



**NORTHWESTERN
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Neighbor Carts Program Evaluation

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Executive Summary

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Launched in 2012, the Neighbor Carts Program promotes the opportunity for economic success and healthy food access through an unconventional retail structure. Neighbor Carts are independent food carts selling uncut fruit, vegetables, and nuts in areas throughout Chicago. Part food access intervention and part workforce initiative, cart vendors are individuals who may have experienced homelessness, addiction, incarceration, or other barriers to employment. Detailed analysis of pilot year data focuses on the relationship between each cart and its surrounding community by examining consumer behavior patterns, workforce development efforts, and the economic sustainability of the model. Major findings include 1) carts closest in proximity to train lines reached a broader customer base; 2) diverse groups of people accessed the carts; 3) vendors were adequately prepared; and 4) community leaders support the program.

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Community Health Snapshot

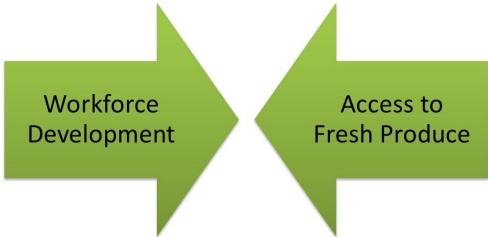


“The food access problem is vast”

-Jennifer Herd, Senior Health Policy Analyst, CDPH

- ◆ More than half of adults in Chicago and one third of children are overweight or obese (CLOCC 2008).
- ◆ 77% of adults in Chicago eat less than five servings of fruits and vegetables per day (CLOCC 2008).
- ◆ Roughly 384,000 people in the city of Chicago live in low access food communities (Healthy Chicago 2012).
- ◆ A higher percentage of high school students in Chicago do not eat fresh produce compared with national figures: 44.9% versus 32.8% (Profile of Health and Health Resources within Chicago’s 77 Community Areas).

The latest Chicago Department of Public Health (CDPH) policy brief identified a number of initiatives with a food access focus, including: grocery store expansion projects, healthy corner store programs, promotion of local farmers markets and healthy food buses, supportive urban agriculture ordinances, and modifying Chicago Public School (CPS) wellness policies, among others.



Workforce Development Snapshot

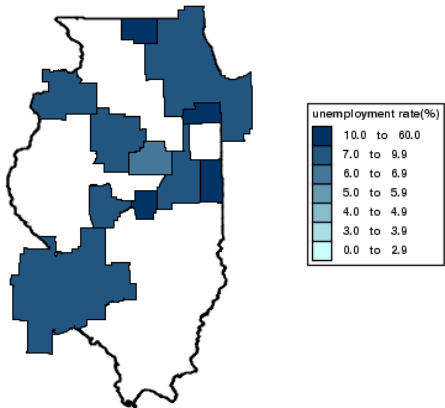
In 2009, 22% of people in the City of Chicago were living below the poverty line (A Profile of Health and Health Resources within Chicago’s 77 Community Areas).

Chicago unemployment rate for December 2012– 8.6

National unemployment rate for December 2012– 7.8

Education and human capital investments may contribute up to one third of economic growth in the US (Griliches, 1997). However, in the current economic climate, many job training programs are experiencing budget cuts. Additionally, 52% of Illinois residents living in extreme poverty are not expected to readily find employment (2010 Hartland Report on Illinois Poverty).

Unemployment rates by MSA, Illinois December 2012



Bureau of Labor Statistics, Accessed Feb 13, 2013

Neighbor Carts Program Background

“We want to create an interactive and engaging retail experience.”

John Piercy, CEO, Neighbor Capital

Neighbor Capital is a social enterprise that “collaboratively develops sustainable solutions that empower communities by uniting social impact with market opportunity.” The Neighbor Carts program is one of several initiatives of Neighbor Capital focusing on underserved communities. Neighbor Capital provides infrastructure, training, and support to vendors.

Mission: to empower low-wealth individuals and communities through socially benefitting retail business

Focus:

- Improve health and wellness for individuals in traditionally underserved communities
- Improve and create jobs for individuals with employment barriers
- Improve the environment and promote healthy green space



NEIGHBOR CAPITAL

Vision: to be a leading example of the power of social business to create scalable enterprises that transform the lives of lower wealth individuals and communities

Role of Chicago Department of Public Health

The Chicago Department of Public Health has made a goal of ensuring the availability of healthy and affordable produce in low food access communities (Healthy Chicago 2013).

On June 6 2012, Chicago City Council approved an ordinance to allow the sale of uncut fruits and vegetables from mobile outdoor food carts. At least 50% of each merchant’s carts must operate in underserved areas.

Mobile food carts coming soon to Chicago’s ‘food desert’

BY FRAN SPIELMAN City Hall Reporter fspielman@suntimes.com June 6, 2012 5:00PM

Produce stands legalized in Chicago

City Council authorizes licenses for movable outdoor fruit and vegetable carts

June 06, 2012 | By Monica Eng, Chicago Tribune reporter

New Chicago mobile food street vendor ordinance impacts employment and community

Additional Partner: StreetWise

StreetWise is a social service organization that shares a similar mission with Neighbor Capital and provides a range of services to men and women facing homelessness to assist in finding employment and maintaining personal stability. The StreetWise magazine is a weekly publication that raises awareness to poverty and homelessness issues, while providing magazine vendors with a financial opportunity. This skillset required to sell StreetWise magazines easily transfers to selling fruit at Neighbor Carts, making their partnership with Neighbor Capital a natural fit.

