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Chelsea Eats Study

Card Spending Update

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Background on the Chelsea Eats Program[1]

Chelsea, Massachusetts, a city of 40,000 people just north of Boston, is among the places in the country hardest hit by Covid-19, both from a health and an economic perspective. Its heavily Latino population is concentrated in sectors of the economy that were shut down when the pandemic hit, and Chelsea residents are also disproportionately likely to be front-line service workers exposed to infection risk. In April 2020, local community organizations and the City of Chelsea responded to the economic crisis facing jobless Chelsea residents by mounting an unprecedented food distribution effort.

In September 2020, after five months of running its food distribution sites, the City decided to redirect its efforts toward distributing financial support so that residents could purchase their own food through a program called Chelsea Eats. By combining city general revenue funds, state aid, and philanthropic contributions, the City assembled enough resources to distribute Chelsea Eats cash cards to approximately 2,000 households and to replenish the cards on a monthly basis for a total of six months. The card amounts vary with household size. Most households are receiving $400 per month, but one- and two-person households receive $200 and $300, respectively. The cards can be spent anywhere Visa is accepted. In total, 3,615 households applied for the cards, and 2,074 were chosen to receive the cash assistance cards via a lottery. Gift cards were credited with the first payment on November 18th, 2020 and with the second payment on December 18th, 2020. The program is currently expected to continue with monthly credits through at least April 2021. Our research team is conducting an evaluation of the program by comparing outcomes of lottery winners with those of applicants who were unsuccessful in the lottery.

Data on Card Spending

This report describes the stores and vendors where program participants have spent their Chelsea Eats funds. We have analyzed anonymized data on card spending for purchases that occurred between November 24, 2020 and March 2, 2021 on 2,001 Chelsea Eats cards, a total of 47,624 transactions amounting to $2,079,698.[2] The data contain the purchase date, the

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[1] A more detailed description of the program can be found in The Chelsea Eats Study: Findings from the Baseline Surveys.
[2] There are a variety of reasons why the total number of cards in our data set is less than the number of lottery winners. Some households entered and won the lottery more than once. Those households received only a single card and were limited to a single

purchase amount, a "description" that contains the name of the store or vendor from whom the purchase was made as well as the city or town in which the store or vendor is located, and a "category" that is a Visa-provided categorization of the vendor.[3] Our analysis consists of two, relatively simple, steps:

- First, we aggregated the data to the vendor level. Because different locations for a single chain (e.g., different Dunkin locations) typically have slightly different entries in the "description" field, this involved a detailed review of the data to make sure we successfully included all instances of the same chain or vendor. There are a variety of other circumstances, such as a single restaurant using multiple payment platforms, where we similarly needed to standardize the "description."

- Second, we modified the Visa-provided categorization to better meet our needs. For example, in order to focus on places where food is typically purchased, we present wholesale clubs such as BJ's and Costco as a separate category rather than as a component of retail. We also cleaned the data when appropriate. For example, while most Apple stores were categorized under retail, one location was categorized in the original data as a restaurant – so we switched it to retail. There are limits to how well we can review and recategorize. Given the large number of total transactions in the data, we mostly limited our vendor research to those with the largest dollars of transactions.

It is important to emphasize that our data reveal where purchases occurred, but not what was purchased. For example, approximately 60 percent of purchases in our sample occur at grocery stores or wholesale clubs. While it is likely that most of these purchases are food, it is, of course, possible to buy many other things at these locations, such as cleaning supplies. A similar issue occurs with "markets & convenience stores." While it is likely that most purchases in that category are food, particularly because the largest share of these dollars were spent at meat and produce markets, it is clearly possible to buy a wide range of products at a Super 99 or a 7-Eleven.

Two types of stores are particularly hard to categorize. The first is stores like Walmart or Target that sell large amounts of both food and non-food products. We mostly followed the original Visa

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monthly payment. Some were determined to be ineligible because they did not live in Chelsea. Some lottery winners did not claim their card, though most unclaimed cards were ultimately reallocated to households on a wait list that was created at the time of the original lottery. A few households appear to be saving their cards for future emergencies and have not yet done any spending.

[3] The Visa categories that appear in our data are: association, automotive dealers, educational service, entertainment, fuel pumps, gas stations & convenience stores, grocery stores, hardware stores, health care & childcare services, professional services, restaurants, retail stores, and travel & transportation.

classifications for these stores, putting them under "retail." But there were some Walmart locations that Visa classified as grocery stores, and we maintained that categorization for those locations. The second type of stores that are difficult to categorize are those that Visa describes as "Gas Stations & Convenience Stores." We put all of the gas stations that Visa classified as "Gas Stations & Convenience Stores" under "Transportation" even though some of the purchases at those locations might be for food items or household goods and more appropriately included in the "Markets and Convenience Stores" category.[4]

Categorizing purchases by city or town was relatively straightforward. To total the spending that occurred in each location, we standardized spelling and capitalization of place names and recoded Boston neighborhoods such as East Boston and Dorchester as "Boston."

