

# Conditions for Workers at Target: Estimates for a Proposed California Supercenter

*Dr. Jeannette Wicks-Lim*

Assistant Research Professor  
Political Economy Research Institute  
University of Massachusetts, Amherst  
E-mail: [wickslim@peri.umass.edu](mailto:wickslim@peri.umass.edu)

## INTRODUCTION AND BACKGROUND

This research brief presents estimates of the expected wages and benefits for a proposed Target Supercenter—a 137,000-square-foot store with an expanded grocery section—that is being proposed for San Rafael, California. The purpose of this brief is to provide the best possible wage and benefits estimates using only publicly available data sources.

The California Healthy Communities Network asked the Political Economy Research Institute (PERI) to produce these wage and benefits estimates because Target has only provided the residents and City Council of San Rafael with very limited information about the expected wage and benefits of the positions it would offer.<sup>1</sup>

As a result, the City does not have all the information it needs in order to assess the potential impact that the proposed store would have on the local labor market, and in particular its impact on the quality of local jobs. This brief should help fill some of this information gap.

This report was prepared independently at PERI. No one in the California Healthy Communities Network exercised any authority over the final contents of the study.

The basic findings of this brief are:

- The typical jobs at the proposed Target store can be expected to pay at least 10 percent lower wages than other similar jobs in the area. This is, in part, because of the large share of part-time workers that Target projects it will use for the supercenter store.
- Significantly fewer workers at the proposed Target supercenter store can be expected to receive health insurance and retirement benefits compared other retail workers in the area. This is, again, due in part to Target's plan to use a high proportion of part-time workers. The percent of workers that will receive health benefits from their Target jobs can be expected to be at least 10 percentage points lower than among workers employed at other retail firms.
- The pay at the most common positions expected to be offered at the proposed Target store does not enable workers in Marin County, the county that includes San Rafael, to cover their household's basic needs. This is true even for benefitted full-time first-line supervisors.

## ESTIMATED WAGES FOR THE PROPOSED TARGET SUPERCENTER

To estimate the wages of the proposed store I begin by looking at the typical pay rates of the *types* of jobs (i.e., occupations) that will be offered. Table 1 provides 2010 average occupational wages published by California Employment Development Department for the five of the most common occupations for the specific retail industry sector that Target is classified in, the “Other General Merchandise Stores” industry.<sup>2</sup> This industry sector includes warehouse club stores and supercenters. Wal-mart, one of Target's

---

1 This is evident by the March 2011 “Community Impact Report” (CIR) by AECOM. The CIR, commissioned by the City, provides an analysis of the fiscal and economic impacts of this development project. See: <<[http://www.cityofsanrafael.org/Government/Community\\_Development/Target.htm](http://www.cityofsanrafael.org/Government/Community_Development/Target.htm)>>.

2 These wage estimates are based on the Occupational Employment Statistics program of the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor. The occupational staffing pattern is also provided by the California Employment Development Department. See: <<<http://www.labormarketinfo.edd.ca.gov/iomatrix/staffing-patterns1.asp>>>.

closest competitors, falls into this category as do Big Lots, 99 Cents Only, and Costco stores. The five occupations in Table 1 typically make up 84 percent of the workforce of a firm within this particular sector.

TABLE 1. SAN FRANCISCO-AREA AVERAGE WAGES, BY OCCUPATION

<i>Occupation</i>	<i>Average Wage</i>
Cashiers	\$12.58
Retail salespersons	\$14.60
Stock clerks	\$13.60
First-line supervisors of sales workers	\$22.66
Laborers, freight and stock movers	\$14.34

Sources: California Employment Development Department (CEDD) and BLS.

Note: I use the mean wage for the average wage. The specific geographic area of these estimates is the San Francisco-San Mateo-Redwood Metropolitan Division, which contains Marin County. This is the smallest geographic area for which the CEDD provides estimates.

