategy, he noted, both reflects and appears to contribute to “a long history of racial discrimination and economic exclusion.”

The dollar chains also single out another kind of vulnerable community: rural towns that have been weakened by corporate consolidation and globalization. The two companies have expanded aggressively in regions where agribusiness giants have crushed farmers’ bargaining power and slashed their incomes, and in towns where mergers and offshoring have triggered the loss of plants, hospitals, and more. While many of the small towns targeted by the dollar chains are mostly white, some of the highest concentrations of these stores can be found in the South, where the chains have multiplied across both urban and rural Black communities.

The dollar chains also single out another kind of vulnerable community: rural towns that have been weakened by corporate consolidation and globalization.

Why do Dollar General and Dollar Tree zero in on these places? As our maps and Dr. Shannon’s research show, their location strategy is guided by something more than simply poverty. One explanation may be a lack of political power.

Inundating a neighborhood with multiple stores is easier if its residents are less able to marshal the authority of City Hall to fight back. In Tulsa, Okla., for example, passing a measure to restrict additional dollar stores from opening on the city’s northside required overcoming a long history in which the mostly Black neighborhood had been denied access to zoning tools routinely exercised in other, whiter parts of the metro.³⁰ In other words, the dollar chains exploit structural racism to amass market power.

Another explanation for the geographic pattern of dollar store expansion may be that the rural towns and urban neighborhoods they target are more likely to be served by independent grocers, which, compared to big supermarket chains, may be more readily toppled by the dollar stores’ anti-competitive tactics. (See the adjacent sidebar on Walmart for a closer look at the link between rising concentration in grocery retailing and the proliferation of dollar stores.)

This brings us to the dollar chains’ second strategy for dominating markets: using predatory tactics to drive small grocers out of business. This typically begins with location. In very small towns, dollar stores often locate next door to or across the street from the community’s only grocery store. In urban areas, they saturate the area around the local supermarket with numerous dollar stores. In either case, the objective is not to outcompete by winning over more customers, but rather to peel off just enough of the local store’s sales to send it into the red. At that point, it’s only a matter of time before it goes under, leaving residents with no nearby option for food shopping other than a dollar store.

There are many examples of grocery stores shuttering after a dollar store opens nearby. The only grocery store in



The only grocery store in Wisner, La. — locally owned Ford's Food Center, pictured on the far left — closed in 2022 shortly after Dollar General and Family Dollar opened stores next door. Photo Credit: Google Maps.

Dollar Store Locations and Metro Demographics

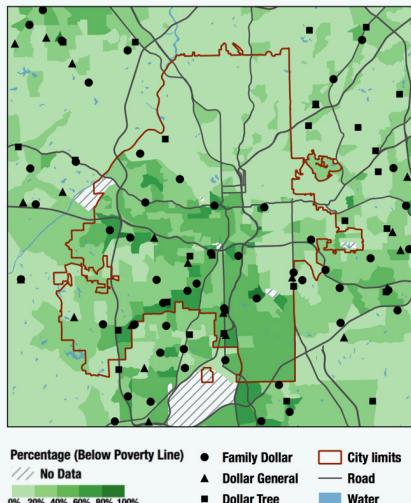
Atlanta, GA

Approximately half a million residents in metropolitan Atlanta live in food deserts, without access to a full-service grocery store. The area's more than 100 dollar stores have contributed to that reality, aggressively targeting West Atlanta and the region's most vulnerable residents.

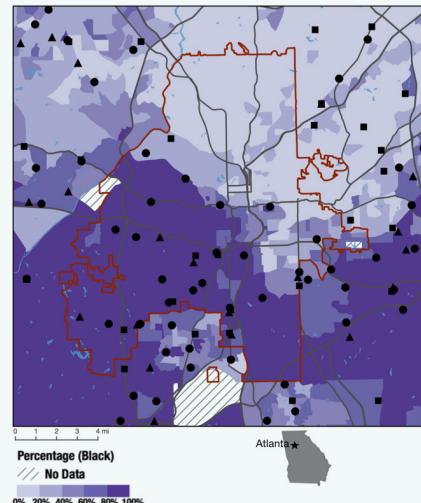
Note: 2018 Poverty Threshold to \$25,100 for a family of four.

Data: US Census, 2013-2017 ACS 5-Year Block Group Estimates; Dollar General, Dollar Tree, Family Dollar store locators. Institute for Local Self Reliance (2019)

Households Below the Poverty Line



Population Identifying as Black or African American, Alone or in Combination



Whitmire, S.C., struggled for two years after a Dollar General store opened there. It finally closed in February 2022, leaving residents with the option of buying their food from the Dollar General or making a 45-minute round trip to the nearest town with a full-service grocery store. The only grocery store in Casselton, N.D., closed the same month. The store's owner, Fred Wangler, lost ten percent of his business after Dollar General opened. Chet Davis, who owned a grocery store in Moville, Iowa, lost about 15 to 20 percent of his sales when Dollar General came to town, forcing him to close the store.³¹

The objective of the dollar chains is not to outcompete by winning over more customers, but rather to peel off just enough of the local store's sales to send it into the red.

Scenarios like these have played out in communities of all sizes throughout the U.S. Reports from local grocers suggest that it's typical for sales to drop by roughly 15 to 30 percent after a dollar store opens.³² Because grocers operate on very thin margins and often rely on profits from packaged items to subsidize their produce and other perishables, losing even a fraction of their revenue from things like soda and cereal can destroy the business's viability. "Dollar General

[takes] the gravy right off the top," explains RF Buche, a fourth-generation grocer whose company operates six grocery stores across South Dakota.³³ And of course, while an independent grocer can absorb losses for only so long before it has to close, Dollar General and Dollar Tree, backed by Wall Street and thousands of stores, can sustain a new outlet at a loss indefinitely.

Closely related to these tactics is the chains' third strategy: predatory buying. Dollar General and Dollar Tree have leveraged their power as major buyers to coerce suppliers into providing them with special package sizes and lower prices, while charging independent grocers more and restricting the products available to them.³⁴ Congress outlawed predatory buying in 1936 with the passage of the Robinson-Patman Act, but regulators largely stopped enforcing the law about 40 years ago, as part of a broader move to weaken antitrust overall.³⁵

As a consequence, powerful retailers, including Walmart and the dollar chains, have been allowed to strongarm preferential terms from suppliers. These retailers control such a large share of the market that suppliers have little choice but to acquiesce. This can lead to a "waterbed" effect as suppliers make up for the lost revenue by raising the prices they charge the wholesalers that supply independent grocers.³⁶ "For some products, power buyers extract such an unfair advantage that their retail prices are lower than the



Chet's Foods, the only grocery store in Moville, Iowa, closed two years after Dollar General opened and siphoned off about 30 percent of the grocer's sales. Photo Credit: Rebecca Gratz, Omaha World-Herald.

wholesale prices available to independent grocers – making it impossible for independent grocers to compete on price,” David Smith, president of Associated Wholesale Grocers, explained in testimony to Congress last year.³⁷

The dollar chains also rig the game by demanding “cheater” sizes from suppliers. “You’ve got a Snicker’s bar that is two ounces less, but it looks just like the one in my store. The consumer thinks Dollar General is selling it cheaper,” explains Buche, even though his price may be lower ounce-for-ounce. Suppliers generally refuse to sell these special sizes to independent grocers. “They make that specifically for [the dollar store] channel.”