In collaboration with Neighbor Capital, StreetWise provides assistance in the following domains:

- **Recruitment:** identifying candidates from workforce agencies
- **Job Readiness:** screening, pre-employment support, and job readiness training for all candidates
- **Vendor Support:** providing social services assessment and support (employment retention, housing stability, financial literacy)



Additional Partner: Hope House

“We want to bring hope to the community”

- Wayne “Coach” Gordon

Hope House is a sober living facility for men who previously struggled with substance abuse/addiction or incarceration and is an extension of Lawndale Community Church, where their focus is a “commitment to compassionately renew lives and revitalize our community.”

To make a successful transition to back into society, Hope House provides men with counseling, housing, and job readiness training and responsibility required to be a small business owner.

Operating within Hope House, Hope Fruit evolved from a smaller operation selling pre-packaged bags of fruit during the morning rush hour to their partnership with Neighbor Capital, sourcing two of the first Neighbor Carts. Hope House encourages vendors to transition from Hope Fruit vendors to small business entrepreneurs.



Overview of Evaluation Plan

The first step in the evaluation of a new program is examining the process in which it is implemented. A process evaluation includes documenting the extent to which the program was implemented as designed, serves the target populations, and operates as expected. (Fitzpatrick et al, 2004) There are two components of this process evaluation:

1. Service Utilization: Is the intended population receiving the intended services?

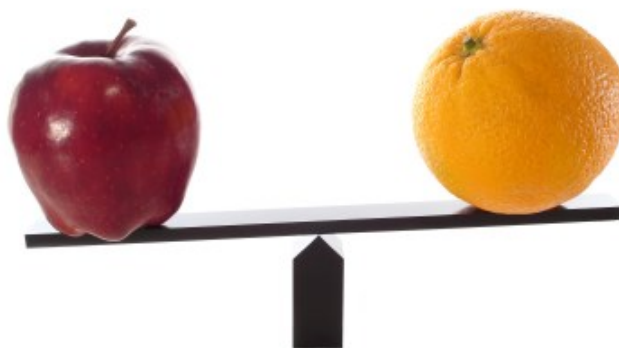
Assessed through conducting interviews with produce buyers, cart vendors, and stand observations

2. Program Organization: Did the initial program plan work?

Assessed though conducting interviews with cart vendors and key community informants

The research questions that guided the program evaluation for this pilot year:

- ⇒ Was the Neighbor Carts Program implemented as planned?
- ⇒ Were vendors properly trained?
- ⇒ Is this program a successful model for workforce development?
- ⇒ Did the stands increase availability of fresh produce?
- ⇒ Does the increased availability of fresh produce increase fresh produce consumption of cart shoppers?



Data Collection Tools

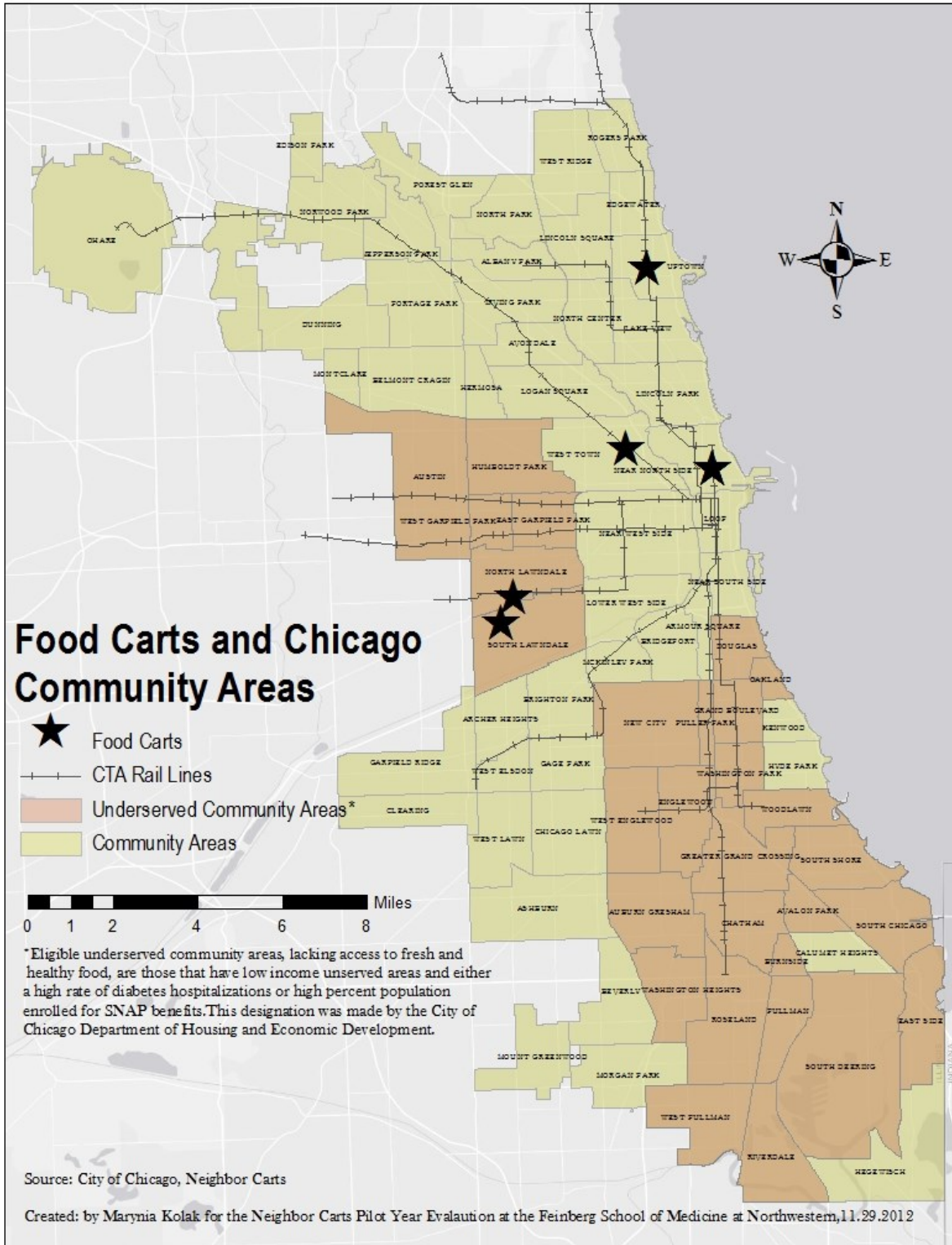


Data collection occurred from May 2012 to January 2013, and included the first five carts to launch. In total, seven carts participated in 2012.