These region-specific occupational wages, however, must be adjusted to reflect two important factors that significantly lower the wage levels that can be expected to be offered by a Target supercenter store. Warehouse clubs and supercenters, firms within the *Other General Merchandise Stores* industry sector, tend to pay lower wages to workers in these occupations compared to other types of firms.<sup>3</sup> To see this, I present in the first column of Table 2 the ratio of the average wage among general merchandise stores (i.e., businesses in the *Other General Merchandise Stores* sector) to the average wage across all firms for each of the five occupations the listed in Table 1.<sup>4</sup> With the exception of cashiers, the typical worker in each of these occupations tends to earn between 10 and 20 percent lower wages in firms within Target’s specific retail sector compared to all other firms. In the second column of Table 2, I adjust the wage figures presented in Table 1 to reflect the fact that stores within Target’s specific retail sector operate on this lower pay scale.

TABLE 2. OCCUPATION WAGES ADJUSTED FOR GENERAL MERCHANDISE STORES

<i>Occupation</i>	<i>(1) Wage Penalty for Working in General Merchandise Stores</i>	<i>(2) Average San Francisco-Area Wage Adjusted by General Merchandise Store Wage Penalty</i>
Cashiers	99.2%	\$12.48
Retail salespersons	79.9%	\$11.67
Stock clerks	87.8%	\$11.94
First-line supervisors of sales workers	80.5%	\$18.24
Laborers, freight and stock movers	84.9%	\$12.17

Note: The BLS only publishes national estimates of industry-specific occupational wages. Therefore, the percentages in column 1 are based on national figures. Figures in column 2 equal the average occupational wage from Table 1 multiplied by the percentage in column 1 of Table 2.

3 Here and throughout this brief, I will refer to the “Other General Merchandise Stores” sector (NAICS 4529) that includes “warehouse clubs and supercenter stores” (NAICS 45291) as “general merchandise stores” for ease of exposition. Note that this sector does NOT include traditional department stores such as Macy’s. Such retailers are classified in NAICS 4521.

4 These data come from the national OES wage estimates published for May 2009. See: << <http://www.bls.gov/oes>>>.

The second factor that will lower the wage rates that can be expected at the proposed Target supercenter is Target's intention to staff the store with a much larger fraction of part-time workers than is typically found in other general merchandise stores. Part-time workers tend to earn lower wages than their full-time counterparts. The lower pay for part-time workers is due, in part, because of the high turnover rate among such positions prevents workers from earning much above entry-level wages.<sup>5</sup>

According to my analysis of the Department of Labor's Current Population Survey (CPS) data—the standard government data source used for estimating wages and employment in the United States—the workforce of general merchandise stores overall is 32.6 percent part-time and 67.4 percent full-time.<sup>6</sup> Target, in contrast, intends to staff the supercenter with 55 percent part-time workers and 45 percent full-time workers.<sup>7</sup>

Whether this is actually how the proposed supercenter will be staffed is unclear because conflicting information has come from other sources. Target human resource manager, Ms. Jamie Tajii, told San Rafael City Council members that, “on average, 35 percent of team members [Target employees] were full-time, with 65 percent part-time.”<sup>8</sup> Another estimate comes from the Target Corporation's Developer Guide Edition 2.11. On page 3.3 of the 2011 publication of this guide, “Target averages 150 - 200 employees per store depending on type and sales volume ... Approximately 20% - 25% of employees per store of all store types are employed full time.” In other words, based on the information in the Target developers guide the proposed Target superstore could potentially be staffed by an 80 percent part-time workforce.

Columns 1-3 of Table 3 provides average wage estimates for the five most common occupations again, this time adjusted to reflect both factors—the industry-specific wage scale and the high proportion of part-time workers expected to be employed at the Target supercenter store.<sup>9</sup> The three columns show adjusted average wage estimates depending on whether I assume Target uses a workforce that is 55 percent, 65 percent or 75 percent part-time, respectively. The figures in Table 3 suggest that wages for most of the Target supercenter jobs will range somewhere \$9.50 and \$18.00. This is broadly consistent with the wage range of \$9.00 to \$16.75 provided directly by Target.<sup>10</sup> The wage range of the non-supervisory positions I estimate for proposed Target supercenter for San Rafael—\$9.50 to \$11.60—is also broadly consistent with the \$10 - \$11 wage range of non-supervisory workers at the nearest Target store located in Novato, California.<sup>11</sup>

---

5 Chris Tilly and Francoise Carre, “America's biggest low-wage industry: Continuity and change in retail jobs,” Institute for Research on Labor and Employment Working Paper 2009-004, June 2008. << <http://escholarship.org/uc/item/6k91m7mk> >>.