The dollar chains also rig the game by demanding “cheater” sizes from suppliers. Sold in smaller quantities than the same items at grocery stores, their products can be more expensive per ounce.

As the dollar chains have exploited these predatory strategies to grab market share, more rural and urban communities have been left without grocery stores. “You can go through these small towns in South Dakota and find all kinds of grocers that have closed in the last decade,” notes Buche. “The community loses access to fresh food. That’s gone. And there’s no chance of [a grocery store] coming back.”

Public Subsidies for Dollar Store Expansion

Incredibly, some communities have opted to give subsidies, in the form of tax abatements, tax rebates, outright cash, and other incentives, to dollar store chains to locate there. In June 2022, the city council in Peosta, Iowa, for example, gave a Dollar General developer a 15-year, 85 percent property tax rebate, capped at \$275,000 (about \$135 for each of the town’s roughly 2,000 residents).³⁸ Since 2000, Dollar Tree/Family Dollar has received at least 336 subsidies from local governments, totaling about \$120 million, and Dollar General has pocketed at least \$36.5 million.³⁹

Underpinning all these market domination strategies is backing by Wall Street. The private equity firm KKR (Kohlberg Kravis Roberts & Co.) set Dollar General on a path of aggressive expansion after taking the company private in 2007.⁴⁰ Over several years, beginning with an IPO in 2009, KKR sold its stake in the company at share prices sharply higher than it had originally paid.⁴¹ Its ties to Dollar General, however, continued for several more years: KKR partner Michael M. Calbert assumed a seat on Dollar General’s board in 2007 and continued there, eventually as chairman, after he retired from KKR in 2014 to launch another private equity firm.

Dollar Tree, meanwhile, is the product of a long string of Wall Street-engineered acquisitions of smaller dollar chains, culminating in its 2015 merger with Family Dollar. None of these deals was challenged by the antitrust agencies. Rather than block the merger with Family Dollar – which created a massive chain of 14,000 outlets, larger than Dollar General at the time – the Federal Trade Commission concluded that the market concentration concerns could be resolved by the two companies selling off 330 stores.⁴² The decision has since become a notorious example of the inadequacy of such fixes and their tendency to fail even on their own terms. The 330 stores were bought by private equity giant Sycamore Partners, which declined to follow through on its promised investment in the new chain and then sold the locations to Dollar General two years later.⁴³



PART TWO

Dollar Store Chains Harm Local Economies and Communities

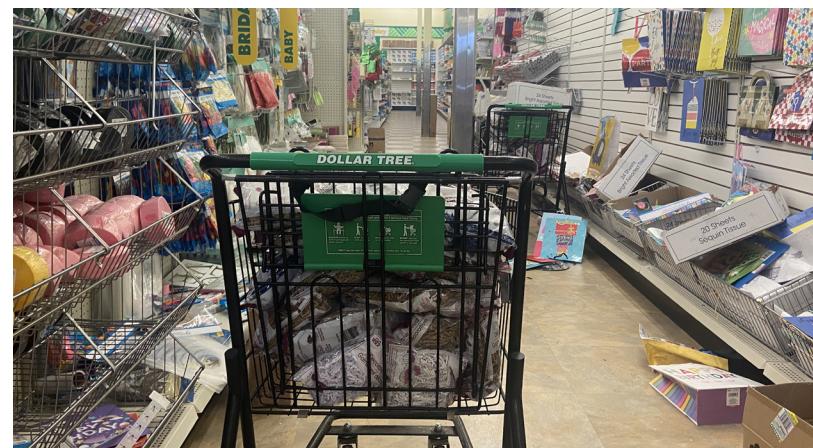
The presence of dollar stores casts a pall over more than grocery stores and their shoppers. When a town loses its grocery store, the rest of the local economy suffers. It deepens economic fragility and inequality by extracting wealth from these communities. “The problem is that if the grocery store closes, this impacts the town in a big way,” David Procter, an expert on community development and director of the Rural Grocery Initiative at Kansas State University, explains. “Our research shows grocers are barometers for other businesses in town: as goes the grocery store, so goes other independent businesses in that community.”

One immediate effect is a decline in employment. Dollar chains rely on a “lean” labor model –they understaff their stores, which not only leads to employee strain and safety violations like piles of merchandise

blocking aisles and exits, but also fewer jobs. Dollar General employs about eight people per store, while the average small grocery store employs more than twelve people. (Relative to sales volume – i.e., for every \$10 million in sales – independent grocers employ about 20 percent more people than Dollar General does.⁴⁴)

Dollar chains have also come under fire for how they treat their workers, including paying low wages and creating unsafe working conditions.

Dollar chains have also come under fire for how they treat their workers, including paying low wages and creating dangerous conditions. An astonishing 92 percent of Dollar General workers earn less than \$15 per hour – the worst rate of 66 large service-sector firms.⁴⁵ In 2019, the median annual salary for a Dollar General worker was just \$14,571.⁴⁶ Managers earn around \$40,000 and routinely work long hours, but they are not eligible for overtime pay because of their management status.⁴⁷ Conditions have prompted staff at several stores to abandon their posts, including in Eliot, Maine, where employees quit in protest of low wages and understaffing. The staff left a note on the window saying, "Closed indefinitely because Dollar General doesn't pay a living wage or treat their employees with respect."⁴⁸



Dollar chains rely on a "lean" labor model — they understaff their stores, which not only leads to employee strain and safety violations like piles of merchandise blocking aisles and exits, but also fewer jobs. Photo Credit: Luke Gannon

Their extractive model doesn't just harm workers; dollar chains also siphon the revenues that feed local economies. Many studies have found that locally owned businesses circulate a markedly larger percent than chain retailers. A study in Portland, Maine, for example, found that every \$100 spent at locally owned businesses contributes an additional \$58 to the local economy. By comparison, \$100 spent at a chain store in Portland yields just \$33 in local economic impact.⁴⁹

