

Over a year later, small-town Saskatchewan still feels impacts of SLGA store closures

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Introduction

There is no doubt that the 2014 closure of Saskatchewan Liquor and Gaming Authority (SLGA) stores in four small towns has had a drastic impact on the social and economic livelihoods of these towns. The closures have not only drained the community in terms of their impact on businesses but have also made the purchasing of liquor in these small towns very difficult.

Both the business community and residents have expressed some amount of hardship and displeasure in purchasing liquor since. For some, it is no longer convenient as they have had to travel outside these towns to purchase liquor, despite having new franchises that provide varied selections on products. Even though it has been over a year since SLGA stores closed in Ponteix, Ituna, Langenburg and Kerrobert, the impact is still very active.

While some individuals have seemingly moved on with their lives, the livelihood of rural Saskatchewan has not been the same. Most significantly, the closures have had the most impact on the former employees who lost their jobs in these towns. Some have opted to work at other liquor stores but not without new challenges and increased expenses.

This report reflects the impact these closures have had, a year later, and are still having on these small towns, including their residents, business communities and former SLGA workers.

The data collected is based on interviews with some business owners in all four towns, several residents and some former employees who have all expressed displeasure with the move to shut-down and privatize SLGA stores that have had spin-off benefits for Saskatchewan for years. Below is a synopsis of the findings, followed by an extensive look at the impact of these closures on rural Saskatchewan.

Key Findings

Main impact on former SLGA employees:

- Increased travelling expenses commuting for work outside towns
- Disruption in livelihoods and increased family expenses
- Disconnection from small-town activities
- Significant drop in disposable income due to expenses now incurred
- Increased fear & uncertainty about job security (fear of losing job a second time if all liquor stores are privatized)

Impact on businesses:

- Fear of more businesses leaving town
- Less consumer traffic
- Loss of more jobs
- Drop in competitiveness
- Shortfall in annual profits

Impact on community/residents:

- Dissatisfaction with franchise services
- Lack of variety/selection in liquor
- Displeasure with shopping experience at liquor franchises
- Reported untrained liquor personnel at franchises

Full Report

It has been over a year since the closure of four government-owned liquor stores in rural Saskatchewan, and residents and businesses are still reeling from the effects of these closures.

In summer 2014, the government shocked small-town Saskatchewan by closing four Saskatchewan Liquor and Gaming Authority stores in four rural communities: Ituna, Ponteix, Langenburg and Kerrobert.

The closure of SLGA stores in the small towns saw the loss of 12 well-paying full-time and part-time jobs of local people, some of whom had been working at the stores for over 20 years.

Even though over a year has passed since the closure of the stores, the business community of these small towns, residents and former employees are still feeling the impact the closures have had on their social and economic livelihoods.

Some residents have complained about a significant reduction in services provided by private owners to which the liquor franchises have been awarded; other small businesses have complained about reductions in profits while former employees have reported a significant shift in their day-to-day lives due to adjustments in their schedules to accommodate new jobs, some of which are located in other towns, miles away.

Former employees of SLGA stores in these small towns, some of whom now work at other liquor stores in adjoining towns, fear that if other stores are privatized following upcoming provincial elections in April, they will again lose their jobs, this time for good.

INCREASED EXPENSES

The closures have had the most severe impact on former employees, some of whom now have to travel for hours outside their towns to work at other liquor stores while at least one person has opted to retire following the closures.

Even though some workers have opted to work at other SLGA stores, their incomes remain the same, while their expenses have skyrocketed. In addition to hiked expenses, the workers who were given the option of working at other liquor stores in different towns are concerned that they may soon be out of jobs, if they have to endure closures for a second time, once more stores are privatized. They have described this as stressful and traumatizing for not only themselves but their families.

A former manager of the SLGA store in Ituna, Barb Kuschak, who has worked with SLGA for 25 years, says the closure has had a major impact on her day-to-day routine. Kuschak now manages the liquor store in Foam Lake, 40 minutes outside her hometown in Ituna.

Kuschak explains that one of the hardest things was having to lose her job in Ituna and travelling for some two hours to work in Foam Lake every day. She explains that she travels early every morning to Foam Lake to work at the SLGA store there and returns to Ituna late in the evenings. This, she explained, can be stressful because she is also the caretaker for her 86-year-old mother for whom she bears sole responsibility.

She noted that it costs more to travel on a day-to-day basis and to pay for daily care for her mother who stays at a nursing home during the hours for which she is at work. "It costs more to travel because I usually pay \$40 weekly for gas and now it has exceeded at least \$200, so the closure has definitely racked up my expenses over the last year," said Kuschak.

She added that she is no longer a part of the livelihood of the town and is unaware of what is happening there because she is not able to conduct business or make any purchases at stores in Ituna. "When I go to work, I spend two hours driving and the rest of the day working and when I return, it's late evening, and I can't do any business there," she said. Instead, she shops in other towns while commuting back and forth to Ituna. Even though she is trying to cope, Kuschak hopes that the privatization does not continue because this would mean the permanent loss of jobs.

In addition to Kuschak, two other people lost their jobs at the SLGA store in Ituna, who now work at liquor stores in Yorkton and Fort Qu'Appelle.