| | Number Collected | Information Collected | Example Items |
|---|------------------|--|---|
| Stand Observation | 40 | date; time; weather; buyer/non-buyer tally; area assets; available produce; produce pricing; produce quality | <ul style="list-style-type: none"> I can clearly see all of the available produce The vendor has pre-packaged/groups of produce for sale Overall freshness of the produce [rating] Overall display or presentation of the produce [rating] Is the vendor doing anything innovative to boost sales? |
| Stand Vendor Interview (conducted twice: before and after implementation) | 16 | background; training; development training; produce; sales; customers; location and hours; education and nutrition development | <ul style="list-style-type: none"> Do you have any prior experience in food or business? Do you feel prepared to start? Where do you see yourself in five years? Do you feel you have adequate support now? How do you decide what to sell? What is your busiest time of day? Do you provide customers with nutrition information, recipes, cooking instructions, etc.? |
| Produce Buyer Interview | 80 | demographics; eating and shopping habits; experience at carts | <ul style="list-style-type: none"> How many total servings of produce (fruits and vegetables) do you eat on an average day? How many times have you bought produce from the Neighbor Cart? Which of the following are reasons you shop at Neighbor Carts? [check all that apply] |
| Key Informant Interview | 5 | Neighborhood characteristics, program context, community assets | <ul style="list-style-type: none"> What do you see as major successes of the program? What recommendations do you have to improve the program? |

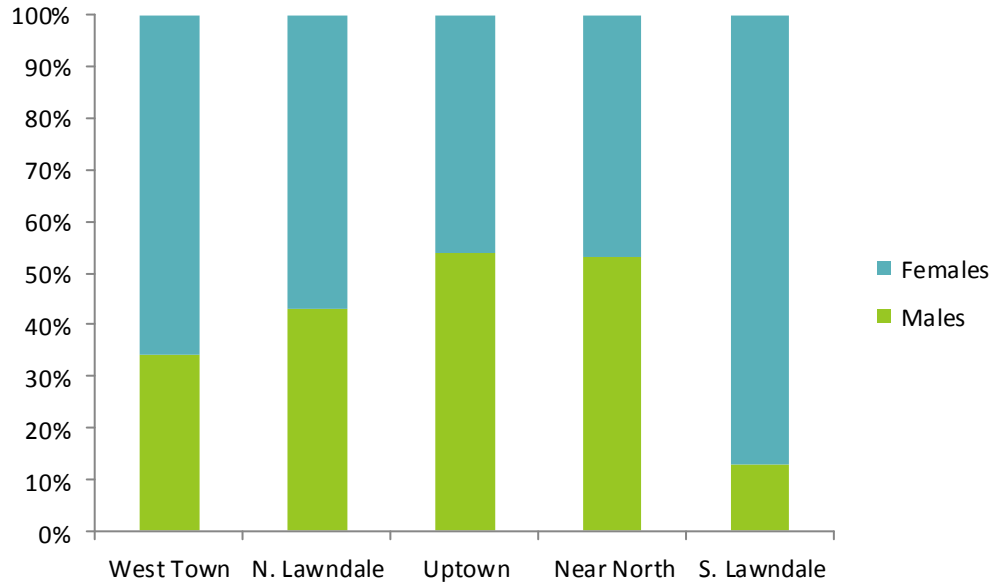
Service Area

Data was collected for the first five carts to launch in 2012. Carts were located in the following community areas: Uptown, Near North Side, West Town, North Lawndale, and South Lawndale.