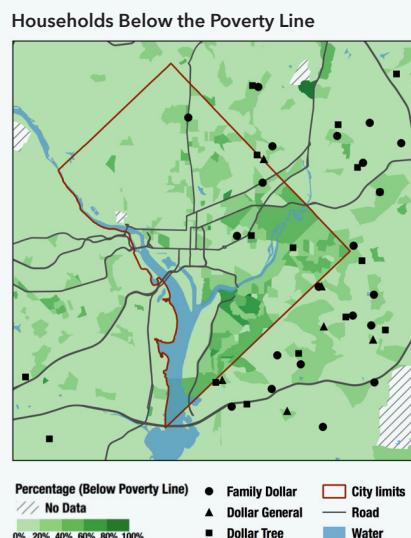
When transitory, extractive corporations come into communities, it undermines more than economic vitality and access to what people and families need. In places where large, absentee corporations are dominant in

Dollar Store Locations and Metro Demographics Washington, DC

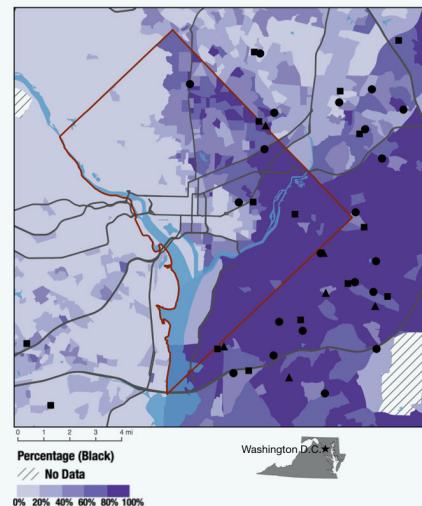
Dollar stores cluster in the predominantly Black communities on the eastern side of the metro, including in the middle-class suburbs of Prince George's County, Md. They are few and far between on the Virginia side, where the population is largely white.

Note: 2018 Poverty Threshold to \$25,100 for a family of four.

Data: US Census, 2013-2017 ACS 5-Year Block Group Estimates; Dollar General, Family Dollar, Family Dollar store locators. Institute for Local Self Reliance (2019)



Population Identifying as Black or African American, Alone or in Combination



the local economy, democratic participation becomes suppressed. People in these communities are less likely to vote and participate less in community organizations, protest activities, and policy reform efforts. This inevitably weakens a community's ability to solve local problems and envision its own vision of development. Without this political and civic agency, and with increasing corporate control, well-being declines. Average incomes fall and poverty and crime rates rise. The social ties that neighborhood stores help knit together become frayed. There is also a tangible psychological cost, a loss of pride and optimism for the future, to watching once vital retail businesses, especially grocery stores, be boarded up.⁵⁰

Dollar General and Dollar Tree have set up their stores in ways that make them magnets for crime and violence.

"We have gotten second-class food, that's why we have some of the highest health disparities in our ward," explained Washington, D.C., City Councilmember Trayon White (Ward 8) in an interview on WAMU radio. Fresh produce is hard to come by in White's district. Meanwhile, dollar stores have clustered by the dozens nearby, in the predominantly Black communities on the eastern side of the D.C. metro. Leaders in other cities have linked dollar store proliferation with poor health, including shorter life expectancies. As if poor nutrition were not bad enough, last year Dollar Tree was handed a federal grand jury subpoena by the Eastern District of Arkansas due to a massive rat infestation at a Family Dollar distribution warehouse, which led to the recall of food, medicines, and cosmetics from over 400 stores in six states.⁵¹



Dollar stores are dismal substitutes for grocery stores; they stock little fresh produce and sell only a narrow range of processed foods, such as packaged soup and soda.

Dollar General and Dollar Tree have also set up their stores in ways that make them magnets for crime and violence. In in-depth reporting for *The New Yorker*, the journalist Alec MacGillis found that dollar stores are the sites of a "steady stream of violence."⁵² According to the Gun Violence Archive, an independent nonprofit research organization, 156 people were killed by guns at chain dollar stores between 2014-2021 and 329 others were injured.⁵³

By maintaining a relentless focus on minimizing costs, the chains operate stores that are unsafe by design, with inadequate staffing and minimal security features and equipment. Store staff are frequently required to multitask, taking their attention away from the register. Boxes of unshelved inventory can make it hard for passersby to see into a store. A Georgia sheriff told CNN journalist Nathaniel Meyersohn, "We don't call them dollar stores. We call them stop-and-robbs."⁵⁴ In Dayton, Ohio, where more than one quarter of all commercial robberies in 2019 took place at Dollar General stores, a police detective called dollar stores "robbery magnets."⁵⁵



PART THREE

Turning the Tide: Communities Rise Up

All of these outcomes — the disappearance of fresh food, the stagnation and elimination of economic opportunity, and the erosion of social cohesion and stability — are not a reflection of what communities want or even what customers want. The dollar chains have thrived by eliminating more popular businesses and creating conditions that ensure that they're the only option.

While some of these stores may fill a genuine need, their extreme proliferation is largely a function of policy. Major shortcomings in antitrust enforcement have allowed the two chains to exercise predatory market power, and failures in financial regulation have allowed Wall Street to profit from it. Dollar General and Dollar Tree have also taken advantage of systemic racism and the marginalization of rural areas and benefitted from local land use policies that encourage all commercial development regardless of its broader costs.

Across the country people are responding to the destructive effects of dollar stores by blocking their expansion. Grassroots opposition

Photo Credit: Joshua Tree on Film

began to take off in 2018, after the city council in Tulsa, Okla., enacted one of the first ordinances to target dollar stores. The measure's passage was felt both locally and nationally. It focused national attention on the consequences of dollar stores and inspired other cities and towns to take steps to check their spread. It also marked a new era of political inclusion and civic power for the city's Black residents.⁵⁶ Communities across the country – in urban centers and in rural places – can do the same by standing up to dollar stores and building the vibrant local economies they want.

Since then, at least 75 communities have blocked dollar stores development proposals, according to our tally. It's an accelerating trend: more than 50 of these projects were defeated in the 24 months between January 2021 and December 2022.

