

SAVE WALDEN TOWN CENTRE

Press Release
22 February 2010

Supermarket developments will reduce local employment

The main reason given to the *Save Walden Town Centre* campaign group by members of the public who wish to justify the proposed supermarket developments is "But what about the jobs which will be created?" The answer is that the immediate increase in supermarket employment created by a new store is more than offset by the gradual disappearance of other jobs in the local area, both in retail and other employment. A study by the National Retail Planning Forum in 1998 estimated that every new supermarket resulted in 276 full-time job losses in the surrounding area.

Campaign spokesman, Paul Gadd, said: "Sainsbury's are claiming that their proposed new store would create 350 new jobs. What they don't say, however, is where these jobs will come from, and how many existing local jobs will be destroyed in the process. They are also keeping quiet about the fact that 70% of these jobs would be part time so the real number of full time equivalent staff is likely to be around 200. The key employment issue is that supermarkets don't manufacture or create anything - they can't therefore create wealth or create jobs without someone else paying for them. At an estimated annual turnover of £40m, the new Sainsbury's store would require local residents to spend some £200,000 a year for each job."

"There is no reason to suppose that local residents will suddenly start spending much more money or that many people will come from miles away to the new store. The vast majority of the estimated £40m turnover for a new Sainsbury's would therefore be diverted from Waitrose, Tesco and town centre shops as well as from stores in Thaxted and other nearby towns and villages, who will all have to reduce employment accordingly. The effect of an enlarged Tesco would be exactly the same."

"It has been estimated that only about 7% of a supermarket's turnover is returned to the local economy through employee wages. Of the £200,000 or so required to sustain each job at Sainsbury's or Tesco, some £185,000 would go straight out of the local area. The job losses caused by supermarkets are therefore not just retail jobs - the job loss effect extends to the whole of the local economy because of the money being sucked out of it. In contrast, it has been estimated that up to 50% of the turnover of a local business or shop is recycled back into the local economy."

For further information on the campaign see the www.savewaldentowncentre.org website."

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Further Information

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Notes for Editors

Turnover, number of employees, average employee pay and turnover per employee figures calculated by Save Walden Town Centre based on Sainsbury's planning application and annual report and accounts for the year ended 31 December 2008 adjusted for local factors. The National Retail Planning Forum report is S. Porter and

P. Raistrick 'The impact of out-of-town stores on local retail employment, 1998 National Retail Planning Forum'.