

# Walmart

## An Introduction to Walmart

The Department of Labor predicts that over the next decade retail will be one of the fastest growing sectors of our economy. Retail jobs are the jobs of the future. Like manufacturing once did, retail and other service-sector jobs will define life and work in America in the 21st century. That's why it's critically important that retail employers compensate their workers with pay and benefits that allow them to afford homes, send their kids to college, and live the American Dream. That's why it's so crucial that retail employers be good corporate—and good global—citizens.

Walmart will be the most influential player in the retail sector in the coming years. It has already changed the face of the American economy, and it is poised to do so again. The company's plans involve expanding into urban markets—the last (and almost certainly lucrative) frontier. Walmart's greenwashing, new commercials, and image scrub are the beginning of a dialogue with discerning and politically engaged urban consumers.

It has to be more than just PR and sound bites.



## The UFCW's Role

The UFCW is challenging Walmart to live up to American values and to begin an earnest dialogue about the real lives of its workers regarding fundamental workplace issues like pay and benefits, on-the-job fairness, and workers' right to organize a union. We are challenging Walmart to make meaningful progress towards corporate responsibility and reducing its environmental footprint.

Simply put, Walmart has some choices to make: rip off taxpayers and donate to charity for the benefit of PR and more tax breaks – or be an engine of prosperity that reduces the need for such charity; sell billions of compact fluorescents and give lip service to sustainability, or take meaningful steps to reduce the company's carbon footprint; make America's health care crisis worse, or help to solve it; create a workplace with stable, career jobs where people can improve their lives, or make America's workforce a part-time workforce.

For as long as Walmart has been around, the UFCW has been shining a light on the company's irresponsible business practices. From a workplace culture where discrimination has thrived; to its blatant anti-worker anti-union philosophy; to its history of laying waste to small businesses and regional chains that were once the economic foundations of our communities; to its tax avoidance schemes that bilk our hometowns; to its vast global supply chain that wastefully squanders our planet's resources, ships good jobs overseas to the lowest-priced (and sometimes least safe) manufacturer, and imports products that sometimes threaten our health.

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The UFCW has watchdogged the world's biggest company as it has changed America in fundamental ways— from the way we work, to what we earn, to where we shop, to what we can afford to buy. As shopping has moved from the town square to a megastore by the edge of a highway; as good career jobs in retail with have been squeezed by Walmart's downward pressure on wages and benefits; as American companies have been forced overseas to meet what Walmart is willing to pay; the UFCW has been calling the company on the carpet.

Because of our work, and because of the encompassing changes the company has wrought, Walmart comes under more intense scrutiny than any other retail business in the world. When Walmart makes a tiny change to its health plan, the world notices—from the New York Times to their local competition. When Walmart abandons one store to build a supercenter across town, communities rise up.

## Walmart's Image Scrub

We brought that scrutiny and Walmart has responded and changed from the company it once was. It's grown up—from Sam Walton's unsophisticated discount chain to a multi-national corporation that must routinely respond to serious criticisms ranging from breaking child labor laws here and abroad, to engaging in wage theft in the US, to fueling the most destructive kind of globalization.

They've hired savvy PR people. They've invested in a multi-million dollar image scrub. And they've made changes to the way they do business— some big and meaningful, others mere window dressing designed to bolster their image.

Walmart didn't make these changes because they wanted to. They had to, because we forced their hand. Our work, and the work of hundreds of allied organizations across the country and around the world, is what hold Walmart accountable to their workers, consumers, and our communities. While Walmart has taken some steps towards corporate responsibility, it's important to note that much of the company's effort is not much more than a façade.

The three examples on the following page show we still have much work to do to turn Walmart into the kind of company that respects workers, communities, and the environment.

**For more comprehensive information about Walmart and its impact on our economy, visit:**  
<http://www.wakeupwalmart.com>



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## Health Care

Walmart runs television ads stating that 94% of its workers have health care. The truth is, nearly 700,000 of Walmart workers do not have company health care. Only 52 percent of Walmart workers get health care coverage through the company, while the rest have to rely primarily on a spouse's employer or state programs. Most large employers cover 65% of their employees on average. For those who have Walmart's health insurance coverage, it can get costly. In the event of a serious illness, the out-of-pocket maximum for the least expensive plan adds up to 53% of the average Walmart worker's income. Most importantly, because so many Walmart employees and their dependents count on Medicaid and SCHIP, taxpayers are paying over a billion dollars a year to subsidize health care for Walmart workers. The company's failure to provide quality, affordable health care to these workers has worsened our health care crisis and driven other employers to reduce or eliminate benefits.

## Tax Scams

Walmart has always touted its donations to local communities. But one reason why Walmart can afford to be so generous is because the company has bilked thousands of American communities out of millions in tax revenue. Walmart saves money by engaging in tax avoidance scams that cost our local, state, and federal governments billions in lost taxes. This strains basic community services from schools, to roads, to police protection. Walmart's charity simply can't make up the difference.

## Greenwashing

Low energy compact fluorescent light bulbs, concentrated laundry detergent., organic cotton pajamas: green products on Walmart's shelves don't make up for the fact that the company's global supply chain results in one of the largest carbon footprints of any private commercial entity on earth. The company continually scours the globe for low wages and lax environmental regulation and needlessly manufactures "green" goods a world away from where they're ultimately sold—forcing vast, wasteful consumption of resources.

Walmart is so big, so influential, it has the power to make sure that the products it sells (and the products sold by every other company) are made in an environmentally-friendly way, that toys and other products are safe for children, that food is safe for humans and pets. The company could take steps to manufacture safer products in the US and cut back on carbon emissions. Instead, it squeezes foreign manufacturers in countries with lax regulations to make things more and more cheaply. The consequences of this approach have been on sale on Walmart's shelves: from children's toys made with poisonous lead or cadmium to dog treats made with deadly melamine.

Walmart's sustainability efforts amount to pressuring those same unreliable shady manufacturers to make their products "greenly" as well as cheaply.

At the same time, here at home, the company supports an anti-sustainability agenda in Congress by donating to members who vote against improving fuel efficiency standards, voted to weaken environmental laws; voted to give billions to oil, gas, and coal companies in tax breaks and subsidies.