



Walmart and Wages

Walmart's entry into a market depresses wages and displaces better-paying retail jobs.

- A 2005 study found that Walmart's entry into a metropolitan area eliminates similar jobs that pay about 18% more than Walmart and decreases the average earnings of retail workers by 0.5 to 0.8%.¹

Walmart's average wage is below retail industry standards.

- In 2009 Walmart's national average wage of \$11.24 an hour² is 7% below the average wage of \$12.04/hour for Retail Sales persons, the largest retail industry occupation, as reported by the Bureau of Labor Statistics (BLS).³

Walmart's average wage is below poverty level.

- Walmart's average wage as of 2010, \$11.24/hour, translates into annual pay of \$19,872.⁴ This is almost 10% below the Federal Poverty Level of \$22,050 for a family of four.

Walmart's average wage is distinctly lower than the average wage for unionized competitors in key markets.

- The average Walmart associate in California earns 26% less than the average wage of a UFCW worker at one of the three major supermarkets under the current master contract for Southern California.⁵
- In Massachusetts, a retail worker covered by a UFCW contract with a large employer earns 19% more than the average Walmart associate in Massachusetts.⁶

Walmart can afford to pay higher wages.

- If Wal-Mart started paying a \$10/hour minimum wage, its workers could each earn \$1,020 to \$4,640 more per year, before taxes. Wal-Mart would be unlikely to pass on the full cost of such a wage increase to its customers, but even if it did, the average consumer would need to pay only 36 cents more per shopping trip.⁷

Walmart makes taxpayers pay for the consequences of its low wages.

- According to a 2004 study⁸, public assistance used by Walmart associates costs California about \$86 million a year. If Walmart associates in other states use public assistance at the same rate as those in California, the total taxpayer bill for Walmart public assistance could be up to \$2 billion a year.

¹ Dube, Arindrajit and Steve Wertheim, October 2005. "Walmart and Job Quality—What Do We Know, and Should We Care?" http://laborcenter.berkeley.edu/retail/walmart_jobquality.pdf.

² Nationwide average Walmart wages from "Corporate Facts: Walmart By the Numbers," Walmart fact sheet dated August 2009. <http://walmartstores.com/FactsNews/FactSheets/>

³ Mean hourly wage rate for Retail Salespersons, obtained from Bureau of Labor Statistics, National Occupational Employment and Wage Estimates, May 2008, available at: http://www.bls.gov/oes/current/oes_nat.htm

⁴ The calculation assumes that a full-time Walmart worker works an average of 34 hours a week, 52 weeks a year. The average of 34 hours a week is obtained from an internal Walmart memo <http://www.nytimes.com/packages/pdf/business/26walmart.pdf>

⁵ UFCW analysis of store-level hours distributions and wage progressions from a 2009-2010 Southern California multi-employer master contract with seven UFCW locals.

⁶ From UFCW analysis of store-level hour distribution and wage progressions from a 2009-2010 UFCW master contract with a large New England supermarket and five UFCW locals.

⁷ Dube, Arindrajit, Dave Graham-Squire, Ken Jacobs, Stephanie Luce, December 2007. "Living Wage Policies and Wal-Mart: How a Higher Wage Standard Would Impact Wal-Mart Workers and Shoppers." University of California, Berkeley Center for Labor Research and Education. Available online at http://laborcenter.berkeley.edu/retail/walmart_livingwage_policies07.pdf

⁸ Dube, Arindrajit and Ken Jacobs, August 2004. "Hidden Cost of Walmart Jobs: Use of Safety Net Programs by Walmart Workers in California." University of California, Berkeley Center for Labor Research and Education. <http://laborcenter.berkeley.edu/retail/walmart.pdf>