

Testimony

Big Box Development in Verona

George Hagenauer
2200 Dahlk Circle
Verona Wi. 53593

yellowkd@terra.com.net

This testimony is neither pro or against big boxes but rather to suggest a framework for analyzing the cost benefits of large retail operations.

My focus is on the wages they pay and its affect on social service needs and how those services will be paid for. If you look at a map of where families receiving childcare or health care subsidies live, you soon discover that there are large clusters of these families in areas close to large retail or other low wage developments. Of special note is the deterioration of the South West side of Madison and portions of Sun Prairie.

The state through the child care subsidy program and health care subsidy programs has for the past dozen years massively subsidized the growth of low wage employment with little interest as to the quality of the jobs developed. This may soon be changing as the state begins to deal with its second large scale deficit in the child care subsidy system in 24 months – caused by millions of dollars in funds paid for care for children whose parents are authorized for full time work but whose employers often provide only flexible part time low wage employment.

Increasingly low wage jobs are not filled by students or retired people but by parents, often single parents, attempting to raise a family. With low incomes they need to live near where they work. As such recent years have seen the transformation of sections of moderate rental units on the South west side of Madison, just a few miles from here and Sun Prairie into essentially low income housing. While the focus in Madison has been on the need for additional police on the south west side, there has had to be increased investment also in social services- after school programs, social workers and child care. The Southwest side last year had the largest number of family child care homes closed due to serious violations- though Verona and Madison's east side both had the only deaths in unregulated child care with in the county. Sun Prairie had the second largest number of family child care homes closed due to serious violations.

Deteriorating conditions for children and families are not the best advertisers for community development. All you need to create the conditions are low wage jobs and modest priced rental units. I would like to suggest that as you consider various developments you look at the wages of the jobs that they create as well as the tax benefits the developments will bring. I have attached a 2004 study related to wages needed for various types of families to be self-sufficient without government subsidies- current levels are probably 10-12% higher. If the wages do not create self-sufficient family units, I would like to suggest you look at what the potential costs of extra JEFF social workers, after school programs, child care subsidies etc. needed to support those families and then prepare to fund them through the city government as Madison does.

The basic tenet here is that poverty is often not a personal problem, it is rather a societal issue created by poor planning decisions. If we create poverty we should expect to have to pay the costs ourselves and not expect others to do it.

Table 11
The Self-Sufficiency Standard for Madison, WI MSA, 2004
Dane County

Monthly Costs	Adult	Adult +						
		Adult + infant	Adult + preschooler	Adult + preschooler schoolage	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	592	716	716	716	716	993	716	716
Child Care	0	867	1696	1314	485	2181	1696	1314
Food	182	266	358	411	473	481	515	565
Transportation	200	205	205	205	205	205	393	393
Health Care	96	204	210	220	244	228	251	261
Miscellaneous	107	226	318	287	212	409	357	325
Taxes	126	609	957	800	403	1393	968	811
Earned Income								
Tax Credit (-)	0	0	0	0	-92	0	0	0
Child Care								
Tax Credit (-)	0	-60	-100	-100	-68	-100	-100	-100
Child Tax Credit (-)	0	-83	-167	-167	-155	-250	-167	-167
Self-Sufficiency Wage								
-Hourly	\$7.40	\$16.75	\$23.83	\$20.95	\$13.77	\$31.48	\$13.15 per adult	\$11.70 per adult
-Monthly	\$1,303	\$2,948	\$4,193	\$3,686	\$2,424	\$5,540	\$4,629	\$4,120
-Annual	\$15,633	\$35,379	\$50,321	\$44,237	\$29,084	\$66,484	\$55,552	\$49,434

Table 12
The Self-Sufficiency Standard for Milwaukee-Waukesha, WI PMSA, 2004
Milwaukee County

Monthly Costs	Adult	Adult +						
		Adult + infant	Adult + preschooler	Adult + preschooler schoolage	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	523	658	658	658	658	824	658	658
Child Care	0	816	1567	1212	461	2028	1567	1212
Food	182	266	358	411	473	481	515	565
Transportation	214	219	219	219	219	219	422	422
Health Care	110	241	248	258	281	265	289	299
Miscellaneous	103	220	305	276	209	382	345	316
Taxes	121	582	893	747	389	1207	912	768
Earned Income								
Tax Credit (-)	0	0	0	0	-106	0	0	0
Child Care								
Tax Credit (-)	0	-63	-100	-105	-70	-100	-100	-100
Child Tax Credit (-)	0	-83	-167	-167	-149	-250	-167	-167
Self-Sufficiency Wage								
-Hourly	\$7.12	\$16.23	\$22.62	\$19.93	\$13.44	\$28.73	\$12.62 per adult	\$11.28 per adult
-Monthly	\$1,253	\$2,857	\$3,981	\$3,508	\$2,365	\$5,056	\$4,441	\$3,972
-Annual	\$15,035	\$34,281	\$47,777	\$42,102	\$28,382	\$60,668	\$53,290	\$47,667