Results

Table 1 shows the distribution of spending by store or vendor type. 73.3 percent of spending ($1.5 million of the $2.1 million in total spending) occurred at places where food is the primary product: grocery stores, wholesale clubs, markets & convenience stores, and restaurants. Indeed, 32 percent of total spending was at Market Basket grocery stores, overwhelmingly at the Chelsea location.

Large amounts were also spent at Compare Market, at BJ's and Costco, and at the La Economica and Vincentinos meat markets. The largest amount of restaurant spending occurred at Dunkin, McDonald's, and Burger King, though large amounts were also spent at local Chelsea locations such as Broadway House of Pizza, Delicias Salvadorenas, and Taqueria El Charrito.

Another 20.9 percent of spending occurred at retail stores including big box stores like Walmart and Target, clothing stores like Burlington Stores and TJ Maxx, and dollar stores like Family Dollar, Dollar General, and Dollar Tree. There were also significant online purchases from Amazon.

4.1 percent of spending occurred at vendors we categorize as "utilities and professional services." Most of these dollars were spent on utilities like Comcast, Eversource, and National Grid, or at wireless providers such as T-Mobile, MetroPCS, and AT&T. Given that our baseline survey found that a significant minority of households in this sample are behind on utility

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[4] There is a separate Visa category of "Fuel Pumps" that accounts for half of the gas station spending in our sample. We categorize "Fuel Pumps" as transportation related as well.

payments or had had their phone service disconnected because of unpaid bills, it is not surprising that some of the Chelsea Card money is spent on these services. We see smaller amounts spent on financial services such as insurance, and on beauty, laundry, and health care services. Even though our surveys have shown that many Chelsea Eats families are struggling to pay rent, less than $2,000 of the $2.1 million in expenditures are clearly identifiable as rent payments. Presumably few landlords accept Visa, so, despite the need, families are unable to use their cards to pay rent.

Transportation accounts for 1.3 percent of spending. Most of this is at fuel pumps and gas stations, though there is also spending on Lyft and Uber and on MBTA bus and subway passes. Finally, less than half a percent of spending (0.4%)–$8,000 out of the $2.1 million–is at liquor stores or smoke shops. Of course, it is possible to buy alcohol and cigarettes at grocery stores and convenience stores too, so total spending on these products could be somewhat larger.

Table 2 describes spending by city or town. More than half of card spending, $1.2 million, occurred at retail outlets in Chelsea. 70 percent of the Chelsea spending occurred at two supermarkets – Market Basket and Compare Market --, with the remainder spread across a wide range of specialty food markets, restaurants, convenience stores, and other retail outlets. 25 percent of overall spending occurred in the nearby communities of Revere, Everett, Lynn, Saugus, and Medford, where the closest wholesale clubs and big box stores are located. The four percent of spending that occurred in Boston was less concentrated and spread over a wider range of store types, including clothing stores, restaurants, and grocery stores.

Conclusion

Given that Chelsea Eats applicants were recruited largely from food pantry users, it is not surprising that nearly three-quarters of card spending is at outlets that primarily sell food. It is also possible that the branding of the initiative as the "Chelsea Food Debit Card Program" encourages participants to use the cards at groceries and other purveyors of food. In our Chelsea Eats research surveys, we are collecting data on food consumption and expenditures and will be assessing the extent to which the program leads to greater food adequacy and reductions in food insecurity.

Table 1 Chelsea Eats Card Spending by Category & Vendor			
GROCERY STORES	**$ 1,036,874**		**49.9%**
Market Basket		$ 666,724	
Compare Market		$ 189,366	
Stop & Shop		$ 39,789	
Walmart		$ 37,102	
WHOLESALE CLUBS	**$ 240,436**		**11.6%**
BJ's		$ 191,616	
Costco		$ 48,820	
MARKETS & CONVENIENCE STORES	**$ 105,088**		**5.1%**
La Economica Meat		$ 23,339	
Vincentinos Meat Market		$ 10,982	
Vincentinos Produce		$ 9,443	
Super 99		$ 4,444	
7-Eleven		$ 4,027	
Essex Market		$ 2,945	
La Consolarena Market		$ 2,819	
Vega Market		$ 2,720	
Bellingham Fruit & Produce		$ 2,182	
Market del Sol		$ 2,020	
Moonlight Market		$ 1,830	
RESTAURANTS & RESTAURANT DELIVERY	**$ 143,004**		**6.9%**
Dunkin		$ 13,571	
McDonald's		$ 11,103	
UBER Eats		$ 7,814	
Burger King		$ 7,211	
Broadway House of Pizza		$ 4,505	
Delicias Salvadorenas		$ 4,274	
Taqueria El Charrito		$ 4,022	
Pollo Campero		$ 2,628	
Domino's		$ 2,615	
Santaneco		$ 2,389	
Great Chef Chinese		$ 2,331	
Rincon Hondureno		$ 2,293	
Doordash		$ 2,188	
Grubhub		$ 2,156	