In addition, over the last four years, at least 54 cities and towns have enacted measures limiting new dollar stores and, in one case, banning them altogether. Of these, 15 have imposed temporary moratoriums on the opening of new dollar stores, often an initial step on the way to permanently restricting them. Another 39 have adopted permanent ordinances. Many of these are "dispersal" measures, requiring a certain minimum distance between dollar stores – most specify between 1-mile and 5-miles – so that they don't overwhelm the market. Others make dollar stores a conditional use, requiring the developer to demonstrate that a proposed store meets certain criteria. Some of them combine dispersal and conditional use requirements. Some set a limit on the

How to Stop Dollar Stores in Your Community

For more information about how you can take action to stop chain dollar store development in your community – including a step-by-step strategy guide, examples of local ordinances restricting dollar stores, detailed facts and figures on their impact, and more – [check out our Dollar Stores resources](#).



number of dollar stores that can operate in the community at any given time. One community, Stonecrest, Ga., banned new dollar stores altogether in 2019.

The kinds of places standing up to the dollar chains are varied. They include major cities. Atlanta, for example, imposed a one-mile dispersal ordinance. Birmingham, Ala., established a "healthy food overlay district" that limits dollar stores and incentivizes fresh-food retailers. And in Cleveland, Ohio, new dollar stores are prohibited unless they are at least 2 miles away from an existing dollar store and devote 15 percent or more of their shelf space to fresh or frozen produce and other minimally processed foods.

Many smaller places have also taken action. When Stonecrest, Ga., the middle-class, predominantly Black suburb of Atlanta that banned new dollar stores outright, Mayor Jason Lary declared, "You've seen your last dollar store in Stonecrest."⁵⁷ Stonecrest is one of at least 18 communities in Georgia that have enacted moratoriums or ordinances restricting dollar stores, while several other towns in the state have rejected specific store proposals. Similar clusters of dollar store resistance can be found in Ohio, Texas, Indiana, Michigan, North Carolina, and Florida.

As this list suggests, most of the places that have blocked dollar stores are in the South and Midwest. To some extent, this pattern reflects where Dollar General and Dollar Tree are opening more stores. It also illustrates how one community taking a stand tends to inspire neighboring places to follow suit. But even accounting for these factors, the geography of dollar store opposition remains quite striking. The South and Midwest – unlike, say, California and Vermont – are not

Small Business's Big Moment
The American Rescue Plan Act can help civic leaders put independent businesses at the center of their economic development strategies.

By Kennedy Smith
January 2022

IDEA #1
Buy Photo
Property
Community
Tens of thousands of small business owners and entrepreneurs across the country have been hit hard by the pandemic, leaving displaced commercial property and reaching a point of reach of small business.
The pandemic office space footprint and the fact that since 2003, 2005, 2008, depressed high levels of sales between occupied and unoccupied buildings.

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ilsr.org/report-small-business-big-moment



North Tulsa Welcomes a New, Locally Owned Grocery Store

Oasis Fresh Market is the first supermarket to serve North Tulsa, Okla.'s historically Black neighborhood in 14 years.⁵⁸ The approximately \$5 million, 16,500 square foot store fills a vital need for fresh, healthy food in a community where the nearest supermarket was 8 miles away from some residents. Aaron Johnson, co-founder and CEO, reports that Oasis is not just drawing its neighbors, but pulling customers from other parts of the city that have ties to North Tulsa and Tulsa businesses that are procuring supplies for their offices.⁵⁹ This Black-owned independent grocery store, operated by the majority Black-owned Eco Alliance Group, is quickly becoming a key building block of economic and community vitality in North Tulsa.

Oasis Fresh Market is the culmination of a long effort by City Councilmember Vanessa Hall-Harper, Rose Washington, head of the Tulsa Economic Development Corporation, and other community leaders. A central part of their efforts was helping secure financing for Oasis, which has become a viable model of how to eradicate food deserts and nourish local economies in underserved communities.

Hall-Harper was also at the helm of the North Tulsa's dollar store fight. Across Tulsa, dollar stores were bypassing the city's more affluent, white neighborhoods and instead concentrating in poorer neighborhoods and neighborhoods with more Black residents, particularly North Tulsa. After more than a year of rallying community members, marshaling legal research, and steadily chipping away at the opposition, Hall-Harper and local residents convinced the City Council to enact a measure that limits dollar stores on Tulsa's northside. It was one of the first ordinances in the country to specifically target dollar store chains – banning new dollar stores within one mile of an existing dollar store – and sparked a movement for other cities and towns to fight their spread.

Photo Credit: Oasis Fresh Market

regions where it's common for municipalities to assertively flex their local zoning authority, especially to control corporate development.

Another common characteristic of most of the communities that have enacted dollar store ordinances is that they have a larger share of Black residents, and a higher portion of residents below the poverty line, than the national average.⁶⁰ But, that said, the list of places that have defeated dollar stores or adopted ordinances to restrict their spread also includes quite a few towns where the vast majority of residents are white.

A central motivation in many of these campaigns is a desire to safeguard local grocery stores and access to fresh food. In tiny Algonsee, Mich. – population 1,817 – for example, some 200 residents turned out to a planning meeting to oppose a Dollar General slated to be built across the street from the beloved local J&L Grocery.⁶¹ The town planning commission voted the project down. The communities of Morgan, Minn. and Catoosa County, Tenn., likewise rejected dollar stores because of the damage they would do to local grocery stores.⁶²

Other places have turned dollar stores away because of their negative impacts on agricultural land (Crawfordsville, Ind.), market saturation (New Port Richey, Fla.), the community's ability to draw new industries (Scio, Ore.) or new residents (Albany, Ga.), stormwater runoff (Bono, Ohio), and traffic (Egg Harbor, Mich., and Boston's Codman Square neighborhood).⁶³

After defeating dollar store projects, some communities turn their attention to establishing local supermarkets. After enacting limits on dollar stores, community leaders in Tulsa, for example, leveraged public funds and other support to help develop a local grocery store, which opened in North Tulsa in 2021 (see sidebar). Toledo, Ohio, is on the same path. Over the last three years, neighborhood activists have shot down several proposed dollar stores. The group, led by a group of local pastors, is now pushing the city council to adopt a healthy food overlay ordinance and use a portion of its federal pandemic recovery money (distributed through the American Rescue Plan Act) to finance a locally owned, full-service grocery store.



PART FOUR

Local Action is Not Enough: What Federal Policymakers Must Do

As widespread as the grassroots backlash against dollar stores has been, it's not enough on its own. Nearly 1,700 new Dollar General, Family Dollar, and Dollar Tree stores were slated to open last year alone.⁶⁴ And while cities and towns have the authority, through their zoning powers, to check the spread of dollar stores, many are ill-prepared when developers apply to build these stores. Local land use policies across much of the U.S. have been designed to speed commercial development along, not put hurdles in its path. In some places, retail projects are effectively pre-approved, giving officials scant legal options for denying a dollar store project even if they want to.