6 Author's analysis of 2006-2010 CPS Basic Monthly data files.

7 See AECOM's San Rafael Community Impact Study of a Proposed Target Store, March 31, 2011, p. 3-10.

8 San Rafael City Council Minutes (Regular) for December 20, 2010. See p. 18.

9 To apply the part-time wage penalty to the average wages presented in Table 2 I took the following steps. First, I calculated the full-time/part-time wage premium by occupation among general merchandise stores using 2006-2010 CPS data. This wage premium is simply the percent difference between the full-time and part-time average wage by occupation and is listed in the Table 3 notes. I then use this to estimate the full-time and part-time average wages, by occupation, based on the industry-adjusted average wage data presented in Table 2. Next, I increased the ratio of part-time to full-time workers within each occupation to reflect the higher part-time to full-time ratio projected for the Target supercenter (e.g., 55 percent) relative to all general merchandise stores (i.e., 32.6 percent). In other words, when assuming that the Target store would have 55 percent part-time workers, I multiplied the percent of part-time workers in each occupation, by 55%/32.6%. Finally, I combined these new part-time to full-time ratios to weight the average occupation-specific part-time and full-time wages to get the overall average wage for each occupation. These new overall average wages are the figures in Table 3.

10 See AECOM's San Rafael Community Impact Study of a Proposed Target Store, March 31, 2011, p. 3-8.

11 See AECOM's San Rafael Community Impact Study of a Proposed Target Store, March 31, 2011, p. 3-9.

TABLE 3. WAGE ESTIMATES FOR THE TARGET SUPERCENTER:  
WAGES ADJUSTED FOR INDUSTRY AND LARGE PART-TIME WORKFORCE, BY OCCUPATION

<i>Occupation</i>	<i>Estimate 1: 55% part-time workforce</i>	<i>Estimate 2: 65% part-time workforce</i>	<i>Estimate 3: 75% part-time workforce</i>
Cashiers	\$11.11	\$10.92	\$10.92
Retail salespersons	\$10.53	\$10.03	\$9.52
Stock clerks	\$10.81	\$10.31	\$10.09
First-line supervisors of sales workers	\$17.78	\$ 17.57	\$17.36
Laborers, freight and stock movers	\$11.59	\$11.33	\$11.20

*Note: The wage penalty for part-time workers as a percent of full-time workers wages is as follows: -24.6% for cashiers; -29.3% for retail salespersons; -25.7% for stock clerks; -35.7 for first-line supervisors; -13.9 percent for laborers. Author’s analysis of CPS wage data, 2006-2010. See text for more details.*

In Table 4, I show how these average occupational wages adjusted to reflect both factors—the lower wages among general merchandise stores, Target’s specific retail sector, and the lower wages of a majority part-time workforce—to the average occupational wages for the San Francisco metropolitan area generally (i.e., the average wages presented in Table 2 above). As the figures show, the average occupational wages at the Target supercenter can be expected to be between 12 percent (e.g., cashiers) and 35 percent lower (e.g., retail salespersons) than in San Francisco-area firms generally.

TABLE 4. ESTIMATED WAGES FOR TARGET SUPERCENTER COMPARED TO SAN FRANCISCO-AREA WAGES, BY OCCUPATION

<i>Occupation</i>	<i>Estimated Target Wage as % of San Francisco-Area Average Wage</i>		
	<i>Estimate 1: 55% part-time workforce</i>	<i>Estimate 2: 65% part-time workforce</i>	<i>Estimate 3: 75% part-time workforce</i>
Cashiers	88.3%	86.8%	86.8%
Retail salespersons	72.1%	68.7%	65.2%
Stock clerks	79.5%	75.8%	74.2%
First-line supervisors of retail sales workers	78.4%	77.5%	76.6%
Laborers, freight and stock movers	80.8%	79.0%	78.1%

*Source: Tables 1 and 3.*

In other words, the average wages of the typical positions that will be offered in the Target supercenter store proposed for San Rafael can be expected to pay significantly lower wages than what is currently offered in the area for those occupations.