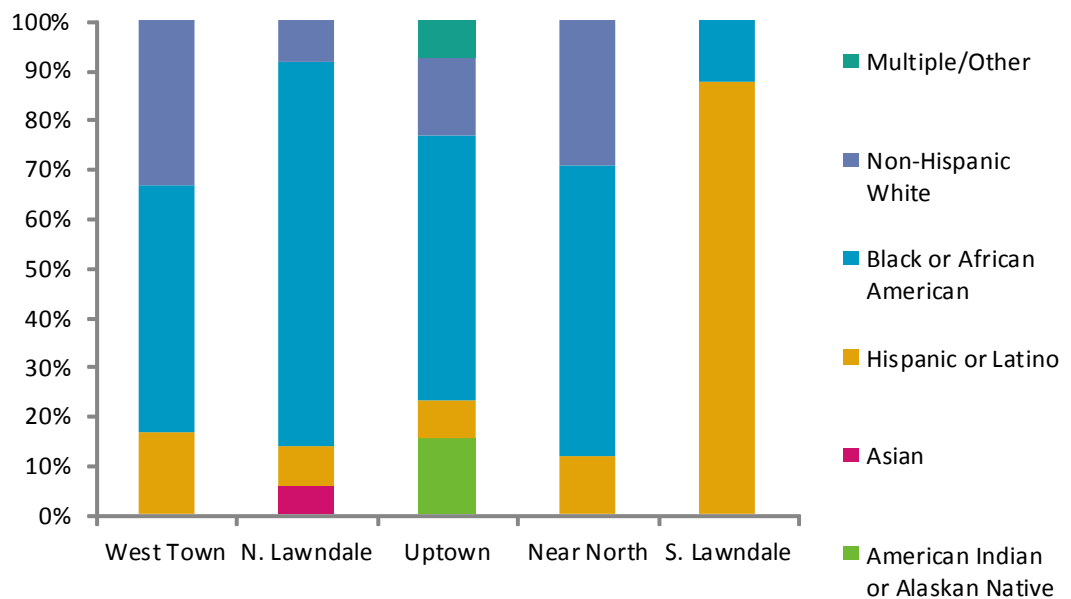


Customer Characteristics

Gender

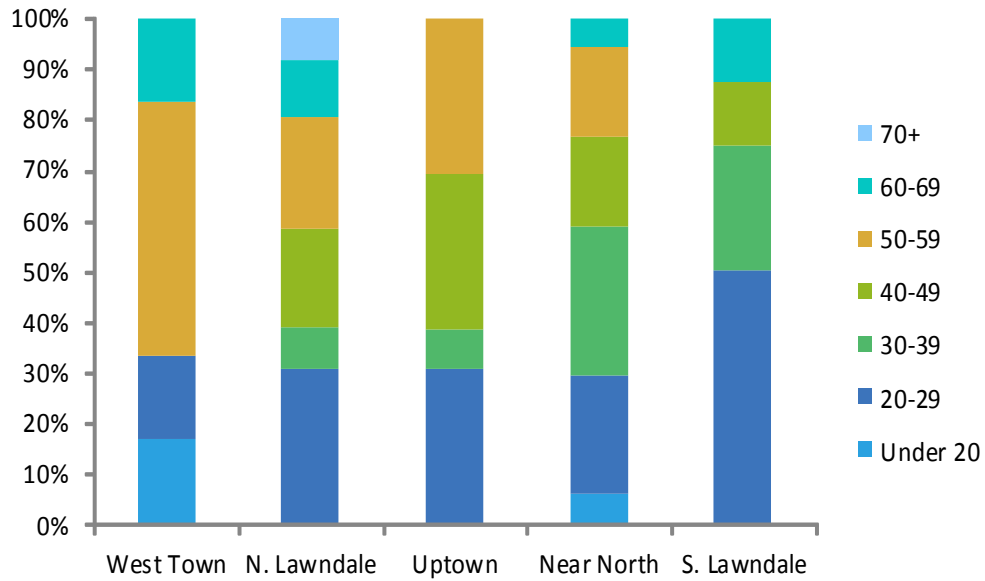


Ethnicity

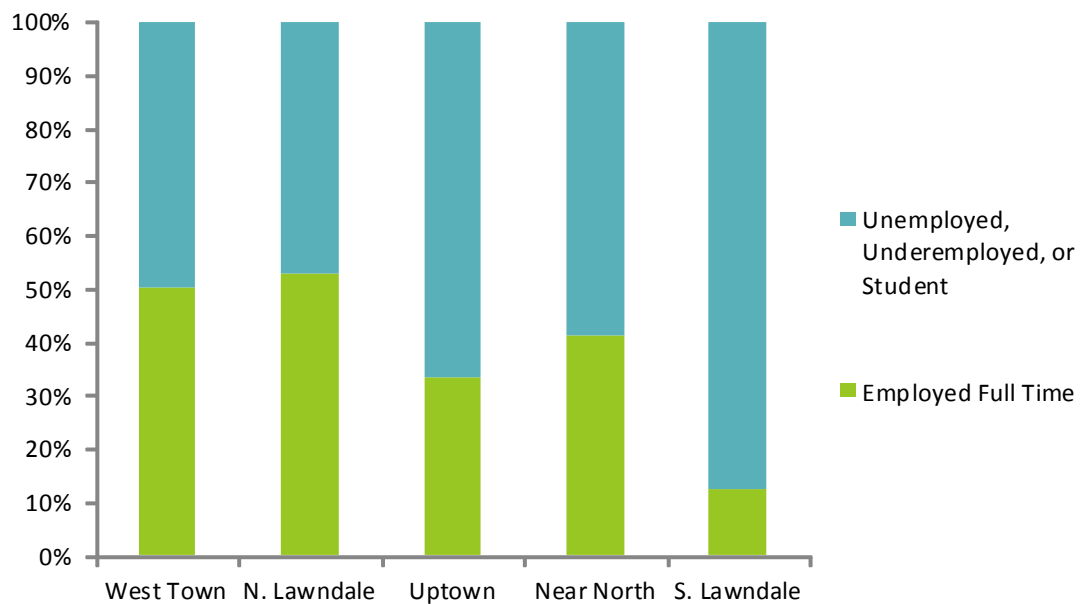


Customer Characteristics

Age



Employment Status



West Town Cart

Launch date: May 1, 2012

Cart location: Ashland Ave and Division St

Neighborhood characteristics: Wicker Park is within the West Town community area and is known for active local art and independent business communities. West Town was not an underserved area as defined by the city ordinances.

Closest community assets:

- Illinois Department of Human Services
- Planned Parenthood: Wicker Park Center
- Holy Trinity High School



Cart-Specific Findings

This cart had a lot of regular customers and benefitted from establishing a customer base early in the summer. Due to construction, this location was forced to close for part of the season as the licenses don't allow for carts to move outside a designated area.

The local alderman is supportive of the Neighbor Carts program for its contribution to the food environment. The grassroots qualities of the Neighbor Carts program fit nicely within the surrounding community.