On top of this, the dollar chains derive much of their momentum and ability to overrun local grocery markets from federal policies that

underpin their expansion. One problem is that major gaps in antitrust enforcement have allowed the dollar chains to exploit their market power over suppliers in ways that thwart the ability of smaller retailers to compete. A second problem flows from the way we've structured our financial system. The capital markets, which enjoy regulatory advantages over depository institutions, have provided plentiful low-cost funding for dollar store expansion (and profited from their extractive model). Meanwhile, lending to local grocers and other local businesses has declined sharply because of consolidation in banking.

Local action alone cannot solve these broader realities, of course. Federal policymakers need to address the ways in which misguided policies are fueling the destructive proliferation of dollar stores and harming local businesses and communities. To date, they have given scant attention to this issue. That needs to change. In particular, policymakers need to:

→ Revive Antitrust Enforcement

Congress long ago recognized that powerful retail chains could use their leverage over suppliers to undermine competition. As major buyers, they could coerce suppliers into providing them with lower prices and other preferential terms that were not based on any actual cost savings and instead worked to put smaller retailers at a disadvantage. In 1936, Congress outlawed this tactic – “predatory buying” – with the passage of the Robinson-Patman Act.

Dollar chains derive much of their momentum and ability to overrun local grocery markets from federal policies that underpin their expansion.

Over the last several decades, however, the antitrust agencies have largely declined to enforce the Robinson-Patman Act, as part of a broader weakening of antitrust enforcement.⁶⁵ Today's dominant retailers, including Walmart and Dollar General, owe much of their size and reach to this profound change in policy. In particular, the dollar chains have been allowed to extract lower prices, special package sizes, and



Federal antitrust action — including reviving enforcement of the Robinson Patman Act — will help ensure that independent grocery stores can compete and that urban and rural communities alike have access to fresh, healthy food.

other preferences from suppliers, who make up for this narrowing of their margins by raising prices to independent grocers and other small retailers.⁶⁶ This undermines competition and allows the dollar chains to gain the upper hand, not by being better retailers, but simply by being bigger and controlling a larger share of the market.

Today, there is growing interest in reviving enforcement of the Robinson-Patman Act, including by leaders at the Federal Trade Commission.⁶⁷ Doing so would allow independent grocers to obtain the same pricing and terms available to the dollar chains, ensuring fair competition and safeguarding the communities that local grocers serve.

States have an important role to play in this policy area as well. State policymakers should look to revive enforcement of existing state laws (or enact new ones) that guard against unfair competition.⁶⁸

→ Steer Capital to Independent Businesses

Changes in banking law and regulation in the 1980s and 1990s have led to the consolidation of the financial system and structured it in ways that have shifted more capital to large corporations, encouraged extractive business models, and reduced lending to small businesses by eliminating the local and regional banks that are the primary source of these loans.⁶⁹



THE PEOPLES BANK

Grocery stores, which operate on razor-thin margins, require capital. Community banks are essential for providing the financing that local grocery stores require to germinate and remain in business.

The disappearance of local banks, and the loss of small business lending they provided, has been particularly harmful for local grocery stores. Supermarkets are capital-intensive and operate on thin margins, which makes affordable financing crucial. Entrepreneurs who aspire to open grocery stores and existing grocers who want to upgrade or expand their stores, or add another location, often struggle to secure a loan. This is especially true for those serving small rural markets and low-income communities, as either factor can make them appear riskier to lenders.

Lawmakers need to implement banking policies that reverse consolidation and expand the number of local and regional financial institutions focused on productive, community-based lending. This could include measures such as capping the market share that any one bank can hold, breaking up the biggest banks, insisting that banks be more responsive to the needs of their geographic communities, and reducing regulatory and other entry barriers for new banks and credit unions. Policymakers should also look to limit the ability of private equity funds and other Wall Street investors to profit from predatory and extractive corporate strategies.

While building a vibrant, locally focused banking system is crucial, both the U.S. Small Business Administration and individual states should also look to step in directly by establishing grant and loan programs that are targeted to independent food retailers looking to open or expand in underserved communities.⁷⁰

→ Strengthen the Authority of Communities to Reject Dollar Stores

States have an important role to play in this policy area as well. There are state-level laws against price discrimination on the books in dozens of states, and at least one state - Minnesota - is considering (at the time this report was published) amending its antitrust laws to include a ban on predatory buying. State policymakers should look to revive enforcement of existing state laws (or enact new ones) that guard against unfair competition.⁷¹

But the possibilities for state action go well beyond antitrust laws. State governments delegate most planning and land use decision-making authority to local governments, but all states retain the authority to regulate characteristics that affect the safety and welfare of their residents and of the environment. Chain dollar store development almost always has a negative impact on safety and welfare, including damaging the local economy, damaging the environment, increasing traffic, and attracting crime.

Lawmakers need to implement banking policies that reverse consolidation and expand the number of local and regional financial institutions focused on productive, community-based lending.

State lawmakers can strengthen the authority of communities to evaluate and reject proposed dollar stores. They can update the state's planning and land use enabling legislation to make it clear that local planning decisions must adhere to certain guidelines for the community's welfare, such as cultivating net economic growth, ensuring that everyone has access to healthy food, and protecting environmental resources. They can clarify and elevate the role of comprehensive plans (called "general plans" in some states) in establishing community development goals and in providing the framework for a community's land use regulations.

They can also update state land use laws to make dollar stores a conditional use that requires approval from the municipality (that is, it is a use that is never allowed “by right”) and further clarifying that local governments may reject these stores on a wide range of grounds, including if they are likely to have a detrimental effect on the local economy or access to fresh food. These approaches would be similar to existing state laws governing other types of retail development, such as Vermont’s Land Use and Development Law (known as AB 250), which imposes additional scrutiny and hurdles on large commercial projects, and North Dakota’s Pharmacy Ownership Law, which requires that only sole proprietors, who must be licensed pharmacists, may operate a pharmacy, effectively blocking chain retailers from operating drugstores in the state.

In urban centers and small towns alike, communities are turning dollar store chains away. The rising tide of grassroot opposition is pushing back against the impact these predatory chains are having on their lives — dollar stores are not merely byproducts of economic distress; they are a cause of it. They are elbowing out grocery stores and other local businesses, diminishing local jobs and the basic goods they need access to, and crushing the very prospect of prosperity and resilience that vibrant local economies ensure.

