



Amazon HQ2 decision: Why residents may face challenges

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E-commerce giant Amazon announced on Tuesday it will split its new headquarters between Long Island City, New York, and Arlington, Virginia – which brings good news for each state, but some potentially bad news for residents and small businesses.

“The economic impact will be in the billions for each city, no question – if the size and scale holds true,” Tom Stringer, who heads site selection for international consulting firm BDO, told FOX Business.

New York and Virginia will benefit from “hundreds of millions” of additional cash into state income tax coffers, in addition to increased capital expenditures.

Amazon said it will generate \$10 billion in additional tax revenue in New York and \$3.2 billion in revenue in Virginia over the span of 20 years.

Amazon said it will hire a total of 50,000 workers at the new headquarters location, investing \$5 billion. The company said its decision will create “tens of thousands” of jobs in the surrounding community.

However, those statistics could increase competition for other smaller tech firms in the area hoping to attract workers from the same pool of high-quality workers, according to Chris Edwards, director of tax policy studies at the Cato Institute and editor of www.DownsizingGovernment.org.

“Politicians focus on the giant oak companies such as Amazon, but it is more important for regional economies to germinate a forest of small and growing firms,” he said. “Ten firms of 1,000 workers probably creates more stability and long-term growth potential for a city than one big firm with 10,000 workers.”