West Town Community Area

| | |
|--------------------|--------|
| Population | 86,354 |
| Non-Hispanic White | 55.5% |
| Non-Hispanic Black | 9.2% |
| Hispanic/ Latino | 30.2% |
| Non-Hispanic Asian | 3.6% |

(A Profile of Health and Health Resources within Chicago's 77 Community Areas)

Vendor Profile

Vendor had previous experience selling produce and operated with a peddler's license. He eventually transitioned to from operating the West Town cart to a new role as part of the Neighbor Capital team in product procurement. He also served as a new vendor liaison and assisted in vendor training.



North Lawndale Cart

Launch date: May 1, 2012

Cart location: S Hamlin Ave and W Ogden Ave

Neighborhood characteristics: North Lawndale is on the west side of the city, just south of the Eisenhower Expressway. North Lawndale was one of the communities defined as under-served by city ordinances.

Closest community assets:

- Hope House
- Lawndale Christian Health Center
- Lawndale Community Church

North Lawndale Community Area

| | |
|--------------------|--------|
| Population | 36,243 |
| Non-Hispanic White | 1.8% |
| Non-Hispanic Black | 91.3% |
| Hispanic/ Latino | 5.5% |
| Non-Hispanic Asian | 0.5% |

(A Profile of Health and Health Resources within Chicago's 77 Community Areas)

Cart-Specific Findings



Several shoppers reported their zip code as outside of Chicago city limits, coming from as far as Joliet and Waukegan. Throughout the 2012 season, there was construction taking place on Ogden Avenue. Construction workers frequented the cart for lunch and the cart also benefitted from foot traffic to the nearby Lawndale Christian Health Center. This cart is located .3 miles from the closest CTA train station.

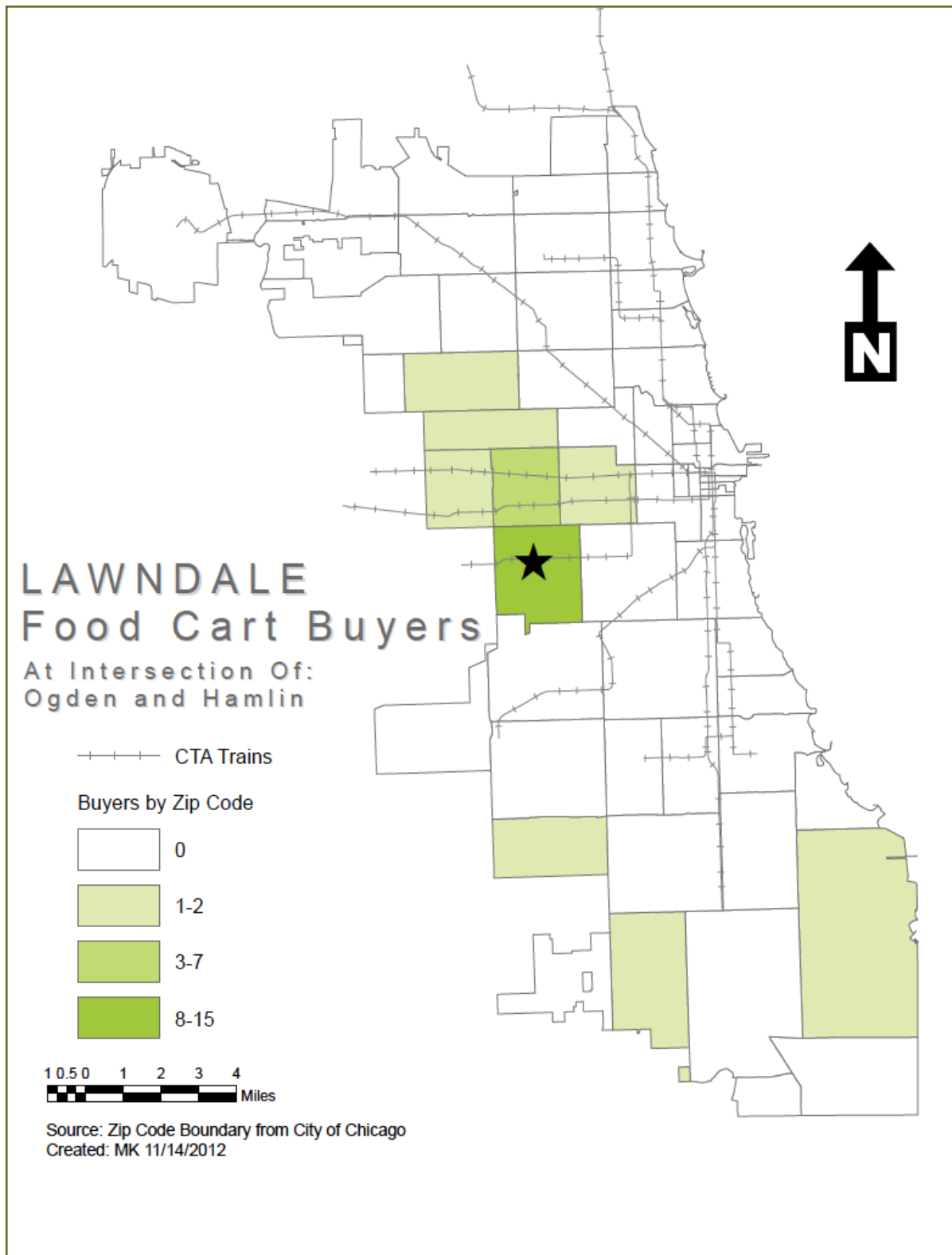


Vendor Profile

The primary vendor for the North Lawndale cart is a graduate of the Hope House program and remains active within the organization. The greatest marketing tool for the North Lawndale cart was marketing activity and promotion within Lawndale Community Church and its affiliate organizations.