Kathy Tetzlaff, who managed the liquor store in Kerrobert, says the closure of the SLGA store in her town was difficult to accept. "The closure devastated me," said Tetzlaff, who spent 28 years working at the liquor store. It was like losing a part of a family," she said. Like other workers, Tetzlaff has to commute two hours daily to work. She now manages the liquor store in Wilkie after being given the option to work at another SLGA store.

Both Kuschak and Tetzlaff assert that not only does this impact their lives but they fear that the economy of the towns may deplete over time once such profitable businesses are taken away from the community. They both expressed that the closures have, to some extent, driven business out of the towns.

POORER SERVICES

Even though some residents have seemingly moved on with their lives following the closures, the impact has left some complaining about poor service and lack of product knowledge at the new liquor franchises.

In the four towns, some residents complain that the liquor stores have moved into already existing businesses, which do not provide detailed information on selections and where staff are not fully trained like SLGA employees to accommodate liquor purchases.

There has reportedly been a reduction in the quality of customer service when people set out to purchase liquor. In fact, some residents have been venturing outside their towns to neighboring towns to purchase liquor at other SLGA stores. This, they have explained, is due to the lack of proper customer service, attributed to the reported lack of a fully trained staff.

Some residents have explained that the service is poor in comparison to what existed before; there are limited liquor selections, and residents complain of having to wait to be attended to at the store because personnel are not properly trained to manage the sale of liquor.

Jim Pringle, who operates the Ituna Hotel, has been selling liquor through a hotel off-sale since the closure of the SLGA store. He describes the current situation as overwhelming for residents, stating that some people choose to buy liquor at higher prices, sometimes at his outlet, rather than having to tolerate a poor shopping experience at the franchises. "Sometimes customers prefer to buy liquor at a more expensive price because they no longer want to endure some of the bad experiences they've been having over the past year," said Pringle.

The liquor store in Ituna has moved into a grocery store franchise, with a smaller space devoted to liquor products, while the current SLGA building remains empty as no business has replaced it since the liquor store closed.

The same is true for liquor stores in the other three small towns. All the buildings that housed SLGA stores are still empty because no businesses have opted to move into the old spaces. In Ponteix, a grocery store now sells liquor with a smaller space while in Langenburg, the liquor store has moved into a drug store. The liquor franchise in Kerrobert has moved into a convenience store.



The building that housed former SLGA store in Ituna remains empty, over a year later as no businesses have occupied the space.

LOSS OF BUSINESS

Undoubtedly, other businesses have suffered a severe blow to their profits following the closure of SLGA stores. Businesses such as grocery and clothing stores have reported that since the closures of SLGA stores, they have noticed a significant reduction in customer traffic.

In Langenburg, some of the most affected businesses were those located close to the SLGA store. One owner of a clothing retail store says profits were significantly lower immediately after the closures in summer 2014 because the usual foot traffic was not available. The owner said customers from the liquor store often stopped at their business afterwards, but that source of business quickly disappeared after privatization. Meanwhile, the closure of the liquor store seems to have had the most severe impact on the business community in Ituna, especially grocery stores.

One grocery store owner who has operated there for 22 years, Murray Anderson, said his business has suffered the most, describing the 2014/15 fiscal year as “the worst business year in all [his] years of operating in Ituna.”

Anderson said he has experienced a 30% drop in profits, and has had to reduce staff to only his family members, after suffering a blow to his business following the closure of the liquor store. He noted that because the liquor franchise has moved into a competing grocery store, many residents no longer shop at his store. “We’re not able to compete because people get everything they need at the grocery store when they purchase liquor, or they purchase their groceries when they travel out of town. There is hardly any shopping here,” he said.

Anderson and his family are now looking to take their business elsewhere, or to find new jobs.



This family business is struggling to keep afloat following the closure of the SLGA store in Ituna.

Businesses in Ponteix have also experienced the same dilemma. Residents complain that the loss of the liquor store was a massive setback to the economy of the small town of just over 600 people.

Town residents lament that not much business activity has occurred in the past year. Two people worked at the liquor store in Ponteix. One employee retired after notice of the closure, while the other is working at another SLGA store in nearby Swift Current.

A local grocery store now sells liquor in Pondeix, but residents report that it has devoted a much smaller space to liquor, and provides limited selection.

Some of the residents explained that the SLGA's closure has stifled the economic viability of the town because not much shopping takes place there anymore. In addition, the fact that they have to travel some 80 kilometers outside of Pondeix to another town – Swift Current – to get a wide variety of liquor options has compounded the issue for them.



The building which housed the SLGA store in Pondeix remains empty, while only the library operates next door.

Furthermore, at least three other businesses have shut their doors in Pondeix and this worries residents. In December 2015, Saskatchewan Government Insurance closed. Prairie Breeze, a dollar store, and Bridges, a home care store also shut down operations, while others struggle to stay afloat in Pondeix. About eight people reportedly lost their jobs following these closures. It is not clear if these closures were as a result of the SLGA store's closure, but the business community in people's view is depleting.

One of the biggest concerns for residents of these small towns is that the removal of any business from their town gradually destroys their livelihoods, both economically and socially. Economically, they fear that more businesses will opt to close or move their operations into other towns. Socially, residents are concerned that the spin-off benefits of businesses to the upkeep of these towns will decrease over time.