While dozens of cities and towns have blocked the chains from opening new stores, local action alone is not enough. Federal policymakers also need to target the ways in which misguided policies, particularly those governing antitrust and the financial sector, are fueling the destructive proliferation of dollar stores. ■



More than 1,000 people signed a petition opposing a rezoning request from a Georgia-based developer to build a Dollar General store in a residential neighborhood in Shelton Town, N.C., with concerns ranging from the proposed store's impact on traffic, crime, and the health of locally owned Moore's General Store. The county's planning board denied the rezoning request, and its decision was unanimously supported by the County Commission in July 2022. Photo Credit: Ryan Kelly / Mount Airy News

APPENDIX ONE

Dollar Store Locations and Metro Demographics

The Institute of Local Self-Reliance's research and reporting on dollar stores has drawn thousands of people to our website and prompted people across the country to reach out to share their own stories about how dollar stores are invading their communities. Hearing these stories prompted us, in 2018 and 2019, to investigate and map dollar stores across eight U.S. cities: Atlanta, Ga.; Dallas, Texas; Louisville, Ky.; Newark, N.J.; New Orleans, La.; Philadelphia, Pa.; Tulsa, Okla.; and Washington, D.C.

By mapping the locations of Dollar General, Dollar Tree, and Family Dollar stores alongside demographic data from the U.S. Census, we can see the extent to which dollar stores have proliferated in cities and the neighborhoods that have been hit especially hard. These maps confirm that the dollar chains are concentrating in poorer neighborhoods and communities of color.

We have included the maps for Atlanta and Washington, D.C. in the main report and the remaining six in this appendix. For more information on these maps, check out: ilsr.org/new-maps-dollar-stores-spread

Credit: Hannah Bonestroo and Marie Donahue

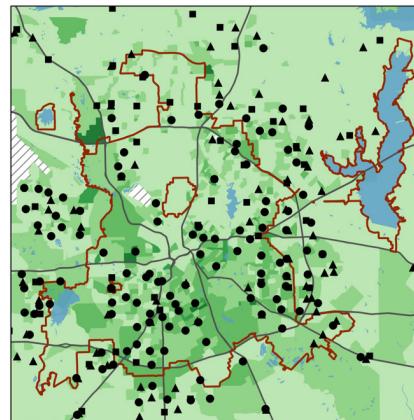
Dallas, Texas

Mesquite, an eastern suburb with modest houses and a population that is mostly Hispanic and African American, saw their neighborhoods saturated with dollar chains. Determined to stop the incursion, the city council passed a dollar store "dispersal" ordinance in 2018.

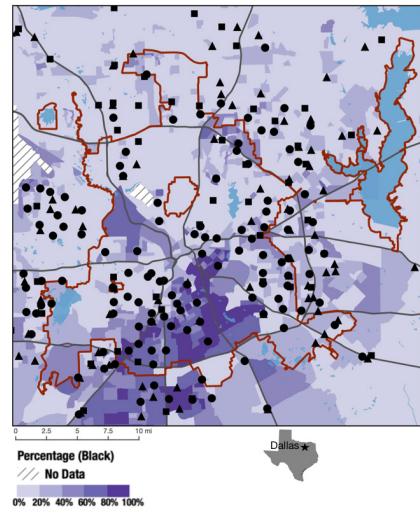
Note: 2018 Poverty Threshold to \$25,100 for a family of four.

Data: US Census, 2013-2017 ACS 5-Year Block Group Estimates; Dollar General, Dollar Tree, Family Dollar store locators. Institute for Local Self Reliance (2019)

Households Below the Poverty Line



Population Identifying as Black or African American, Alone or in Combination



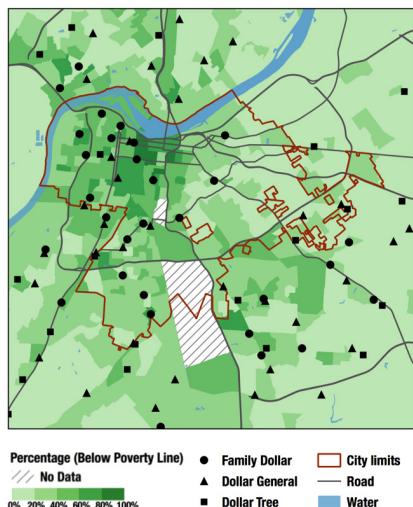
Louisville, Ky.

On Louisville's northwest side, grocery store closures and food insecurity have hit the city's low-income and African American residents particularly hard. Dollar stores have capitalized on this opening and cropped up across the city. By 2019, Louisville had 28 dollar stores operated by the three major brands within its city limits, and a total of 83 across the metro region shown here.

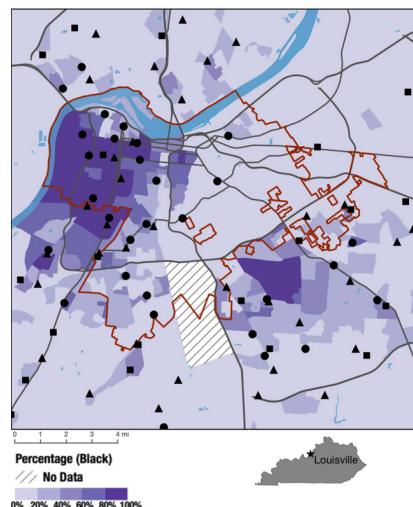
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Households Below the Poverty Line



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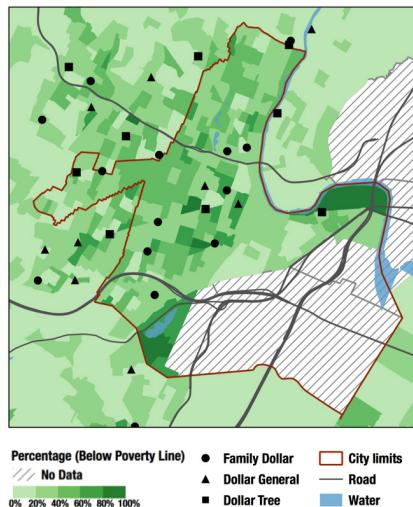
Newark, N.J.

Dollar stores have been multiplying in Newark. By 2019, the New Jersey city claimed 12 stores within its boundaries and 32 dollar stores across the region we mapped.

