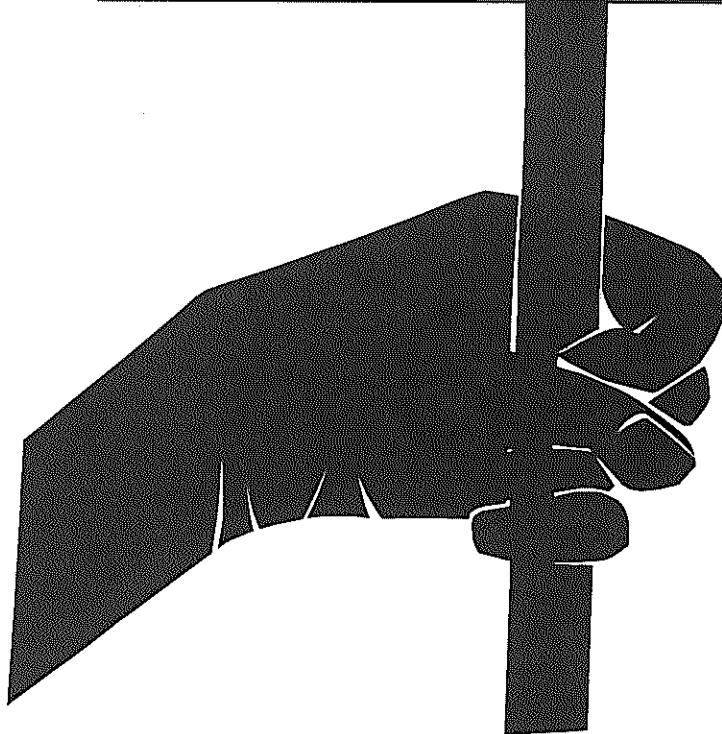
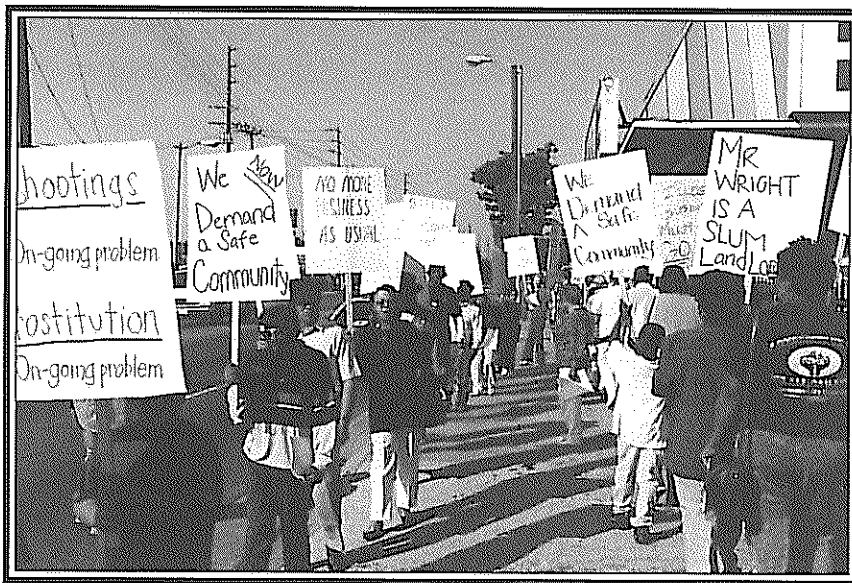


*Drowning in Alcohol: Retail Outlet Density,
Economic Decline, and Revitalization in South L.A.*

a case study by Mary Lee, Esq.