North Lawndale Service Area

A random sample of produce buyer origin is mapped below. There were also several customers who resided outside Chicago city limits (not represented on the map).



Uptown Cart

Launch date: August 15, 2012

Cart location: Broadway Ave and Wilson Ave

Neighborhood characteristics: Uptown consists of a high percentage of renter-occupied homes with a high percentage of resident money spent outside the ward. Uptown was not one of the underserved areas as defined by city ordinances.

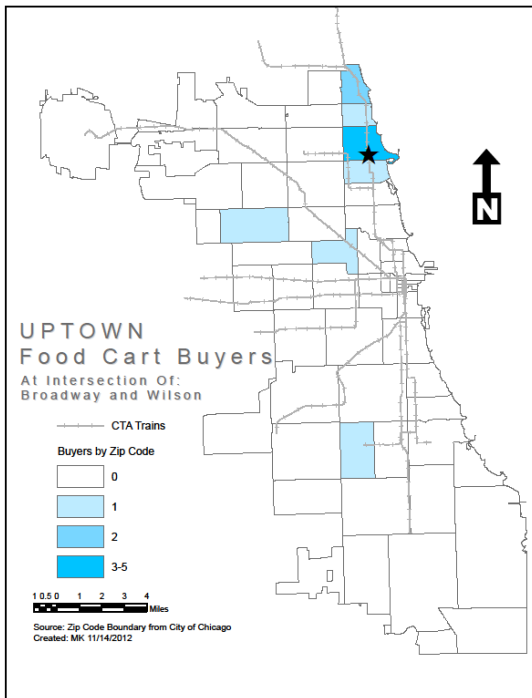
Closest community assets:

- StreetWise Headquarters
- Truman college

Uptown Community Area

| | |
|--------------------|---------------|
| Population | 60,070 |
| Non-Hispanic White | 52.1% |
| Non-Hispanic Black | 18.9% |
| Hispanic/ Latino | 15.9% |
| Non-Hispanic Asian | 11.0% |

(A Profile of Health and Health Resources within Chicago's 77 Community Areas)



Vendor Profile

In the beginning, this cart served as a training cart for multiple vendors identified through StreetWise. This cart provided an opportunity for vendors to decide whether or not they wanted to pursue operating a cart full-time. Eventually this cart transitioned to a single vendor affiliated with StreetWise.

In total, 13 vendors trained at the Uptown cart.

Cart-Specific Findings

Uptown is a very diverse neighborhood. The intersection this cart was located at experiences high amounts of crime and street activity. The alderman of this ward is a known supporter of the Neighbor Carts Program and requested a food cart at this location because he believes it encouraged people to eat more fruits and vegetables and also functioned as a crime deterrent.



“The cart is a constant reminder to eat healthy.”

-Alderman James Cappleman



Near North Cart

Launch date: August 27, 2012

Cart location: Chicago Ave and State St

Neighborhood characteristics: The Streeterville neighborhood within the Near North community area is a high-traffic area for tourists, students, commuters, and residents. Near North was not an underserved area as defined by city ordinances.

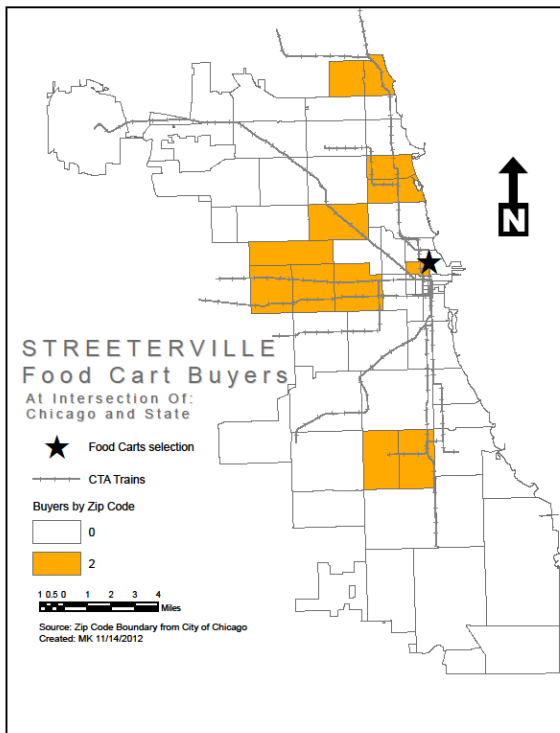
Closest community assets:

- YMCA of Metropolitan Chicago
- Holy Name Cathedral
- Loyola University Chicago

Near North Side Community Area

| | |
|--------------------|--------|
| Population | 77,412 |
| Non-Hispanic White | 72.2% |
| Non-Hispanic Black | 12.9% |
| Hispanic/ Latino | 5.1% |
| Non-Hispanic Asian | 8.2% |

(A Profile of Health and Health Resources within Chicago's 77 Community Areas)



Cart-Specific Findings

Located directly above the Chicago Avenue red line CTA stop, this is a high-traffic area for tourists and commuters. To accommodate this customer base, vendors created to-go cups consisting of a grape and strawberry mix. These cups were well-received by customers and would frequently sell out.

Customers came from a range of different community areas, most of which were located off of a major train line coming into the city. Though this cart was not in an underserved area as designated by the city ordinance, map data of customer origin suggests that this cart still served low-resource/underserved communities.

Vendor Profile

This vendor is also affiliated with Hope Fruit. He trained at the North Lawndale cart and then advanced to independently running his own cart when the Near North location opened.



