

## **A Strategy for a Constructive Resolution of the Big Box Store Controversy**

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Rather than continue the debate on the big box store ordinance as jobs versus living wages, it may be more constructive to re-define the challenge as lowering the costs of essential goods and services for people living in low income communities while affording big box store workers with opportunities to improve long term career prospects and income gains.

It is well documented that the poor spend a higher percentage of disposable income on essential goods and services, and the unit prices paid by the poor living in Chicago are higher than those paid by much wealthier consumers in the suburbs. A major contributing factor is that many low income neighborhoods are essentially retail deserts – communities without easy access to high volume retail stores that are able to price goods at low margins. Also, although retail offers valuable first-time work experiences for many entering the workforce, there are few clear pathways for adults to capitalize on these experiences as career ladders leading to advancement. It is easy for these entry-level jobs to become dead-ends.

Our strategy is to enable big box workers achieve real success by treating entry-level work as transitional jobs leading to a better future. The City of Chicago, under the leadership of MOWD partnering with the Chicago Workforce Board, the City Colleges of Chicago (adult workers) and the Chicago Public Schools (youth), would perform the tasks of pre-screening job seekers, providing pre-employment training on the systems of the big box stores, and otherwise pre-qualifying these workers for employment. There would be no city-mandated minimum wage. In return, retailers would make two types of contributions in behalf of their workers. One contribution would be made into a training fund: It could be made into a fund joined by a consortium of all big box stores, or it may be made into a company-based fund, or it may be into individual training accounts. This fund would be available to store employees for skills upgrading and training, either to help them move up career ladders in retailing (through initiatives such as the National Retail Federation customer service certification program) or to move into other high growth, high demand occupations. The consortium approach is an exciting option given the experience of a comparable initiative by the hospitality industry in Las Vegas. It could lead to better integration of services between the public and private sector, training regimes that can become best practices for the industry, and apprenticeship programs with public funding support. Regardless of the how the training funds are managed, the stores must also couple these contributions with real opportunities to learn, including training at work.

The other contribution would be tied to the individual in the form of savings bonds to help each worker begin the process of building assets; building assets is essential to getting out of poverty. The formula for these contributions would be part of the negotiated deal, but it probably works best as  $x$  dollars per hour per worker. Other issues would be negotiated, such as program design, accountability, program management, milestones, program evaluation, etc.

This approach achieves the following: Communities are better served through improved access to essential goods and services at the prices and quality enjoyed by consumers shopping in the suburbs. New retail workers are offered opportunities to move permanently out of poverty by providing both the choices and means to pursue meaningful careers. Chicago markets are opened without mandated wages and benefits. The public system shares the large expense related to turnover in order to achieve the broad objectives of this initiative.