

The Low-Wage Drag on Our Economy:

**Wal-Mart's low wages and their effect
on taxpayers and economic growth**

An update to the 2004 report:
***"Everyday Low Wages: The Hidden Price We All Pay for
Wal-Mart"***

**Prepared by the Democratic staff of the U.S. House
Committee on Education and the Workforce**



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Executive Summary

Rising income inequality and wage stagnation threaten the future of America's middle class. While corporate profits break records, the share of national income going to workers' wages has reached record lows.

Wal-Mart plays a leading role in this story. Its business model has long relied upon strictly controlled labor costs: low wages, inconsiderable benefits and aggressive avoidance of collective bargaining with its employees. As the largest private-sector employer in the U.S., Wal-Mart's business model exerts considerable downward pressure on wages throughout the retail sector and the broader economy. This model has multiplied across the sector. While employers like Wal-Mart seek to reap significant profits through the depression of labor costs, the social costs of this low-wage strategy are externalized. Low wages not only harm workers and their families – they cost taxpayers.

When low wages leave Wal-Mart workers unable to afford the necessities of life, taxpayers pick up the tab. Taxpayer-funded public benefit programs make up the difference between Wal-Mart's low wages and the costs of subsistence. This public subsidization of the low-wage model of companies like Wal-Mart received significant attention in the early 2000s. With wage stagnation, income inequality, and federal budget deficits of increasing concern to public policy, this issue is due for a re-examination.

Accurate and timely data on Wal-Mart's wage and employment practices is not always readily available. However, occasional releases of demographic data from public assistance programs can provide useful windows into the scope of taxpayer subsidization of Wal-Mart. After analyzing data released by Wisconsin's Medicaid program, the Democratic staff of the U.S. House Committee on Education and the Workforce estimates that a single 300-person Wal-Mart Supercenter store in Wisconsin likely costs taxpayers at least **\$904,542 per year** and could cost taxpayers **up to \$1,744,590 per year** – about \$5,815 per employee.

Federal labor policy can play an important role in reversing these trends, stemming the growth in income inequality, driving up wages, and reducing taxpayer costs. Many of these measures fall within the jurisdiction of the Committee on Education and the Workforce. For example, the minimum wage should be increased to restore the value eroded by inflation. Strengthening equal pay laws would help close the gender pay gap. Congress should enact labor law reforms to ensure that workers can freely exercise their right to organize and collectively bargain. Legislation to increase employment – through direct job creation – should be enacted as well, as unemployment remains a significant drag on wage growth.

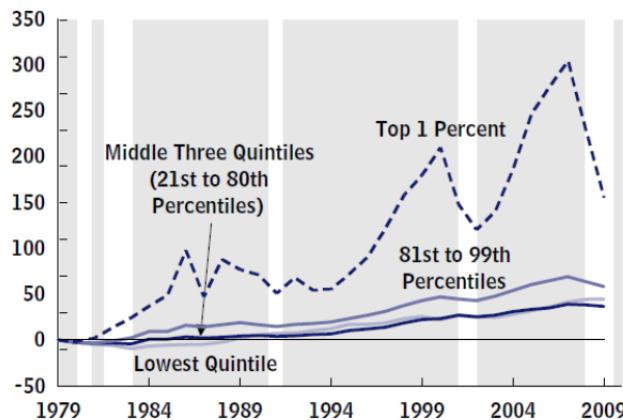
Income Inequality, Wage Stagnation, and their Implications for the Broader Economy

Despite decades of growth in productivity, middle- and low-income workers find themselves struggling to stay afloat. In the years following World War II, workers' wages rose in tandem with productivity growth. Beginning in the 1970s however, the relationship between productivity growth and wages began to weaken, setting in motion decades-long trends of wage stagnation and increasing income inequality.

The most recent decade proved to be a "lost decade" for most working families – the average family's income is lower today than at any point in the last ten years.¹ Income inequality is more extreme today than at any point since before the Great Depression, with the top 1 percent of income earners receiving 93 percent of income gains in the recovery.² In the third quarter of 2012, corporate profits reached \$1.75 trillion, their greatest share of GDP in history.³ During that same quarter, workers' wages fell to their lowest share of GDP on record.⁴

**Cumulative Growth in Average
After-Tax Income Adjusted for
Inflation, by Income Group,
1979 to 2009**

(Percentage of 1979 income)



Source: Congressional Budget Office.

