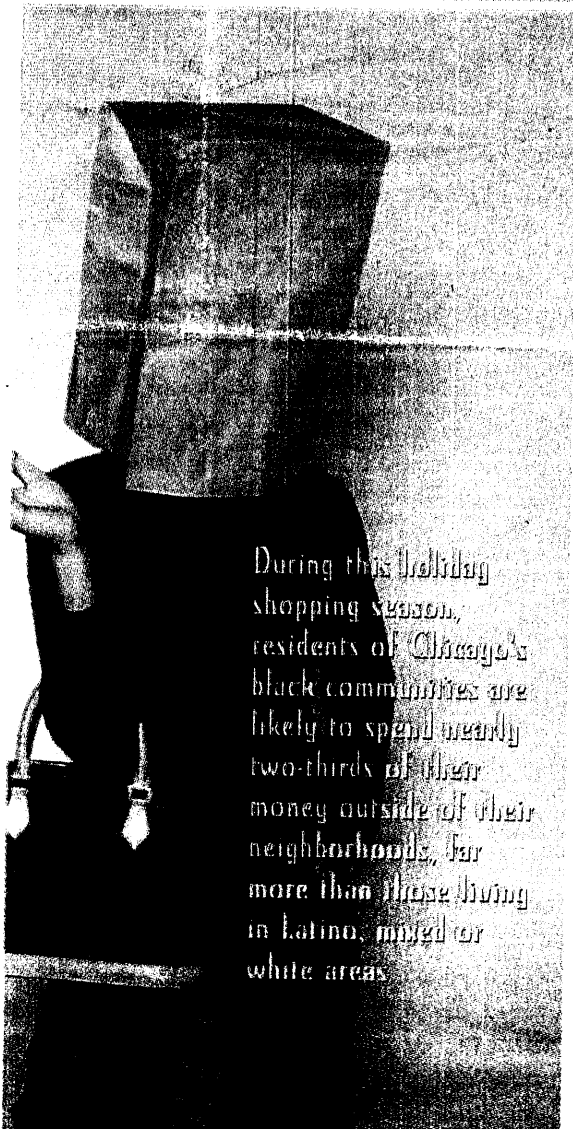


Bottom Line



by
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Paper bag test: Retailers shun big bucks in Black neighborhoods



During this holiday shopping season, residents of Chicago's black communities are likely to spend nearly two-thirds of their money outside of their neighborhoods, far more than those living in Latino, mixed or white areas.

It's 7:45 a.m. Tina Saphir has been awake and milling about for hours. She glances at the corner of her vestibule at a heap of recently purchased merchandise. Everything must go. Either it didn't fit or didn't work. But the mother of three decides that it must wait for another day.

Today, she's headed on a road trip. It's one that doesn't happen as often as she'd like because of time and distance. But with the minivan gassed up and the trunk full of beverages, she's just about ready to go. Her destination: the grocery store.

It will be late afternoon by the time Saphir returns. She'll spend a majority of the next four hours driving to and around a mostly white North Side neighborhood searching for groceries and other items at stores she cannot find in her predominantly Black South Side neighborhood. "There's money on the South Side and nowhere to spend it," said Saphir, 36, an African American who lives with her husband and their three children in the Kenwood neighborhood.

During this holiday shopping season, residents of Chicago's Black communities are likely to

spend nearly two-thirds of their money outside of their neighborhoods, far more than those living in Latino, mixed or white areas, a *Chicago Reporter* analysis of consumer market information shows.

In Chicago, the rate of major retailers per 10,000 residents is nearly three times higher in white areas than in Black areas, according to the analysis. Some Black neighborhoods are home to far fewer retailers than white neighborhoods even when their incomes are similar.

This means Blacks in Chicago are likely to spend more time, money and energy than whites when they buy gifts, groceries, clothes, tools and other items at stores located far from their homes. It also means Black neighborhoods lose out on billions of dollars in consumer spending each year that could help revitalize those areas. Furthermore, Chicago could be losing millions of dollars in sales tax revenue as many drive to south suburban Calumet City, Lansing and Evergreen Park, among others, to do their shopping.

The *Reporter* mapped nearly 900 Chicago addresses of companies that *Stores* listed as the

top-selling retailers in seven categories: department store, supermarket, apparel, home improvement, drug store, restaurant, and value retailer, such as Target. *Stores*, a monthly magazine of the National Retail Federation, the world's largest retail trade association, ranked the retail companies by their 2004 sales revenues.

