

Walmart: The High Cost of Low Prices

a documentary produced by Robert Greenwald

About the producer: Greenwald is a well known independent producer of documentaries on such varied topics as: Rupert Murdoch's War on Journalism, the 2000 Presidential Election, The Iraq War and the post 9/11 erosion of American civil liberties. He is from Carversville, PA.

Techniques used in the film: Interviews of current and former employees of Walmart, business owners and town officials of towns that Walmart has moved into, experts on topics such as environmental protection, charity involvement, crime, tax issues, employee benefits, workers in areas where Walmart has factories (China, Bangladesh). Walmart commercials are shown throughout the film that describe the company as a stellar employer in employee treatment, environmental protection, community involvement, human rights and charitable giving.

Walmart expansion strategy: Walmart is the biggest corporation in the world, the biggest seller of food products on a global level, and the biggest private employer in the U.S. and Mexico. It is a monopoly, no controls have been legislated to protect free enterprise. Its strategy (according to its officials) is to crush competition.

A sample two business owners in Middlefield, Ohio and Hearne, Texas: The first one had a very large hardware store. Just as Walmart had announced plans to build a store in his town, he got an appraisal on his multiple business buildings. Since his business had been there many years, he expected the buildings' value to have risen significantly. The appraiser devalued his and other business properties in the town because "Walmart will soon run all local business out, emptying the buildings."

Hearne, TX, had a thriving downtown, and businesses there welcomed Walmart. The downtown now is entirely deserted.

Walmart employee policies: Salary: Walmart keeps employees part time as much as it can, understaffs stores, then asks employees to consistently work late. People who work full time do not receive enough salary to raise their families. A typical employee who worked there three years received \$1.07 in wage increases. There is no overtime, but employees are always made to stay late. If you don't want to, you will lose your job (in some towns there are no other job opportunities). Employees are forced to work off the clock, and managers are taught how to change pay figures so that they do not reflect actual time worked. Walmart often uses undocumented workers to clean its stores at below minimum wages and violates child labor laws. Those workers are locked in for their overnight shift.

The average pay at Walmart is a little over \$13,000.
Federal poverty guideline for a family of four is \$17,650.

31 states have filed lawsuits against Walmart for unfair employee practices. Texas has sued Walmart for \$150 million in unpaid wages. Walmart has 1.2 million employees worldwide.

Walmart drives down retail wages by \$3 billion per year.

Walmart is the most aggressive anti-union company in the United States. At threat of union, the company fires by jet three managers to take over the store. The managers identify employees, fire them if suspected of supporting unionization, use surveillance and intimidation. They freeze wages and blame the action on the union threat. **There are between five and ten times as many Walmart stores in Arkansas, Oklahoma, Mississippi and Missouri as there are in New Jersey, California and New York, states with strong trade unions.**

Walmart discriminates against women and people of color.

Openly discriminatory remarks are the norm in managerial relations with women and persons of color. More than 70% of Walmart's U.S. workers are women, most of whom earn less than the federal poverty wage guidelines for a family of three.

A \$1.6 million class action lawsuit has been filed against Walmart for discrimination against women.

Your taxes subsidize Walmart:

Walmart encourages employees to go on welfare, food stamps, WIC, get Section 8 housing, and Medicaid (more than any other company). Film listed all the states and how many Walmart employees in each state were on public assistance. **The cost of welfare benefits to Walmart workers is an estimated \$3 billion a year -- \$2,000 a year per employee at the federal level and another \$1,000 at the state and local levels.**

Health insurance offered is woefully inadequate. Families pay high premiums for the insurance and have large deductibles, no drug benefits. Most have to get government medical supplement or do without. **Walmart is the #1 corporate beneficiary of state public health programs.**

In the U.S., Walmart and Target pay substantially lower wages and are less likely to give health benefits than their competitors.

Another way your taxes subsidize Walmart is in millions of dollars in tax abatements given Walmart to establish a new store in a specific location. Local business owners seeking the same abatements are turned down. In deciding to give tax abatements to Walmart, cities are often in a bind because if they don't provide subsidies, then Walmart will locate just outside of town and still be a drain on the cities resources. **Walmart nationwide has been given \$1.8 billion in tax abatements.**

The tax abatements given to Walmart comes from the city's budget for public services; thus the amount of money for schools, fire and police services is reduced. When the tax abatement expires and the cities begin to receive tax revenue from Walmart, the store often moves just outside of town, so it does not have to pay.

Walmart factories

Over 70% of the commodities sold in Walmart come from China. Every year, Walmart mandates a 5% drop in its suppliers' prices for standardized products, forcing suppliers to outsource production to low wage countries.

In China: Young woman worker said workers live in dorms provided by Walmart, and the rent is subtracted from their salary. She works from 7:30 a.m. to 10 p.m. There are no fans, so she drips with sweat round the clock. Workers are taught to lie to inspectors about the hours worked. She is paid less than \$3 per day. It costs less than 18 cents to make the toy she produces, and Walmart charges \$14.95 for the toy.

Bangladesh: 25,000 workers work for 17 cents per hour. They brush their teeth with ash because they can't afford toothpaste.

El Salvador: Women make 15 cents per pair of pants that sells for \$16.95 at Walmart.

Crime at Walmart:

Walmart operates extensive security surveillance and hires numerous security guards inside its stores to protect its merchandise. No security measures are taken outside the building, in the parking lots, for customers and employees. In towns having Walmarts, as high as 80% of the local crime occurs in Walmart parking lots. Roughly 30 cities were listed in which serious crimes of rape, murder and kidnapping had occurred in Walmart's parking lots during 2005.

Environmental protection:

EPA lawsuits have been initiated in many states. An EPA officer in Bentonville, Arkansas, described Walmart's storage of pesticides, herbicides and other poisons on its parking lot. When it rained, the water on the parking lot flowed into rivers and streams affecting the drinking water. She contacted Walmart to ask them to move those poisons, got no response after several tries to the store and the corporate headquarters, so she posted the violation on the web (no result), then in the local newspapers. Finally the store resolved moved the contaminants. She said Walmart is the most unresponsive corporation to EPA officials that she had ever experienced.

Walmart profits

Walmart earns \$240 billion in sales per year. Lee Scott, Walmart's CEO makes \$27 million per year. The average employee makes \$13,381 per year. The five Waltons that own Walmart are worth \$102 billion. If they took 10% and used it to pay for adequate health care, pension and wages for every employee, they would have over \$90 billion left over.

Walmart spends \$3.2 billion on political contributions.

A crisis need fund created for Walmart employees received:

\$6,000 from the Walton family

\$ 5 million from Walmart employees

Walmart gives 1% of its profit to charity; Microsoft gives 58% of its profits.