



Fact Check: Liquor Store Revenues and Jobs

UFCW President Wendell Young is so desperate to retain Pennsylvania's 80-year old government liquor monopoly that he'll say anything. Most recently, [he claimed "privateers" were hacking an online poll](#) of the Pittsburgh Post-Gazette, though online polls have little weight, and [scientific polls consistently show voters support liquor store privatization](#).

Two of the myths Wendell Young has crafted include that the PLCB generates \$500 million annually for the state, and that privatization will destroy 3,000 jobs currently held by state liquor store clerks.

Jobs

Ending the state-run monopoly will create thousands of **additional jobs** across the state and unleash millions of dollars in **new business investment**. Gov. Corbett's proposal allows beer distributors to expand their already safe and reliable businesses, creates hundreds of new wine and liquor outlets, and enables grocery stores to expand to sell wine and beer to meet the needs of consumers.

According to [the PFM analysis of the governor's plan](#), approximately 6,000 current stores would buy licenses to sell wine and beer, in addition to the 1,200 new stores that would purchase wine and spirits licenses.

Young likes to cite a [2011 PFM analysis](#) which says additional jobs at current stores would be "minimal." But even "minimal" new jobs at 6,000 existing stores plus full staffing at 1,200 *new* wine and spirits stores would result in **tens of thousands of additional jobs across the state, just in retail stores.**

Moreover the plan would bring millions back into Pennsylvania through a reduction in border bleed. The PFM group estimates [\\$92 million in additional sales would return to Pennsylvania](#) via cross-border sales in the most populous areas. **More sales means more revenue for the state, more jobs for residents, and more opportunity for business owners.**

New Liquor Licenses under Privatization	
Wine and Spirits Stores	1,200
Beer/Wine Licenses	
Big Box	100
Grocery	2,400
Convenience	800
Pharmacy	1,700
Enhanced Beer Distributors	1,000
Total New Stores	1,200
Total Expanding Stores	6,000
Liquor Modernization Analysis Based on Governor Corbett's 2013 Proposal, Pennsylvania Office of the Budget, Conducted by the PFM Group, January 2013, http://www.governor.state.pa.us/	

Revenues

The claim that PLCB generates \$500 million in "profits" for the state is misleading at best.

Approximately 80 percent of the "profits" the PLCB [transfers to the state was generated from taxes](#), and the rest is taken out of the pockets of Pennsylvania consumers and taxpayers through "markup" charges. Privately-owned liquor stores would produce the same revenue or more, as private companies pay additional taxes and licensing fees to the state.

The [PFM analysis of Governor Corbett's proposal](#) estimates that privatization would generate more for the state in 2014 than under the government.

PLCB Annual Revenue and Expenditures		
LCB Program Revenue	Current (2014)	Privatization
LCB Markup	\$556,000	\$0
License Fees and Fines	\$13,000	\$138,250
Misc Income	\$3,000	\$0
Retail Regulatory Fee	\$0	\$20,000
Total Program Revenue	\$572,000	\$158,250
Expenses		
LCB Operations	\$438,000	\$35,000
State Police Enforcement	\$22,000	\$27,000
Treatment and Prevention	\$2,000	\$3,520
General Fund Transfer	\$80,000	\$80,000
Total Expenses	\$542,000	\$145,520
Net Revenue	\$30,000	\$12,730
Taxes		
Johnstown Flood Tax	\$323,000	\$335,000
State Sales tax	\$127,000	\$132,000
Corporate Income Tax	\$0	\$1,900
Personal Income Tax (on S-Corps)	\$0	\$500
Total Taxes	\$450,000	\$469,400
Total Revenue for General Fund, State Police, and Treatment	\$584,000	\$592,650
Liquor Modernization Analysis Based on Governor Corbett's 2013 Proposal, Pennsylvania Office of the Budget, Conducted by the PFM Group, January 2013, http://www.governor.state.pa.us/		

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For more information on liquor store privatization, visit BoozeFacts.com.

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