The *Reporter* also examined consumer expenditures and retail sales figures for each of Chicago's 77 community areas. The data were provided by MetroEdge, a market research firm, for the city's department of planning. The *Reporter* defined Black and white communities as being at least two-thirds Black or white. Asian and Latino neighborhoods were at least 50 percent Asian or Latino.

The *Reporter* found:

- Residents of Black communities spend an estimated 64 percent of their consumer dollars, more than \$5.3 billion a year, outside of their neighborhoods.
- Among neighborhoods with median household earnings between \$40,000 and \$50,000 per capita, white areas have 47 percent more major retailers than Black areas.
- White neighborhoods have nearly eight times more apparel retailers than Black neighborhoods.
- There are three times more major retailers in communities with a median income greater than \$50,000 per capita than those where the median is less than \$30,000.

Retail consultants said major retailers tend to herd where others have gone. That's led to a dearth of retail options on the South and West sides. When a major retailer does consider those areas, however, they're confronted with other issues that prevent them from



Last year, Saphir, left, Jill White, 38, and others began carpooling to the North Side to share the burden of shopping at stores in their South Side neighborhoods. Chicago Reporter/Jason Rebiando

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opening stores there, such as their overall unfamiliarity with the neighborhoods and perceptions about crime, the consultants said.

"The perceptions are usually worse than the reality," said John C. Melaniphy III, formerly of Melaniphy and Associates, a North Side consulting firm

providing site selection and market assistance. "It's going to take time, but there is going to be more business."

In the meantime, Saphir has teamed with other South Siders who've agreed that the best way to get what they need from the stores they prefer, is to carpool to the North Side after dropping their children off at Murray Language

Academy in Hyde Park. That way, they can share the burden — and fuel costs — of driving across town.

Warmed by one of four remote-controlled fireplaces in her home, Saphir dresses 6-month-old Lael on the living room couch. She has gotten 5-year-old Ian off to school and is getting ready to drop 8-year-old Zoe off at Murray.

Embracing a worn library copy of *Captain Underpants and the Wrath of the Wicked Wedgie Woman*, Zoe perches at the kitchen table. "Zoe doesn't like being late for school," Saphir says of the precocious youth whose report card on the refrigerator boasts As and Bs in all of her classes, including Japanese.

It's 8:30 a.m. Saphir flicks

her hair into a low ponytail, slips on a pair of sneakers and hoists a backpack over her head. She walks out the door, greeted by signs of the economic prosperity of her Kenwood neighbors. Manicured lawns are spread with gold leaves moistened by a light rain. Plumes of smoke are exhaled from the tailpipes of import cars bearing weathered alumni license plate covers. Street sweepers lurch toward the block where Saphir lives in a four-level graystone. There are million-dollar homes two blocks south. In a year, the Saphirs expect to get as much for their home.

If she had lived there anytime from the 1940s through the 1960s, Saphir would have had better luck shopping in her own neighborhood. During that time, the intersection of 47th Street and Cottage Grove Avenue, just a few blocks from Saphir's home, was at the heart of a successful business district for Blacks. But things began to sour in the 1970s as many of the area's middle-income residents began moving to other parts of the city.

Residents near the Ida B. Wells public housing development moved elsewhere, and less wealthy people moved in. Businesses fled, creating a skeleton of commercial development that has since spawned a difficult environment to lure developers.

Vacant buildings now dot Cottage Grove, where the intersection at 47th Street is known for a liquor store with late hours and people congregating in front of businesses.

Bernita Johnson-Gabriel, New Communities Program director of the Quad Communities Development Corporation, recently drove through the area with a representative from a company interested in opening a business there.

The development corporation, chaired by 4th Ward Alderman Toni Preckwinkle, attracts businesses to the Douglas, Oakland, Grand Boulevard and North Kenwood neighborhoods. The area has \$191 million in purchasing power *per square mile*, 23 percent more than the citywide figure, according to a 2004 study by MetroEdge.

Most of those dollars are now spent outside the area.

Johnson-Gabriel sensed some caution and probed more. The representative told her that, aside from statistics, there are other important things he's looking for when deciding where to locate: Was this a place he'd let his daughter work at 1 a.m.?

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