The city-commissioned Community Impact Report, by AECOM, that analyzes the fiscal and economic impact of the proposed Target store, incorrectly suggests that the average non-supervisory Target worker can be expected to earn a higher hourly wage than the average non-supervisory worker in the General Merchandise industry in San Rafael.<sup>12</sup> The estimates from Tables 3 and 4 indicate that average wages for the proposed Target supercenter will, in fact, likely be about 10 to 35 percent lower than the average local general merchandise store because of Target’s plan to use an above-average level of part-time workers.

<sup>12</sup> See AECOM’s San Rafael Community Impact Study of a Proposed Target Store, March 31, 2011, p. 3-9.

AECOM's error stems from their \$9.40 estimate for workers in the General Merchandise industry in San Rafael which underestimates the average wage for that sector. This is because they calculate this hourly rate by dividing the average annually earnings reported by the BLS for this sector of \$19,558 by 2,080 hours—the annual hours for a full-time worker. However, as I noted above, a large fraction of workers in this sector work part-time. Approximately 33 percent of the workers in general merchandise stores work part-time hours (i.e., 1,040 hours annually). Taking this into account, I find that the average wage rate in the General Merchandise industry is closer to \$11.26.<sup>13</sup> This estimate is generally above both the range of wages estimated for the non-supervisory positions of the proposed Target store presented in Table 3, as well as, the range of non-supervisory wages offered in the nearby Novato Target store.

## **ESTIMATED BENEFITS FOR THE PROPOSED TARGET SUPERCENTER**

According to information provided by Target to AECOM, the entire proposed Target supercenter full-time workforce and half of the part-time workforce will be eligible for benefits.<sup>14</sup> This does not, however, mean that all full-time workers and half of part-time workers will receive benefits, as suggested by AECOM.<sup>15</sup> In fact, whether workers participates in such benefit programs will be affected by the quality of the benefits package, including whether the employer contributes to benefits such as paying for part of workers' health insurance premiums or matching worker contributions to a retirement fund. Target, however, has not provided any details about the quality of the benefits it will provide.

To estimate the proportion of workers likely to receive benefits through the jobs offered at the proposed Target store I analyze the participation rates of workers in two types of benefits—health insurance and pension benefits—within Target's specific retail sector, large general merchandise stores.<sup>16</sup>

For these estimates I again use 2006-2010 data from the Department of Labor's CPS.<sup>17</sup> I discuss each type of benefit in turn. As I'll demonstrate below, the participation rates within the proposed Target supercenter can be expected to be lower than average in the retail sector generally, but also within Target's specific retail sector. This is because of the much larger fraction of part-time workers expected for the supercenter.

**Medical benefits.** As I show in column 1 of Table 5, among retail firms, only 15 percent of part-time workers participate in employer-sponsored health insurance plans. Full-time retail workers participate at a much higher rate of 58 percent. Since part-time workers make up 28 percent of the workforce among retail firms, this means that overall, 46 percent of retail workers participate in an employer-sponsored health insurance plans.

---

13 To get this figure I solve for the "Avg. Wage" in the following expression:  $\$19,558 = ([\text{Avg. Wage}] [1040 \text{ hours}] [33 \text{ percent of workers}]) + ([\text{Avg. Wage}] [2080 \text{ hours}] [66 \text{ percent of workers}])$ .

14 See AECOM's San Rafael Community Impact Study of a Proposed Target Store, March 31, 2011, p. 3-8.

15 See Figure 3-7 of AECOM's San Rafael Community Impact Study of a Proposed Target Store, March 31, 2011, p. 3-12.

16 The smaller samples from the March CPS data files do not allow for reliable estimates by occupations within industry.

17 This time I use the March data files of the CPS which contains information about survey respondents' health insurance and retirement plans.

TABLE 5. PARTICIPATION RATE IN HEALTH INSURANCE BENEFITS BY INDUSTRY

	<i>Retail Stores</i>	<i>Large General Merchandise Stores</i>
Part-time workers	14.7%	18.5%
Full-time workers	58.0%	60.5%
Overall	45.7%	46.8%

Source: For participation rates: March CPS data files, 2006-2010; For part-time/full-time shares: CPS Outgoing Rotation Group data files, 2006-2010.

Among large general merchandise stores (more than 100 employees), Target’s specific retail sector, the participation rates are slightly higher: 19 percent of part-time workers and 61 percent of full-time workers participate an employer-sponsored health insurance plan. These large firms employ 32.6 percent part-time workers, on average. These two factors combined produce a slightly higher overall participation rate in job-related health insurance plans of 47 percent.

