

New Wal-Mart spurs interests of community

A researcher talks about community effects of Wal-Mart expansion.

By **JOHN HENDEL**

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A new Wal-Mart Supercenter opened on Oct. 18 on Broadway, and another one is under construction on Nifong Boulevard, but what can Columbia residents expect from these new developments? Research suggests a lot can happen when Wal-Mart expands its power in a community.

As the world's biggest retailer, Wal-Mart has influenced other big-box retailers to change their business practices, such as streamlining technology. Wal-Mart was first to install scanners, which forced its manufacturers to include barcodes and eventually led other retailers to install scanners. Perhaps this will happen next with radio frequency identification, a new form of scanning Wal-Mart uses that could replace traditional barcodes.

Although Wal-Mart brings retail jobs to communities, it hurts small locally owned businesses, causing them to cut jobs and sometimes close. These are just a couple of points MU economics professor and Wal-Mart researcher Emek Basker raised in a speech Thursday at MU.

"I find that Wal-Mart entry increases retail employment by 100 jobs in the year of entry. Half of this gain disappears over the next five years as other retail establishments exit and contract, leaving a long-run statistically significant net gain of 50 jobs," Basker wrote in a paper published in 2005. "Wholesale employment declines by approximately

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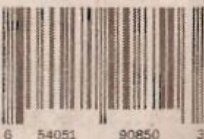
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Index

Abby	6A	Lottery	2A
Calendar	2A	Nation/World	3A
Classified	5B	Opinion	7A
Comics	6A	Sports	1B
Life Stories	5A	Sudoku	6A

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2 sections
16 pages



Wal-Mart: 83 Mo. supercenters **Inco**

CONTINUED from page 1A

20 jobs due to Wal-Mart's vertical integration." According to walmartfacts.com, Missouri has 83 Wal-Mart Supercenters, in addition to its 53 other Wal-Mart facilities as of October 2006. Columbia has two supercenters — on Broadway and Conley Road — and another supercenter under way on Nifong Boulevard to replace the Wal-Mart in the Rock Bridge Shopping Center. Wal-Mart employs 42,089 associates in Missouri as of September 2006, with 400 people anticipated to work at the new Broadway supercenter. Its opening helped spark a new dialogue on the subject.

"I think the goal of economic research is to start with a question, not with an answer," Basker said in the lecture. "What kind of effect does it have on a local community? What makes it so efficient?"

About 50 people discussed these and other questions in small groups in MU's Neff Auditorium after Basker's lecture. The event also included watching clips from the documentary "The High Cost of Low Prices," and an academic over-

view of Wal-Mart's history and controversies from Basker.

"I think one of the focuses of this event is to talk about something relevant to people in Columbia," said Erika Thomas, vice president and treasurer of MU's new Economics Undergraduate Student Association. "It's just so relevant — such a hot issue — that it's interesting to everyone."

Basker spoke about various topics and accusations concerning the world's biggest retailer, approaching the issue in an academic, impartial manner. She brought up data supporting the income discrepancy between Wal-Mart shoppers, who have a median income of \$40,000 to \$45,000 a year, and other big-box retailer shoppers like Target's, who have a median income of \$60,000. Basker also said certain beliefs about the Wal-Mart effect cannot be substantiated by existing data.

"People often say that Wal-Mart lowers the wages of its employees and lowers them at other retailers," Basker said in the lecture. "The sad fact is we can't know this right now because there's no good wage data sets available."

Basker's research has attempted to quantify the effects of Wal-Mart on local communities, at least as much as possible with publicly available data.

"I find that for many items typically sold in drugstores, such as aspirin and shampoo, average prices decline following Wal-Mart entry," Basker wrote in an academic paper. "This decline is economically large — 1.5 percent to 3 percent in the short run, and four times as much in the long run — and statistically significant."

Basker focused on both the good and bad elements of Wal-Mart's expansion, always stressing substantiating research, during her lecture. Thomas said she wanted people to come away from the event with a "better, more informed opinion" of Wal-Mart.

Officials at Wal-Mart lacked specific comments when asked about Basker's research.

"I'm going to level with you — I haven't heard of her and don't concern myself with that stuff," said Tim Birk, store manager at the new Broadway Supercenter. "I'm focusing on customers and running this store."

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Radio: Restrictions placed on student stat

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it's cool to listen to music when we have lunch," said Kelvona Holmes, a sophomore. The station plans to add another mini-stereo near the guidance office.

"I think this is a good start,

you should come down and check it out." But the location isn't ideal. Last year, one DJ brought his friends to the studio. He cranked up the volume, turned off the lights and used the station as his own private space. That DJ was reprimand-

our policies reflect a more professional approach to radio and we want the DJs to take this work seriously," Boland said.

Even though playlists are submitted beforehand, unexpected situations arise. During a live show last month, two DJs

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