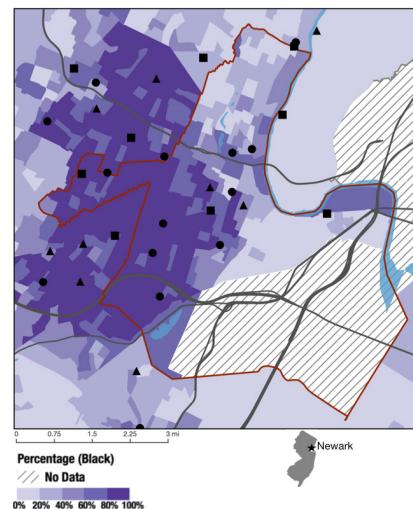
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Households Below the Poverty Line



Population Identifying as Black or African American, Alone or in Combination



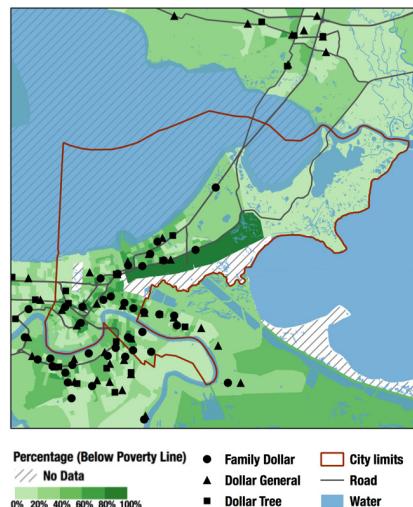
New Orleans, La.

Following the devastation caused by Hurricane Katrina and levee failures in 2005, chain dollar stores multiplied across New Orleans. They particularly targeted New Orleans East, a predominantly African American neighborhood on the city's east side.

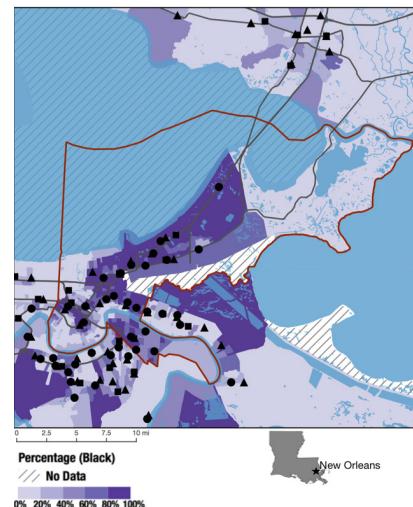
Note: 2018 Poverty Threshold to \$25,100 for a family of four.

Data: US Census, 2013-2017 ACS 5-Year Block Group Estimates; Dollar General, Dollar Tree, Family Dollar store locators. Institute for Local Self Reliance (2019)

Households Below the Poverty Line



Population Identifying as Black or African American, Alone or in Combination



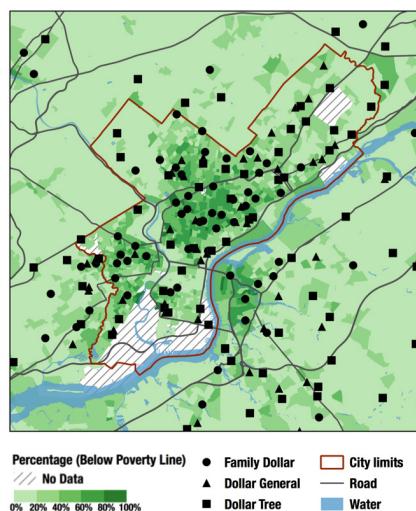
Philadelphia, PA

There are more than 100 dollar stores within the city of Philadelphia and nearly 200 across the metro area. Dollar stores are now “everywhere” and have become “more ubiquitous than Wawas,” a common regional gas station chain, reported *The Philadelphia Inquirer*.

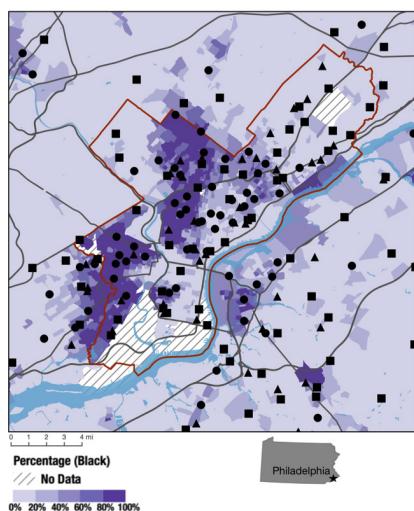
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Households Below the Poverty Line



Population Identifying as Black or African American, Alone or in Combination



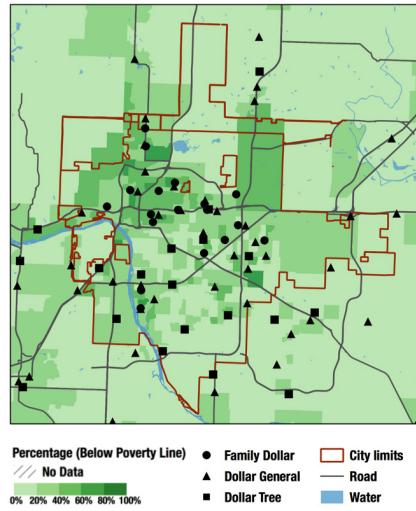
Tulsa, Okla.

Dollar stores have largely side-stepped the city's more affluent, white neighborhoods, plaguing areas with what City Councilor Vanessa Hall-Harper describes as a “proliferation” of dollar stores – in both a greater percentage of households living in poverty and more African American residents. In 2019, Tulsa had 52 dollar stores within its city limits and 81 within the extent illustrated by our map.

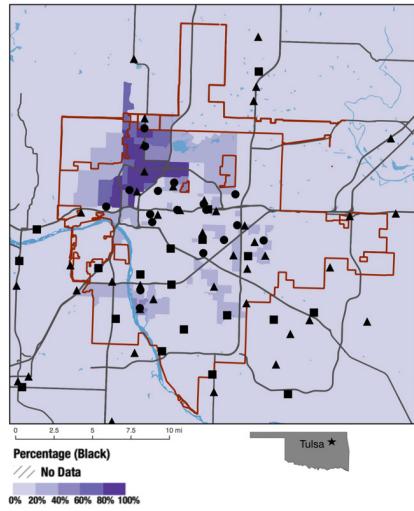
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Data: US Census, 2013-2017 ACS 5-Year Block Group Estimates; Dollar General, Dollar Tree, Family Dollar store locators. Institute for Local Self Reliance (2019)