In Table 6, I present three sets of estimates on the health insurance benefit participation rates for the proposed Target supercenter store. As with the wage estimates, I make three different assumptions about the share of part-time workers that will be employed at the store. As the figures will show, this significantly impacts the participation rates—that is, the proportion of workers expected to receive health insurance benefits from their jobs at Target. To produce these estimates, I use the benefit participation rates for part-time and full-time workers in large general merchandise stores, but adjust for the proportion of part-time workers.

In the first column, I assume that 55 percent of the workforce in the proposed Target store will work part-time—this implies an overall health benefit participation rate of 37.4 percent, about 10 percentage points lower than retail firms generally, as well as, among large firms within Target’s specific retail sector.<sup>18</sup> The second column shows an overall participation rate of 33 percent, assuming now that 65 percent of the workforce in the proposed Target store is part-time. Finally in the third column of Table 6, I show that the overall participation rate would be 29 percent if 75 percent of the workforce is part-time. This last figure is fully 17 percentage points lower than retail firms generally.

TABLE 6. ESTIMATED HEALTH INSURANCE BENEFIT PARTICIPATION RATES FOR TARGET SUPERCENTER

	<i>Estimate 1: 55% part-time workforce</i>	<i>Estimate 2: 65% part-time workforce</i>	<i>Estimate 3: 75% part-time workforce</i>
Health Insurance Benefit Participation Rate	37.4%	33.2%	29.0%

Source: For participation rates: March CPS data files, 2006-2010.

<sup>18</sup> The fact that Target expects that half of its part-time workforce will be eligible for benefits means that the supercenter store will have a much higher access rate (50 percent) than the 24 percent among part-time workers across the private industry (BLS Employment Benefits News Release, July 26, 2010). However, even taking this into account, the participation rate will still be lower. To see this I do the following exercise: I assume that Target’s part-time benefits-eligible workers will take-up Target’s medical benefits at the same rate as part-time workers across all private firms, or 57 percent (BLS Employment Benefits News Release, July 26, 2010). Second, I assume that half of the part-time workforce at Target will be eligible for benefits, as indicated by AECOM report. Third, full-time workers take up benefits at a rate of 60.5 percent, as estimated by the March ACS 2006-2010 data for this sector. With these assumptions, I find that the participation rate for the Target supercenter will be, at most, 43 percent.

**Retirement benefits.** The pattern is the same for retirement benefits. As with health insurance benefits, part-time retail workers have lower participation rates than full-time retail workers. The overall level of participation in pension plans, however, is higher than among health insurance plans, across both types of stores. The retirement benefit participation rates for retail stores generally, and large general merchandise stores specifically are presented in Table 7.

TABLE 7. PARTICIPATION RATE IN EMPLOYER-SPONSORED RETIREMENT PLAN BY INDUSTRY

	<i>Retail Stores</i>	<i>Large General Merchandise Stores</i>
Part-time workers	29.3%	34.7%
Full-time workers	73.7%	70.1%
Overall	61.6%	58.6%

Source: For participation rates: March CPS data files, 2006-2010; For part-time/full-time shares: CPS Outgoing Rotation Group data files, 2006-2010.

In Table 8, I provide employer-sponsored retirement plan participation estimates for the proposed Target supercenter store, again using three different assumptions about the size of the part-time workforce and by applying the participation rates from Table 7 for large general merchandise stores. The figures in Table 8 show how workers at the proposed Target supercenter can expect to have much lower overall participation rates. The percent of workers expected to participate in Target’s employer-sponsored retirement plan ranges between 44 and 51 percent, depending on the proportion of part-time workers assumed. These percentages fall well below—about 10 to 15 percentage points below—what is estimated to be the case for retail firms generally, as well as for stores within Target’s specific retail sector.