South Lawndale Cart

Launch date: October 1, 2012

Cart location: S Komensky Ave and 26th Street

Neighborhood characteristics: Nearby are several mobile food trucks selling a variety of foods from produce to pork rinds (cueritos). South Lawndale was an underserved area as defined by city ordinances.

Closest community assets:

- La Luz Del Mundo
- St. Anthony Hospital

South Lawndale Community Area

| | |
|--------------------|---------------|
| Population | 77,324 |
| Non-Hispanic White | 4.1% |
| Non-Hispanic Black | 13.5% |
| Hispanic/ Latino | 82.1% |
| Non-Hispanic Asian | 0.1% |

(A Profile of Health and Health Resources within Chicago's 77 Community Areas)



Cart-Specific Findings

This cart had a unique price structure, different from all other carts. Instead of pricing items per piece, the vendor chose to offer a mix of fruits and vegetables at the same price (\$1), as shown in the picture below. This pricing structure worked well from a customer standpoint; however the South Lawndale cart had a high volume of sales but the smallest profit margin.

100% of shopper surveys at this cart reported price as the most important reason to shop there. All shoppers surveyed were from the 60623 zip code. This cart is furthest from a train line of all neighbor carts at .7 miles away from the closest pink line station.

Vendor Profile

The vendor at the South Lawndale cart transitioned from the West Town cart to the current location when the permit was approved later in the season. Since the vendor also lives in this neighborhood, she remains in touch with her client base and community partners. She is bilingual and can interact with English and Spanish-speaking customers—a necessity for this neighborhood.



Overall Findings

Each cart offered varying selections of fruits and vegetables, and at different price points. Vendors identified market demand, wholesale price, and time of sale all as factors in price structure and inventory planning decisions. Prices changed week to week and sometimes day to day.



Vendors identified bananas as a best-seller across all carts

Bananas attracted customers to the cart more than any other fruit or vegetable, where they went on to purchase other items after stopping at the cart. All of the top five best-sellers were fruit, which buyers identified as a better choice to grab on the go.

Unit pricing is based on a standard unit developed by the evaluation team, consistent across each cart, and differing for each product. Apples, oranges, and similar items were priced per piece; grapes were priced per bag, and strawberries, blueberries, and raspberries were priced by the box. Data was collected via the stand observation instrument created for this project (n=40).



Pricing Data

| | Average Price | Availability |
|--------------|---------------|--------------|
| Apple | \$0.47 | 85% |
| Avocado | \$2.23 | 25% |
| Banana | \$0.30 | 90% |
| Blueberries | \$1.75 | 10% |
| Cucumber | \$0.57 | 35% |
| Cherries | \$3.75 | 15% |
| Grapes | \$3.46 | 68% |
| Nectarines | \$0.46 | 38% |
| Mango | \$1.04 | 43% |
| Pear | \$0.46 | 58% |
| Peach | \$0.56 | 48% |
| Plum | \$0.41 | 58% |
| Orange | \$0.47 | 90% |
| Onion | \$0.32 | 10% |
| Potato | \$0.15 | 5% |
| Tomatoes | \$0.25 | 30% |
| Raspberries | \$1.80 | 13% |
| Strawberries | \$2.30 | 68% |
| Papaya | \$2.71 | 15% |
| Cantaloupe | \$2.05 | 25% |
| Watermelon | \$5.22 | 23% |
| Lemon | \$0.27 | 33% |
| Lime | \$0.20 | 10% |
| Jalapenos | \$0.57 | 13% |
| Mixed Nuts | \$1.00 | 20% |
| Pineapple | \$2.36 | 53% |
| Grapefruit | \$0.64 | 30% |
| Tangerine | \$0.33 | 20% |
| Pomegranate | \$0.92 | 28% |
| Figs | \$1.67 | 8% |
| Blackberries | \$1.45 | 25% |
| Kiwi | \$0.27 | 25% |
| Honeydew | \$2.25 | 5% |
| Apricot | \$0.33 | 3% |
| Corn | \$0.20 | 3% |
| Carrots | \$1.00 | 8% |
| Celery | \$1.25 | 5% |

Overall Findings

According to customer surveys (n=80), the top reasons to shop at Neighbor Carts were:

1. Convenience
2. Freshness of produce
3. Customer service

Other reasons included: price, variety of produce, to increase intake of fruits and vegetables, and to support local business.



Customer Comments:

"I like what they're doing"

"Love it! We need more"

"Don't stop in the winter"

"I would like more vegetables"

"These guys are great—the only thing we need is more carts."

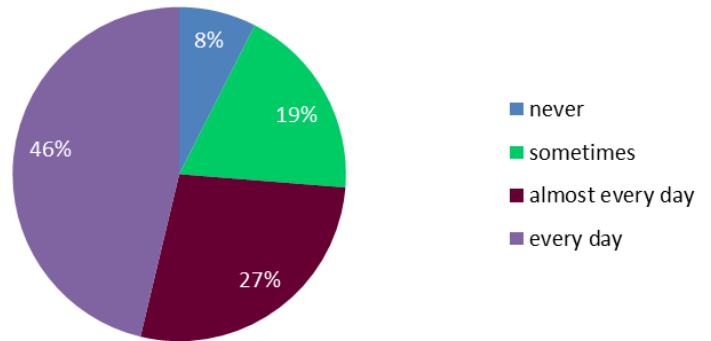
"great selection"

"Debit card access would be nice"

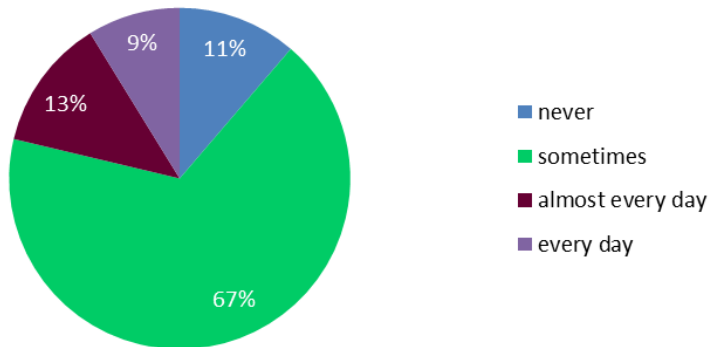
Overall Findings

The following represents data collected from the buyer shopper survey (n=80) via self-report across all carts.

