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## Democrats in House of Representatives criticise Wal-Mart harshly: Huge cost on its workers, on communities and on tax payers

[Photo of John Gioia \(far left\) and Mark DeSaulnier, Contra Costa County Supervisors, and Congressman Miller speaking](#)

Wal-Mart's rock bottom wages and benefits cost taxpayers hundreds of millions of dollars a year in basic housing, medical, childcare, and energy needs that the retailer fails to properly cover for its employees, according to a [report \(pdf file\)](#) released last week by Congressman George Miller (D-Martinez).

"Wal-Mart's slogan should be 'always low wages, always,'" said Miller, the senior Democrat on the Education and Workforce Committee, when he unveiled the report at a press conference here this morning. Miller asked his Committee staff to prepare the report because of steadily increasing concerns about the negative impact Wal-Mart has on its employees, local economies and neighbourhoods, and working conditions and wages in other countries.

"There's no question that Wal-Mart imposes a huge, often hidden, cost on its workers, our communities, and U.S. taxpayers," said Miller. "And Wal-Mart is in the driver's seat in the global race to the bottom, suppressing wage levels, workplace protections, and labor laws."

The report estimates the costs borne by taxpayers for things like medical insurance and housing assistance for Wal-Mart employees that can't afford them because of their low wages and benefits. The report shows that taxpayers would have to pick up \$420,750 per year for a hypothetical Wal-Mart store employing 200 people. These costs (which will vary based on the number of people employed in any one store) include:

- \$36,000 a year for free and reduced lunches for 50 qualifying Wal-Mart families;
- \$42,000 a year for Section 8 housing assistance, assuming three percent of the store's employees qualify for such assistance;
- \$125,000 a year for federal tax credits and deductions for low-income families, assuming 50 employees are heads of household with a child and 50 are married with two children;
- \$100,000 a year for additional Title I education funds, assuming 50 Wal-Mart families, each with an average of two children, qualify;
- \$108,000 a year for children's health insurance costs, assuming 30 employees, each with an average of two children, qualify for the Children's Health Insurance Program (CHIP); and
- \$9,750 a year for subsidies for energy assistance for low-income families.

The report also provides a comprehensive review of Wal-Mart's numerous anti-worker practices, including union-busting activities, discrimination against women and disabled workers, violation of child and undocumented labor laws, unpaid overtime, and unsafe workplace policies, like locking workers into stores overnight. Wal-Mart has been the subject of thousands of lawsuits and critical media scrutiny on all of these issues. The Washington Post just reported on labor abuses in China at the hands of Wal-Mart.

Specifically, the report examined the following areas of Wal-Mart's poor labor practices:

- **Organizing rights.** Wal-Mart has aggressively sought to discourage – even intimidate – workers from exercising their right to form a union. Wal-Mart even provides a hotline for its managers to call when they suspect union-organizing activities; on the other end are specialists trained to head off organizing efforts. In rare cases where union organizing efforts among Wal-Mart employees have succeeded, Wal-Mart has acted aggressively to stamp the union out.
- **Low wages.** In 2001, Wal-Mart paid its employees an average \$8.23 per hour, compared with \$10.35 for an average supermarket worker. • **Unequal pay for equal work.** Wal-Mart is now the subject of a sweeping class action lawsuit, involving more than one million current and former women employees of Wal-Mart as plaintiffs, alleging that pay and opportunities for advancement do not reach those of their male counterparts.
- **Off-the-clock work.** By December of 2002, 39 class action lawsuits, involving hundreds of thousands of plaintiffs, charged Wal-Mart with withholding earned wages, either by deleting hours from time sheets or forcing workers to work unpaid overtime hours.
- **Child labor.** An internal Wal-Mart audit turned up thousands of cases of young employees working too late, working during school hours, or working for too many hours a day, in violation of U.S. child labor laws.
- **Unaffordable and unavailable healthcare.** While 66 percent of employees at large firms like Wal-Mart receive health benefits from their employer, only 41 to 46 percent of Wal-Mart employees do. In 2002, Wal-Mart adopted new policies that force employees to wait longer before having enough tenure to qualify for benefits.

Wal-Mart has also shifted more of the cost for health care premiums onto its workers. Wal-Mart even encourages its employees to seek charitable and public assistance for

meeting their health care needs. A UC-Berkeley study found that California taxpayers subsidized \$20.5 million worth of medical care in that state alone.

- **Undocumented workers.** Recent news reports and other evidence show that Wal-Mart executives knowingly hired undocumented workers as janitors in their stores, and then forced them to work long hours for little pay – \$325 for 60-hour, seven-day weeks, for eight straight months, according to one worker.
- **Exploiting foreign labor.** In 2002, Wal-Mart purchased 10 percent of all Chinese goods imported into the U.S. And workers in countries like China, Bangladesh, and Honduras are suffering because of the stringent demands Wal-Mart makes of its suppliers. One factory worker reported working 19-hour days for 10- to 15-day stretches to meet Wal-Mart's price demands.
- **Disability discrimination.** Wal-Mart has been the subject of numerous lawsuits alleging discrimination in hiring towards people with disabilities.
- **Worker safety.** A recent report provided evidence of Wal-Mart's policy of locking workers inside stores overnight. In some cases, workers were told not to use emergency exits in any but the most serious emergencies. In some cases, sick or injured workers had to wait for the start of the morning shift, when managers with keys arrived to unlock the doors.

The report says that Wal-Mart's response to these issues have been cosmetic. "The company has chosen to work towards improving its image, rather than work for meaningful reform of its business practices," Miller said.

**A link to the full report can be found at**

**<http://edworkforce.house.gov/democrats/WALMARTREPORT.pdf>. (pdf file)**