TABLE 8. ESTIMATED RETIREMENT BENEFIT PARTICIPATION RATES FOR TARGET SUPERCENTER

	<i>Estimate 1: 55% part-time workforce</i>	<i>Estimate 2: 65% part-time workforce</i>	<i>Estimate 3: 75% part-time workforce</i>
Retirement Benefit Participation Rate	50.6%	47.1%	43.6%

## WHAT STANDARD OF LIVING WILL THE ESTIMATED TARGET EARNINGS SUPPORT?

To answer this question, I first need to lay out what I will use to gauge a household’s standard of living. Perhaps the most commonly used measure for this type of assessment is the U.S. Census Bureau’s official poverty line. However, the official poverty line is well-known to represent a severe level of economic deprivation.<sup>19</sup> An alternative to the official poverty line are basic family budgets, such as the California Budget Project’s (CBP) “Family Basic Budget”<sup>20</sup> which estimates the income that families need for a safe

19 Constance Citro and Robert Michael offer a comprehensive discussion of the problems with the U.S. government’s official poverty measures in *Measuring Poverty* (Washington DC: National Academy Press; 1995). More recently, the U.S. Census Bureau announced its plan to develop an alternative poverty measure to address problems documented in *Measuring Poverty*, as well in the research that has been produced during the intervening years. This effort is described in the March 2010 U.S. Census Bureau memo titled, “Observations from the Interagency Technical Working Group on Developing a Supplemental Poverty Measure.” See: <<[http://www.census.gov/hhes/www/poverty/SPM\\_TWGObservations.pdf](http://www.census.gov/hhes/www/poverty/SPM_TWGObservations.pdf)>>; accessed December 29, 2010. Gordon M. Fisher (2007) of the U.S. Department of Health and Human Services, notes that the “...the Census Bureau has stated in several recent publications and on its web site, ‘While the [poverty] thresholds in some sense represent families’ needs, the official poverty measure should be interpreted as a statistical yardstick rather than as a complete description of what people and families need to live.’” See: <<<http://aspe.hhs.gov/poverty/papers/std-budgets/index.htm#Conclusion>>>.

20 See: << [http://www.cbp.org/pdfs/2010/100624\\_Making\\_Ends\\_Meet.pdf](http://www.cbp.org/pdfs/2010/100624_Making_Ends_Meet.pdf) >>

and decent, yet basic, living standard. Talled up in this budget are the following items using region-specific prices: food, housing, transportation, healthcare, childcare, and other necessities (personal care items, clothes, educational materials), and taxes. This budget includes no significant savings for emergencies, retirement or education, nor does it cover “extras” such as any entertainment expenses.

The CBP’s publishes Marin County basic family budgets for four different household types: \$34,108 for a single adult, \$81,820 for a single parent family, \$61,943 for a two-parent family with one working adult, and finally \$89,915 for a two working parent family. I use these basic family budgets to assess whether the typical Target earnings will support a minimally decent living standard.

In Table 9, I present the annual earnings that workers can expect from the proposed store’s five most common occupations: cashiers, retail salespersons, stock clerks, first-line retail supervisors, and laborers. In the first column, I present the average wages from Table 3, using the most conservative assumption that 55 percent of the Target workforce will be part-time. Of the five occupations I look at, four (cashiers, retail salespersons, stock clerks and laborers) are most typically part-time, so I assume a part-time schedule of 26 hours for the typical worker in these positions.<sup>21</sup> I also assume that the typical worker in these positions do not receive any benefits since less than 20 percent of part-time workers are expected to participate in Target’s health insurance plan and less than 35 percent are expected to participate in Target’s retirement benefits. For the remaining occupation, retail supervisors, I assume a full-time schedule of 36 hours for the typical worker in this position.<sup>22</sup> Workers in this position would also be more likely to participate in Target’s benefit plans because of their full-time status. In the last column, I show the annual earnings for each Target job.

TABLE 9. ESTIMATED TARGET ANNUAL EARNINGS

<i>Occupation</i>	<i>Average Hourly Rate*</i>	<i>Annual Hours</i>	<i>Benefits provided?</i>	<i>Annual Earnings</i>
Cashiers	\$11.11	1,352	No	\$15,021
Retail salespersons	\$10.53	1,352	No	\$14,237
Stock clerks	\$10.81	1,352	No	\$14,615
First-line supervisors of retail sales workers	\$17.78	1,872	Yes	\$33,284
Laborers, freight and stock movers	\$11.59	1,352	No	\$15,670

Notes: \* I use Estimate 1 from Table 3.

