



# Amazon Is Coming to Town: A reporter's guide to covering Amazon in your community — on deadline

## THE ISSUE

Amazon.com, Inc. is far more than a retailer, but its most visible and rapid expansion is in retail, driving a massive buildout of its distribution network. It often demands that the public subsidize these new warehouses via tax breaks, cheap land, and other incentives, which Amazon claims are worth it due to its positive impact on local economies. It has received more than \$3.7 billion so far.

But Amazon's local impact is highly debatable; left, right and libertarian analysts generally agree government subsidies fail to boost the economy in any meaningful way. And Amazon's delivery facilities are a key part of its efforts to monopolize more sectors of retailing.

## HERE ARE 5 THINGS FOR LOCAL JOURNALISTS WHO ARE COVERING THESE DEBATES IN THEIR COMMUNITIES TO CONSIDER.

### 1. IS THE LOCATION KEY TO AMAZON'S BUSINESS?

Amazon tends to locate in areas providing it proximity to wealthier customers (i.e. Prime subscriber households), and key transportation facilities such as highways and airports. That is, market basics drive site location decisions, not public subsidies.

*Additional information: [Mapping Amazon: Where the Online Giant Locates Its Warehouses and Why](#) – Good Jobs First; [Amazon Tracker](#) – Good Jobs First*

### 2. WHAT KIND OF SUPPORT HAVE SMALL BUSINESSES RECEIVED IN THE REGION?

Amazon's power is primarily based on exploiting gaps in antitrust, tax, privacy or other forms of law to acquire anticompetitive advantages. This is particularly problematic for small businesses, which tend to not receive the sort of subsidies or other governmental support Amazon does.

*Additional information: [Understanding Amazon: Making the 21st-Century Gatekeeper Safe for Democracy](#) – American Economic Liberties Project; [Amazon's Stranglehold: How the Company's Tightening Grip Is Stifling Competition, Eroding Jobs, and Threatening Communities](#) – Institute for Local Self-Reliance*

### **3. WHAT WILL THE MEDIAN WAGE BE FOR WORKERS AND HOW MANY JOBS WILL AMAZON MAINTAIN FOR THE LONG-TERM?**

Research has shown that Amazon's warehouses provide little to no benefit to the wider economy, reduce wages for all warehouse workers (because it pays below-market wages), and also lead to scores to injuries.

*Additional information: [How Amazon hid its safety crisis](#) – [Reveal](#); [Unfulfilled promises Amazon fulfillment centers do not generate broad-based employment growth](#) – [Economic Policy Institute](#)*

### **4. IS THERE A MECHANISM TO TAKE BACK MONEY IF THE COMPANY FAILS TO DELIVER THE BENEFITS IT PROMISED?**

Arguably, any economic development incentive should include a clawback, or recapture provision, that says a company must uphold its end of the bargain or taxpayers get their money back.

Governments—including state auditors—must monitor annual performance of each deal and release that information to the public. An equivalent safeguard is “performance-based” incentives, i.e., back-loaded, so that the company does not receive the subsidy until it delivers on jobs, wages, and/or capital investment.

*Additional information: [Key Reforms: Clawbacks](#) – [Good Jobs First](#)*

### **5. WHO'S ULTIMATELY PAYING FOR THE SUBSIDIES?**

Amazon often locates in low-income communities with higher Black and Latino populations. Tax breaks mean less revenue for schools, roads, and other public services, and communities of color already are far more likely to live in more highly polluted areas, which Amazon truck traffic may exacerbate.

*Additional information: [Amazon's Massive Chicago-Area Expansion Was Fueled By \\$741 Million From Taxpayers](#) – [WBEZ](#) and [BGA](#); [How Amazon's Emissions are Hurting Communities of Color](#) – [Amazon Employees for Climate Justice](#)*