

# MAKING CHANGE AT WALMART

## What Happened to Sam Walton's Creed of Respect the Associate?

### What Walmart says...

- ✘ Walmart offers good jobs with competitive wages and benefits, and opportunities to build a career.
- ✘ Every new supercenter provides roughly 300 jobs
- ✘ Nearly 75% of Walmart's store management teams joined the company as hourly associates.<sup>1</sup>
- ✘ Walmart offers associates a "comprehensive benefits package that provides more cash up-front to pay for eligible medical expenses, the potential to receive more income today through [Walmart's] bonus incentive programs, and incentives to save and help them plan for retirement."<sup>2</sup>

### What Walmart doesn't say...

- Although the company will often cite higher numbers, the average Walmart Associate makes just \$8.81 per hour according to a study published by Bloomberg News. An employee who works Walmart's definition of full-time (34 hours per week) makes just \$15,500 per year.<sup>3</sup> That means hundreds of thousands of people who work full-time at Walmart still live below the poverty line.
- Many Walmart workers are forced to utilize state subsidized benefits. Three major studies—one in Georgia, one in California, and one in Massachusetts—found that Walmart was the employer that had workers most reliant on government assistance. It is estimated that Walmart employees cost taxpayers more than \$1 billion nationwide.<sup>4</sup>
- As of January 2012, Walmart no longer offers health benefits to employees who work less than 24 hours per week. Walmart also raised premiums for full time employees by up to 120 percent.<sup>5</sup>
- Walmart has a long history of denying its employees the right to organize and right to collectively bargain.<sup>6</sup> The company deploys numerous anti-union tactics, including requiring workers to attend anti-union meetings and specially training supervisors in union avoidance.<sup>7</sup>
- Back in 2005, a memo from Walmart's then Vice President of Benefits Susan Chambers outlined a strategy for how the company could remove sick workers from the payrolls and avoid paying healthcare benefits.<sup>8</sup>
- Many Walmart workers are forced into "flexible" schedules, which means "shorter shifts, [making] it difficult to schedule their lives, and unleash Darwinian forces on the sales floor that damage[s] morale."<sup>9</sup>

For more information, go to [www.ChangeWalmart.org](http://www.ChangeWalmart.org)

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- “The [flexible scheduling] policy is designed to force higher-paid full-time workers to reduce their status to part-time, or quit (and be replaced with part-time workers), since this would save Walmart ‘enormous amounts of money from reduced salaries and benefits paid.’”<sup>10</sup>
- The company will not disclose how many of its workers are part-time, but employees across the country report an increase in part time staffers, even for numerous employees seeking full-time status.
- Between July 2005 and June 2011, Walmart settled an estimated 70 state and federal class action wage and hour lawsuits and lost one jury trial of a wage and hour case, involving a total of well over a million current and former employees and costing the company over \$1 billion. The lawsuits covered wage and hour violations that occurred between the late 1990s and 2010, including unpaid wages and lack of legally required breaks.<sup>11</sup>
- Walmart subcontracts warehouse work to third party companies who then subcontract with temp agencies to supply workers. At one Walmart contractor, Schneider Logistics, which operates several warehouse facilities in Southern California, Illinois and other parts of the country, workers recently filed a class action lawsuit in federal court detailing a pattern of abuses leading to workers being paid below the legal minimum.
- Because many warehouse workers are “temporary”, despite working for the same facilities often for years on end, they are subjected to rock-bottom wages, dangerous working conditions and do not receive any kind of employer-provided benefits.
- Walmart’s business strategy relies on a global supply chain to deliver cheaply made products to its store shelves. This system puts relentless pressure on suppliers to cut costs which often leads to workers in developing countries such as China and Bangladesh to toil for incredibly low wages, sometimes as low as \$80 per month.

## Check the facts...

1. “Walmart Opportunity Fact Sheet,” August 2011
2. “Walmart Opportunity Fact Sheet,” August 2011 \ \
3. IBIS World report
4. Figure is a calculation of the percentage of Massachusetts Walmart associates receiving subsidized care (42%), applied to the 1.4 million associates in the United States, at the cost to Massachusetts per each associate (\$1,753.00) receiving aid. Using the data from Massachusetts for 2009 found the percentage of Associates using publicly subsidized care. Percentage is 42%. Then applied this to the entire Walmart workforce to determine number of Associates nationally who would receive publicly subsidized care using the rate in Massachusetts. From the Massachusetts data found the per Associate cost by dividing the total cost of providing subsidized care in MA to Associates by the number of MA Associates receiving subsidized care. This yielded a per Associate cost of \$1,753. Multiplied that by 42% of Walmart’s total US workforce (1.4 million). Results in \$1 billion.
5. [www.nytimes.com/2011/10/21/business/wal-mart-cuts-some-health-care-benefits.html?\\_r=3&pagewanted=1&hp](http://www.nytimes.com/2011/10/21/business/wal-mart-cuts-some-health-care-benefits.html?_r=3&pagewanted=1&hp)
6. Walmart’s Position on Unions (For U.S. Operations Only).” Walmart. October 31, 2006.
7. Bianco, Anthony. “No Union Please, We’re Walmart.” Business Week. February 13, 2006
8. [www.nytimes.com/2005/10/26/business/26walmart.ready.html?pagewanted=all](http://www.nytimes.com/2005/10/26/business/26walmart.ready.html?pagewanted=all)
9. O’Connell, Vanessa. “Retailers Reprogram Workers in Efficiency Push” (09/10/2008) Wall Street Journal.
10. Bhatnagar, Parija. “Walmart seeks to ‘organize’ labor its own way” (04/25/2006) [http://money.cnn.com/2006/04/25/news/companies/walmart\\_labor/](http://money.cnn.com/2006/04/25/news/companies/walmart_labor/)
11. [www.reuters.com/article/2010/05/12/us-walmart-lawsuit-settlement-idUSTRE64B3MG20100512](http://www.reuters.com/article/2010/05/12/us-walmart-lawsuit-settlement-idUSTRE64B3MG20100512); [www.bloomberg.com/apps/news?pid=newsarchive&sid=aKP22tbX9f6A](http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aKP22tbX9f6A); [www.bloomberg.com/news/2011-06-13/wal-mart-loses-appeal-of-187-million-verdict-in-worker-lawsuit.html](http://www.bloomberg.com/news/2011-06-13/wal-mart-loses-appeal-of-187-million-verdict-in-worker-lawsuit.html)



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