

# St. Petersburg Times

Florida's Best Newspaper

SUNDAY, March 27, 2005

## OPINION

SUNDAY, MARCH 27, 2005 ■ THE TIMES

### EDITORIALS

# Wal-Mart welfare

Florida taxpayers are subsidizing the discount retailer, which has more workers eligible for Medicaid than any employer in the state.

Attention Wal-Mart shoppers: The retail giant that supplies you with everything from orange juice to camping gear is using your tax money to underwrite its bottom line. Wal-Mart has more workers enrolled in the state Medicaid program — a medical insurance program for people living in and near poverty — than any employer in Florida. That's in addition to the millions of dollars in financial incentives Wal-Mart receives from state and local governments for creating jobs in the state.

Florida taxpayers are subsidizing the largest employer in the country, with the effect of holding down the state's wages and adding to the strain on state social services. Wal-Mart employs 91,000 workers in Florida and, according to a company spokesperson, its hourly workforce earns an average per-hour wage of \$9.36. In 2003, Florida's *median* wage was \$12.52 per hour. Moreover, 12,300 of Wal-Mart's workers are eligible for Medicaid, and another 1,375 are enrolled in state programs that provide health coverage for the children of low-income families.

Even setting aside the threshold question of whether the state should be financially rewarding businesses at all, why is Florida handing out millions of dollars in incentives to favor one retail company over another? It might make some sense to try to entice manufacturing or research companies to locate in Florida or expand their operations here, since they would be bringing along new industry and better-paying jobs. But Wal-Mart was coming to Florida

and its 17-million potential customers regardless of any enticements. Despite that, as reported by *St. Petersburg Times* staff writers Sydney Freedberg and Connie Humburg, somehow Wal-Mart qualified for nearly \$7-million in breaks from a variety of programs, from tax reductions for situating in "enterprise zones" to state tax refunds offered to employers who create "high wage jobs." Florida has always been a cheap-labor state, but the name Wal-Mart and "high wage jobs" are rarely found in the same sentence.

Taxpayers are getting a bad deal, but no one seems concerned. Thanks to a lack of interest by the governor and state leaders, not enough scrutiny is given to what Florida actually reaps from companies that take our corporate welfare. Why should any employer qualify for job-creation incentives when thousands of its employees have to rely on the state to pay for their medical care? Florida should follow the lead of states that require companies, before qualifying for incentives, to provide health benefits for their employees and pay a fair share of the cost. (Wal-Mart offers health coverage but many employees can't afford it.)

Wal-Mart is not the only state welfare queen. It just happens to be the largest. But this kind of double-dipping should raise enough red flags to get the attention of the governor and Legislature. But don't count on it. Remember, this is Florida where, as Charlie Reed once said, we're cheap and proud of it.