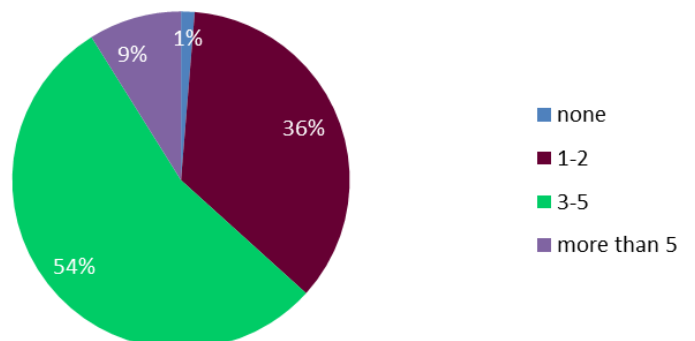
How often do you cook at home?



How often do you get take-out?

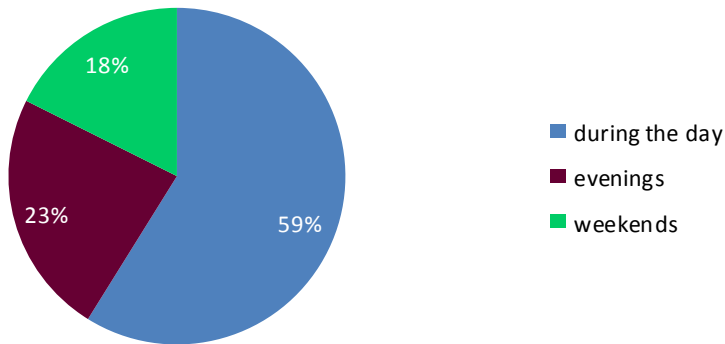


On an average day, how many servings of fruit and vegetables do you eat?

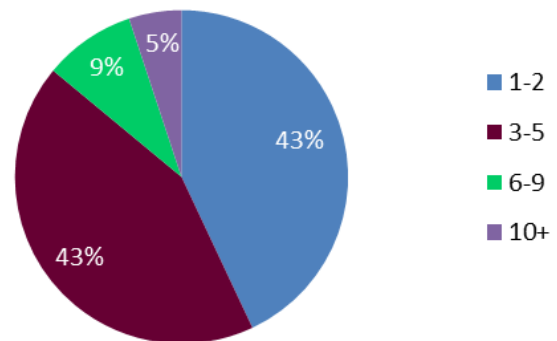


Overall Findings

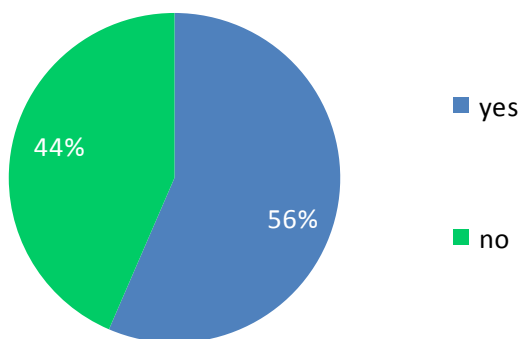
When do you typically shop for produce?



Number of items purchased from the cart at time of survey



Do you own a car?



Focus on Vendors



Each vendor experimented with different hours of operation and customized their schedule to fit market demand. Some carts tried selling on Saturdays although most operated Monday through Friday between 7 a.m. and 5 p.m.

Overall, every vendor interviewed felt they received adequate training. Suggestions include providing more nutrition information specific to chronic health conditions like diabetes.

Vendors expressed mixed opinions regarding electronic benefit terminal (EBT) machines that accept credit cards or Illinois LINK Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps. Usage fees to operate these machines cut into profits by about 27%.

Studies suggest workforce development programs typically take 2-3 years before training impacts turn positive (Dyke et al., 2006). Further data collection is necessary before determining the success and stability of the economic component of the Neighbor Carts model.

Vendor Comments:

“If a person buys fruit from me, it does them good and it does me good”

“I paid a high cost to a low life—but now I feel like I’m right where I should be.”

“What I like about this most is the interactivity. I can talk to young people about fruit.”

“This is teaching me to deal with supply and demand, laying the groundwork for business.”

“Living a long time is a goal of mine, so I learned nutrition.”

“It’s easy to relate to people—I’m a good salesman”



Recommendations for Next Year

1. Encourage cart placement next to community based organizations and public transportation lines.
2. Explore the possibility of allowing carts to operate in enclosed spaces during the winter months. Vendors would then be able to maintain regular customers and continue gainful employment for year-round.
3. Evaluate whether or not presence of a food cart is a successful crime deterrent.
4. Engage in more marketing activities to promote greater program awareness.
5. Explore subsidizing the cost of EBT terminals to increase profitability for vendors and utilization by low-income customers.
6. Provide nutritional guidelines as well as cooking/storage instructions for customers.

Many workforce development initiatives are measured over too short a timeframe to evaluate the long-term effectiveness. Crime-reduction, food access, and health outcome measures will require longitudinal evaluation continuing beyond the pilot year. Building upon this report, we recommend further research as the program expands in subsequent years.



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