In Table 10, I compare the annual earnings from Table 9 to the four different basic family budgets for Marin County. Clearly, the earnings from non-supervisory positions at the proposed Target supercenter jobs provide nowhere near the earnings necessary to cover the basic needs of any of the household types I examine. Even the earnings of first-line supervisors only manage to fall just short of a single adult’s basic budget. For all other household types, a significant gap remains between the earnings from this full-time benefited position and what these households need to cover their basic expenses.

21 My assumption of a 26-hour schedule likely overestimates the hours of the typical part-time worker. Target indicated to AECOM that half of part-time workers would work less than 20 hours weekly, and the other half would work between 20 and 32 hours weekly. See AECOM’s San Rafael Community Impact Study of a Proposed Target Store, March 31, 2011, p. 3-8.

22 Target indicated to AECOM that full-time workers would work 32 hours or more. See AECOM’s San Rafael Community Impact Study of a Proposed Target Store, March 31, 2011, p. 3-8.

TABLE 10. COMPARING ESTIMATED TARGET ANNUAL EARNINGS TO MARIN COUNTY BASIC FAMILY BUDGETS

Occupation	Annual Target Earnings as % of Earnings Needed to Cover Basic Family Budget			
	For Single Adult (\$34,108)	For Single Parent Family (\$81,820)	For Two Parent Family-One Working Parent (\$61,943)	For Two Working Parent Family (Half of \$89,915)
Cashiers	44.0%	18.4%	24.2%	33.4%
Retail salespersons	41.7%	17.4%	23.0%	31.7%
Stock clerks	42.8%	17.9%	23.6%	32.5%
First-line supervisors of retail sales workers*	97.8%	40.8%	54.6%	74.8%
Laborers, freight and stock movers	45.9%	19.2%	25.3%	17.4%

Notes: The basic family budgets are adjusted downward for the supervisor position to take account of the fact that the typical worker in this position is full-time and therefore likely to participate in Target’s health insurance benefits. The adjusted basic family budgets are: \$34,022, \$81,609, \$61,006 and \$88,978, respectively. Also note that in the last column, the Target annual earnings is taken as half of the family basic budget since that household includes two working adults.

## CONCLUSION

Based on the wage and benefits estimates in this brief the City of San Rafael can expect the pay of the typical job offered at the proposed Target supercenter in San Rafael to be low.

This is primarily due to two factors. First, general merchandise stores such as Target tend to pay lower wages than the average firm. Second, part-time jobs tend to pay less than full-time positions, and Target plans to use a large percentage of part-time workers—on the order of 55 percent of more. This is high even within Target’s specific retail sector: general merchandise stores, on average, have a workforce that is 32.6 percent part-time.

Moreover, low proportions of these part-time workers can be expected to receive benefits through their Target jobs: less than one in five part-time workers will likely receive health insurance benefits from these Target jobs and just over one-third of part-time workers will likely participate in Target’s retirement plans.

Finally, the low pay of these positions combined with part-time schedules produces earnings far below what households need to meet their families’ basic needs. The typical non-supervisory part-time position provides at most one-third of what a worker raising children needs to cover his/her family’s basic expenses. Even full-time first-line supervisor positions only generate enough earnings to fall just short of what a single adult, with no children, needs to cover his/her basic expenses.

## ABOUT THE AUTHOR

Dr. Jeannette Wicks-Lim is an Assistant Research Professor at the Political Economy Research Institute at the University of Massachusetts, Amherst. Wicks-Lim specializes in labor economics, in particular conditions for low-wage workers in the U.S. economy. Her recent publications include the book *A Measure of Fairness: The Economics of Living Wages and Minimum Wages in the United States* (co-authored 2008), and the studies “Combining Minimum Wage and Earned Income Tax Credit Policies to Guarantee a Decent Living Standard to All U.S. Workers” (co-authored, 2010), “Creating Decent Jobs in the United States” (2009), and “Green Prosperity: How Clean-Energy Policies Can Fight Poverty and Raise Living Standards in the United States” (co-authored, 2009). She also writes a regular column for *Dollars & Sense* magazine.

## ACKNOWLEDGEMENTS

I am grateful to PERI Communications Director Debbie Zeidenberg for the polished appearance of this brief. I also benefited from the Center for Economic and Policy Research’s user-friendly and open-source versions of the Current Population Survey data files.