Source: Authors' calculations from the 47,624 transactions with purchase dates between November 24, 2020 and March 2, 2021 on 2,001 Chelsea Eats cards. The table shows the total for each category as well as the largest purchase locations or purchase types within each category. Because it does not show all purchase locations, the sum of the individual items is less than the total shown for the category.

Table 1 cont'd Chelsea Eats Card Spending by Category & Vendor			
RETAIL	**$**	**434,238**	**20.9%**
Walmart	$	65,082	
Target	$	34,778	
Burlington Stores	$	27,894	
Amazon	$	26,395	
Family Dollar	$	26,350	
CVS	$	25,913	
TJ Maxx	$	22,329	
Dollar General	$	14,984	
Walgreens	$	12,624	
Marshalls	$	9,668	
Home Depot	$	8,720	
Dollar Tree	$	8,707	
Macy's	$	8,109	
BD'S Discount Furniture	$	7,578	
Primark	$	6,376	
Apple Store	$	4,141	
Homegoods	$	4,090	
PROFESSIONAL SERVICES	**$**	**85,006**	**4.1%**
Utilities *(Comcast, Eversource, National Grid, etc.)*	$	32,163	
Wireless *(T-Mobile, Metropcs, AT&T, etc.)*	$	24,350	
Other *(incl: insurance, Rent A Center, finance, legal services, etc.)*	$	10,638	
Beauty *(hair, nails, spas, etc.)*	$	3,988	
Organizations *(parking, parking tickets, RMV, USPS, etc.)*	$	3,383	
Laundry	$	3,130	
Health Care *(dentists, urgent care, etc.)*	$	2,379	
Rent	$	1,947	
Entertainment *(Gamestop, Planet Fitness, etc.)*	$	1,531	
Education *(tuition)*	$	1,182	
Car Wash	$	315	
TRAVEL & TRANSPORTATION	**$**	**26,763**	**1.3%**
Fuel pumps	$	9,704	
Gas station/convenience stores	$	9,649	
Rideshare *(Lyft, Uber, etc.)*	$	2,378	
MBTA	$	1,431	
E-Z Pass	$	983	
Airfare	$	921	
Auto dealers	$	464	
ALCOHOL AND SMOKING	**$**	**8,289**	**0.4%**
Liquor stores	$	7,795	
Smoke shops	$	494	
TOTAL	**$**	**2,079,698**	**100.0%**

Table 2 Chelsea Eats Card Spending by City or Town				
CHELSEA	$	1,160,441		**55.8%**
Market Basket			$	623,143
Compare Market			$	189,366
Family Dollar			$	24,081
La Economica Meat			$	23,339
CVS			$	21,714
TJ Maxx			$	16,865
Mi Salvador Mexicano			$	14,026
REVERE	$	260,715		**12.5%**
BJ's Wholesale Club			$	149,952
Market Basket			$	26,112
Burlington Stores			$	22,636
Target			$	12,137
EVERETT	$	119,047		**5.7%**
Costco Wholesale			$	46,825
Stop & Shop			$	28,730
Target			$	13,637
BOSTON	$	75,575		**3.6%**
Shaw's			$	5,925
Primark			$	5,294
Marshalls			$	4,589
Pollo Campero			$	2,463
Macy's			$	2,213
Great Chef Restaurant			$	1,842
El Valle de la Sultana Market			$	1,812
Pueblo Viejo Pupuseria & Mexican Grill			$	1,347
LYNN	$	69,225		**3.3%**
Walmart			$	50,951
SAUGUS	$	60,647		**2.9%**
Walmart			$	29,804
MEDFORD	$	43,349		**2.1%**
BJ's Wholesale Club			$	35,670
SOMERVILLE	$	15,784		**0.8%**
Burlington Stores			$	3,289
Trader Joe's			$	1,768
MALDEN	$	12,481		**0.6%**
Hong Kong Supermarket			$	5,234
99 Asian Supermarket			$	3,469
OTHER TOWNS & ONLINE	$	262,443		**12.6%**
TOTAL	$	2,079,707		**100.0%**

Source: Authors' calculations from the 47,624 transactions with purchase dates between November 24, 2020 and March 2, 2021 on 2,001 Chelsea Eats cards. The table shows the total spent in each city or town as well as the largest purchase locations in each city/town.