Households Below the Poverty Line



Population Identifying as Black or African American, Alone or in Combination



APPENDIX TWO

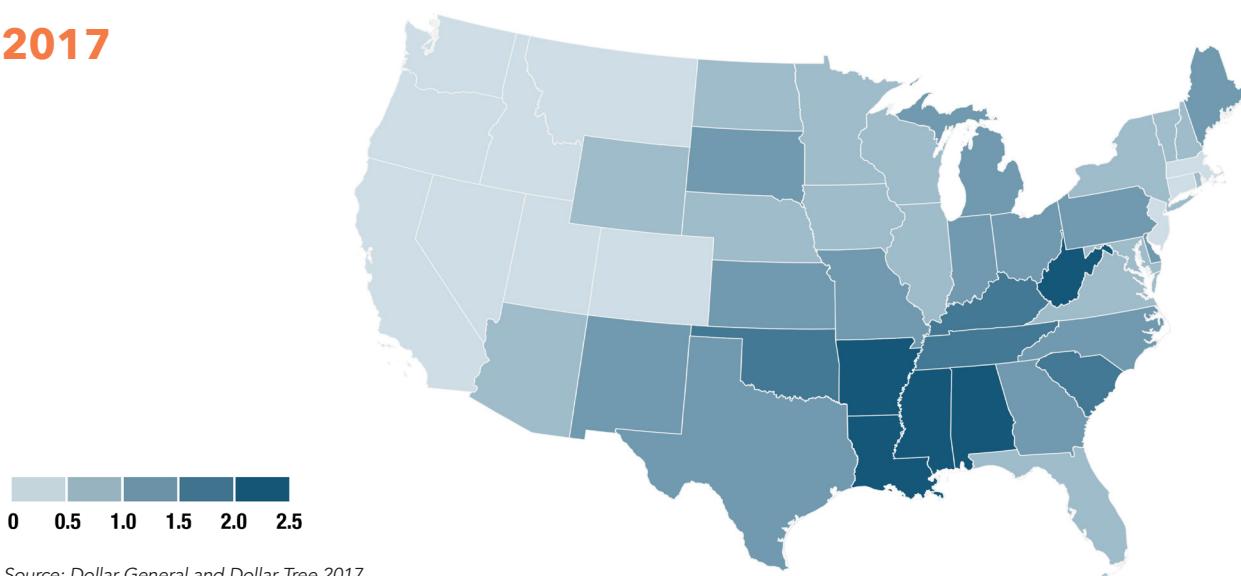
Density of Chain Dollar Stores

Over the last four years, Dollar General has added about 3,500 locations – opening more than 100 new stores across New York, nearly 200 in Ohio, and 300 in Texas – bringing its roster to more than 18,000 stores and cementing its status as the largest retailer in the U.S. by number of locations. This year, Dollar General and Dollar Tree together are on track to open 1,700 new stores. And both report that they have identified many more locations; in the coming years, they plan to grow their combined empires to more than 51,000 outlets.

Number of Dollar Stores per 10,000 Residents by State

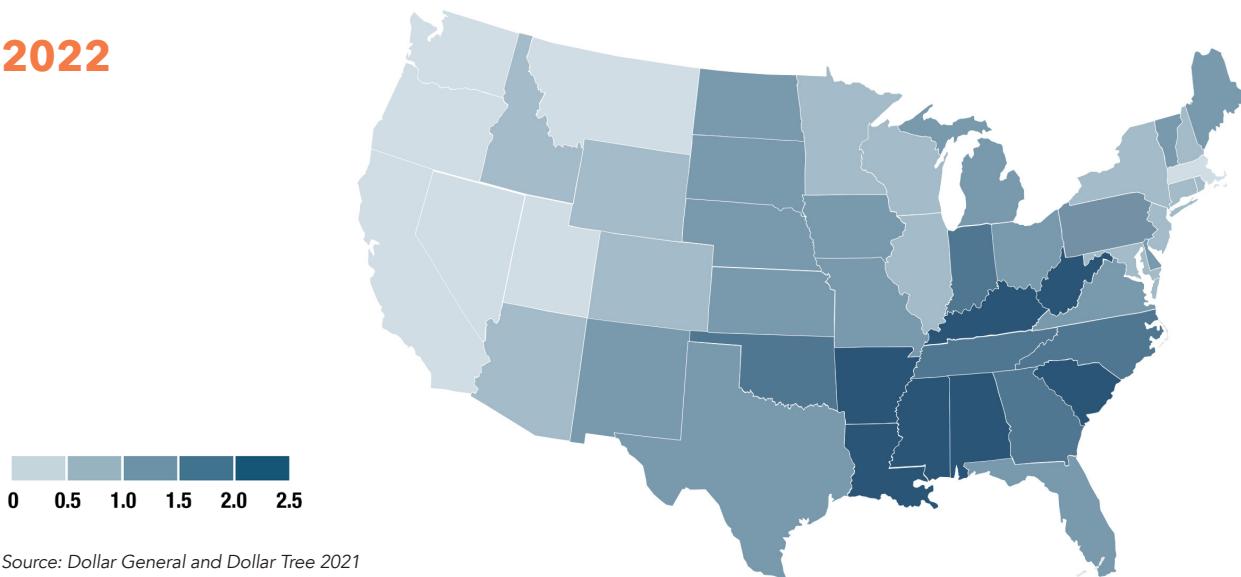
Includes Dollar General, Dollar Tree, and Family Dollar locations

2017



Source: Dollar General and Dollar Tree 2017 Annual Reports

2022



Source: Dollar General and Dollar Tree 2021 Annual Reports

Notes

1. See, for example: Rachel Siegel, "As Dollar Stores Move Into Cities, Residents See a Steep Downside," *The Washington Post*, February 15, 2019; Lester Holt, "Dollar Stores on the Rise, Sparking Concerns Over Healthy Food Access (Part 1)," *NBC News*, May 9, 2019.
2. Morgan Phillips, "The Vision Behind a North Tulsa Grocery Store," *Tulsa People*, May 17, 2021.
3. Jerry Shannon, "Dollar Stores, Retailer Redlining, and the Metropolitan Geographies of Precarious Consumption," *Annals of the American Association of Geographers*, 2021.
4. Marie Donahue and Hannah Bonestroo, "Maps Show Alarming Pattern of Dollar Stores' Spread in U.S. Cities," Institute for Local Self-Reliance, February 20, 2019.
5. Nathaniel Meyerson, "Nearly 1 in 3 New Stores Opening in the US is a Dollar General," *CNN Business*, May 6, 2021.
6. P. Smith, "Number of Dollar Stores in the United States from 2017 to 2021," Statista, March 4, 2022; "Number of McDonald's Locations in the United States in 2022," ScrapeHero, August 29, 2022; "Number of Starbucks Locations in the United States in 2022," ScrapeHero, August 8, 2022; "Number of Target Locations in the United States in 2022," ScrapeHero, August 29, 2022; "Number of Walmart Locations in the United States in 2022," ScrapeHero, September 5, 2022.
7. Based on our calculations, using data from dollar store chains' online store directories.
8. Dollar General Annual Report, 2021.
9. Dollar Tree Annual Report, 2021.
10. Projections in the Annual Reports of Dollar General and Dollar Tree, and Dollar General's "2020 Vision: Invest for Growth" presentation.
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