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Dollar General criticisms valid, but stores fill vital need

By KYLE ODEGARD

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Dollar General has opened more than 85 stores in Oregon since 2015, providing inexpensive food and household items to low-income consumers, often in small towns with few retail options.

While the stores fill a niche and are popular with many shoppers, the chain's entry into rural communities has often been met with opposition.

When residents of Wallowa County found out the chain had applied for permits to build a store outside of the town of Wallowa, population 812, opposition quickly formed.

Michael Eng, of nearby Lostine, belongs to a coalition of residents against the Wallowa Dollar General.

Some members simply don't like the chain's business practices, but Eng also questioned the integrity of the planning process, saying there was a lack of transparency and opportunities for public participation.

Despite appeals, the county approved construction and the store opened in April.

Land use criteria

Franz Goebel, Wallowa County planning director, said he understood residents' concerns, but those aren't applicable permitting criteria.



Customers exit the new Dollar General store in Wallowa on opening day.

Daniel Brooks/EO Media Group

“Land use is based on the use, not who the applicant is. If you discriminate based on what you think of the applicant, that can have some pretty significant effects on society,” Goebel added.

Dollar General usually complies outright with zone rules, so stores are virtual locks for approval.

Dan Bigelow, an Oregon State University assistant professor of applied economics, said the practice keeps costs low, including legal expenses.

“There doesn’t seem to be a hard and fast way to challenge Dollar General and prevent them from setting up shop,” Bigelow said.

There shouldn’t be, said S. Scott McDowell, city administrator of Brownsville, population 1,846, where a Dollar General opened in 2018.

“We’re a free country and people have private property rights,” McDowell added.

Filling a need

Ryann Reynolds, OSU product and merchandising management program director, said Dollar General fills a need for low-income consumers.

“As someone who grew up in poverty, my shoes came from Dollar General until we had a Walmart. ... Most of our basic necessities, we bought at Dollar General,” said Reynolds, who is from rural Pennsylvania.

The arguments against Dollar General don’t apply to residents struggling with bills.

McDowell said with gas prices, some residents can’t afford to drive to nearby towns to shop.

Bigelow said most Americans want to patronize locally-owned stores.



Laura Parsons, an Elgin resident, browsed the shelves at the newly opened Dollar General in Elgin along Highway 82 in 2021.

Alex Wittwer/The Observer

“It’s just that large retailers, like Dollar General, like Walmart, they’re competing on price and their supply chain advantages, the variety of things they can offer,” Bigelow added.

Experts said economy of scale has already thinned out many mom and pop stores.

Rural independent grocery stores are far more impacted than their urban counterparts when a discount retailer such as Dollar General opens in town.

According to a recent study by federal and university researchers, the likelihood of an independent grocery store exiting a rural area after a new dollar store opened was 5%, about three times greater than in urban census tracts.

The decline in sales and employment for grocery stores after a dollar store opened nearby also was higher for rural communities.

Brownsville convenience

McDowell said many residents were excited about Dollar General because Brownsville didn’t have a grocery store, but there was plenty of “growling” directed at City Hall.

Opinions changed with the pandemic when locals didn’t have to drive 15 minutes away to a crowded grocery store for a few items.

McDowell, whose mother managed a Dollar General in Indiana in the early 1980s, said the Brownsville store bolstered its grocery options to appeal more to residents.

Reynolds said this was part of a general strategy throughout the country.

Another option for Pilot Rock

When Dollar General came to Pilot Rock in 2021, it gave the town of 1,332 people another shopping choice, improved the tax base and employed a few locals, said Teri Bacus, city recorder and treasurer.

Plus, the store replaced a dilapidated building.

A Family Dollar/Dollar Tree also opened here in 2022, but shut down in April amidst a flurry of 1,000 store closures for the company.

The only grocery store in Pilot Rock closed in September 2023, and its owner blamed the chain stores, saying they undercut prices, according to the East Oregonian.

The grocery store site has changed hands and is undergoing a remodel, Bacus said.

Until it reopens, Dollar General is the only spot to get milk, cheese or a loaf of bread.

“If you were in a pinch, you could find something for your family for dinner,” Bacus said.

Pilot Rock has become a bedroom community and for years many residents have bought groceries in Pendleton, about 15 miles away.

Scio stops a store

Some towns have successfully resisted Dollar General, and Scio, population 949, was among them in 2019.

Longtime residents Roger Gaither and his wife May Garland said they wanted to protect the few Scio businesses that remained, including a grocery store.

In this case, Dollar General’s building site required a zoning change, from industrial to commercial.

The Scio City Council decided to retain its limited industrial land, unanimously denying the rezoning and effectively killing the store.

Gaither was certain residents’ resistance determined the council’s vote.

“We are lucky that Dollar General wanted to be located there instead of someplace else,” Garland added.

Growth and labor scrutiny

Dollar General opened its 20,000th store in March, has seen 82% growth in the past decade and keeps expanding.

Most stores have six to 10 employees.

According to its 2023 annual report, Dollar General had 185,000 employees and net income of \$1.7 billion.

But the company has come under fire for staffing and safety concerns.

The U.S. Department of Labor's Occupational Safety and Health Administration proposed penalties for Dollar General totaling \$21 million between 2017 and June 2023.

In Oregon, the company was fined \$67,500 in 2022 and 2023 for violations such as repeatedly exposing employees to potential serious injury from unsecured materials falling on them, tripping and falling in cramped aisles and inaccessible fire extinguishers and emergency exits.

Even shareholders expressed concern with the company's reputation as a "bad corporate citizen."

While the CEO made \$183 million between 2015 and 2021, the median Dollar General worker earned less than \$19,000 per year, according to an April letter.

Dollar General response

In a statement for this article, Dollar General touted affordable products, creation of new jobs and charitable gifts.

In 2024, the Dollar General Literacy Foundation awarded \$20,000 in grants to Oregon organizations.

A corporate spokesperson also said every store offers components of nutritious meals.

Dollar General didn't address many concerns regarding its stores.

Amending land use codes

In 2023, the Institute for Local Self-Reliance detailed how more than 50 cities had restricted new discount retailers through land use codes.

Most barred them from opening within one to two miles of an existing dollar store, but a Georgia town banned them outright.



The new Dollar General store on the outskirts of Wallowa has been open since April, but the controversy over its construction continues.

Daniel Brooks/EO Media Group

Goebel, the planning director in Wallowa County, said he wasn't sure how that would work in Wallowa County, but he's offered to brainstorm with residents about updating codes.

"To date, I've actually had one person come into the office and ask about the process," he said.

Goebel said it's difficult for people to think ahead. "It's easier to get angry about what's already happened," he added.

Eng, of the opposition group, said Wallowa County is a special place because of its rural nature and how local businesses are supported by residents. There are very few chain stores in this corner of northeast Oregon.

"That helps maintain a unique quality and characteristic of this county, which I think the vast majority of residents value," he said.



Three Wallowa residents were among those attending a Dec. 6, 2023 meeting of the Wallowa County board of commissioners to ask the board to order a stop to construction on a new Dollar General store. From left are Teresa Smergut, Sweyn Wall and Beckijo Smergut-Wall.

Bill Bradshaw/EO Media Group

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