

## Social Science Quarterly Publishes Study: Wal-Mart Equals Higher Poverty Rates

*Study claims Wal-Mart raises poverty rates in the counties where its stores are located.*

For Immediate Release

MALDEN, Mass./EWorldWire/May 17, 2006 --- A study published in the latest issue of Social Science Quarterly is the first to examine the effect of Wal-Mart stores on poverty rates. The study found that nationwide an estimated 20,000 families have fallen below the official poverty line as a result of the chain's expansion.

During the last decade, dependence on the food stamp program nationwide increased by eight percent while in counties with Wal-Mart stores, the increase was almost twice as large at 15.3 percent.

“After controlling for other factors determining changes in the poverty rate over time, we find that counties with more initial Wal-Mart stores and with more additions of stores between 1987 and 1998 experienced greater increases (or smaller decreases) in family poverty rates during the 1990's economic boom period,” stated Stephan Goetz a professor of Agricultural and Regional Economics at The Pennsylvania State University. Although Wal-Mart employs many people living in its communities, for most, the hours worked and the wages paid do not help these families transition out of poverty.

Another effect is that the closing of "mom and pop" stores following the appearance of a store leads to the closing of local businesses that previously supplied those stores including, wholesalers, transporters, logistics providers, accountants, lawyers and others. Goetz states, “By displacing the local class of entrepreneurs, the Wal-Mart chain also destroys local leadership capacity.” Social Science Quarterly author's encourage community leaders to think about programs and policies in anticipation of helping those displaced by the arrival of the chain.

This study is published in the June issue of Social Science Quarterly. Media wishing to receive a PDF of this article please contact [journalnews@bos.blackwellpublishing.net](mailto:journalnews@bos.blackwellpublishing.net).

Connecting the Social Sciences, Social Science Quarterly is nationally recognized as one of the top journals in the field. It is published on behalf of the Southwestern Social Science Association.

Dr. Stephan J. Goetz is a professor of Agricultural and Regional Economics at The Pennsylvania State University. Before coming to Penn State in 1999, he served on the faculty at the University of Kentucky for nine years with research and teaching responsibilities in economic development. Dr. Goetz is available for questions and interviews.

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