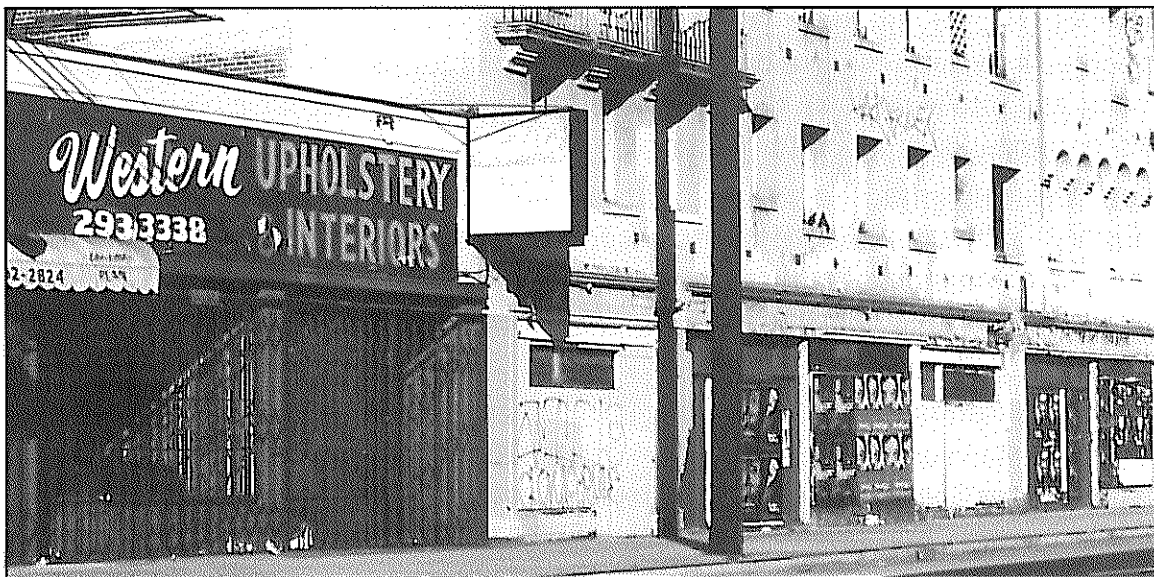


Economic Decline

During the 1950s, an economic shift started in South L.A. Small neighborhood grocery stores were losing customers to large, modern supermarkets. The neighborhood stores were convenient but small, sometimes less than 500 square feet; they couldn't compete with supermarkets of 25,000 square feet. To remain open and maintain their profit margins, these corner stores increasingly turned to liquor sales. A large number of the liquor stores that still dominate South L.A. began as small corner grocery stores.

Other low-income communities throughout the country have experienced a proliferation of alcohol outlets, but few in this manner. Ironically, the supermarkets that caused the small groceries to shift to liquor sales virtually abandoned South L.A. following the Watts riots of 1965.⁴⁴ Once again, the area was caught between social forces that proscribe American life: race and class. Some believe that Watts erupted *because* of prolonged racism, that whites fled as Blacks moved in, taking with them financial resources, political responsiveness, and other factors that stabilized the economy, and leaving behind a climate of isolation and oppression that led to the frustration that caused the riots. Others claim that whites left as a *response* to the riots, motivated by fear. Still others consider the riots a mere coincidence, occurring at the time an economic downturn swept through the area.

Whatever the explanation, South L.A. was in a downward economic spiral by the late 1960s. Not only did supermarkets leave, but so did other institutions such as



Western Avenue commercial district between Exposition and Jefferson

banks. Perhaps most damaging was the exodus of several large manufacturing and industrial plants that had employed the majority of local residents. From the late 1960s through the 1980s, thousands of jobs, primarily in the auto industry and other manufacturing fields, left the area.⁴⁵ These were skilled and semi-skilled union jobs, with health and retirement benefits. Their loss not only devastated the individual employees, but destabilized the area's economy. Small businesses that relied on the patronage of local residents could not survive. No new businesses developed that could replace the jobs lost on such a massive scale. Without work, residents frequently became dependent upon government assistance for food and shelter.

The devastation South L.A. experienced was compounded by the conduct of local government, which could be described as *deliberate indifference*. In 1988, a local independent newspaper coined the term *malign neglect* in an in-depth series of articles focusing on the failure of local government to meet—or even acknowledge—the area's needs. Both terms are accurate. Basic city services were denied, contributing to the degradation of the area.⁴⁶ Yet even as the economic vitality of South L.A. continued to decline, the number of liquor outlets in the area continued to increase. By 1983, South L.A. had more than 900 liquor stores, approximately one for every 670 residents.⁴⁷

The sheer number of outlets, in the absence of most other types of retail uses, has hampered economic development in South L.A. Liquor stores have become the dominant retail feature on the commercial corridors of South L.A. Several intersections have one on each corner. Residents have been forced to rely on them for necessities, as so many other businesses have abandoned the area. Because banks have left, people buy money orders or cash their checks at liquor stores; because grocery stores are scarce, they buy food there; and for lack of recreational programs and movie theaters, the video games at the liquor store have become an entertainment destination for youth.

Liquor stores may be heavily patronized, not because their goods offer high quality or good value, but because they have a captive market, given the poor quality of the public transit system and the geographic vastness of South L.A.⁴⁸

Lack of transit limits choice, so consumers end up tolerating inflated liquor store prices for staple goods, purchasing necessities such as diapers in smaller, more expensive packages than are available elsewhere. Fresh foods, such as produce and meat, are rarely available at all. And those who rely on liquor stores for financial services do so at their peril, because the financial products available at liquor