The decline in wages' share of the economy has closely tracked a decline in the bargaining power of labor. In January of 2013, the Bureau of Labor Statistics reported that union membership had reached a 97-year low, with just 6.6 percent of private sector workers belonging to labor unions.⁵

Lastly, most jobs lost during the recent economic downturn were middle-wage jobs, while most employment added during the recovery have been low-wage jobs.⁶

As will be seen in the next section, stagnant, low wages have serious implications for taxpayers. But they also allow the income gap to grow wider. And income inequality has implications beyond straining federal, state, and local government budgets. Economists have raised concerns that income inequality threatens economic growth and leads to crises. The International Monetary Fund (IMF) noted in 2011 that "[t]he recent global economic crisis, with its roots in U.S. financial markets, may have resulted, in part at least, from the increase in inequality."⁷ Another IMF report found that, "when income inequality grows for several decades, debt-to-income ratios increase sufficiently to raise the risk of a major crisis."⁸ Moreover, the income gap appears to mirror a growing mobility gap, with several recent studies finding

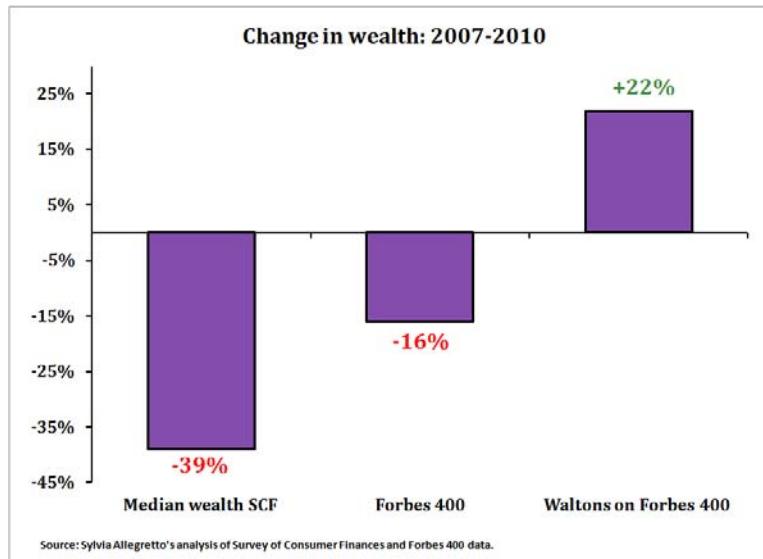
that Americans are less upwardly mobile than people in comparable countries.⁹ In other words, the growing income gap puts the American Dream itself at risk.

Nowhere are the effects of income inequality, wage stagnation and workers' declining bargaining power more evident than inside the Wal-Mart workforce.

Wal-Mart's Role as America's Number One Low-Wage Employer

Wal-Mart's size is nothing short of impressive. It employs more than 2 million workers worldwide. It is the nation's largest private employer; one out of every ten retail workers in America is employed by Wal-Mart. Approximately 1.4 million Americans work at Wal-Mart.¹⁰ Its workforce is double that of the U.S. Postal Service and outnumbers the populations of 96 countries. In 2012, its total revenue exceeded \$469 billion, more than the gross domestic product of oil-rich Norway.¹¹

Wal-Mart reported an 8.6 percent increase in profit in the fourth quarter of 2012 and a profit margin of 4.38 percent.¹² In 2012, it earned \$17 billion in profits.¹³ In 2011, Wal-Mart



ranked second in the Fortune 500.¹⁴ In 2009, 2010 and 2013 it topped the list. Between 2007 and 2010, while median family wealth fell by 38.8 percent, the wealth of six

members of the Walton family – heirs of the founder of the chain – of Wal-Mart rose from \$73.3 billion to \$89.5 billion.¹⁵ These six individuals own as much wealth as the 48.8 million families at the bottom of the country's wealth distribution (or 41.5 percent of all American families) combined.¹⁶

However, Wal-Mart's profits have not translated into broad improvements in wages or benefits for its employees. In November 2012, Wal-Mart ranked first in *24/7 Wall Street's* "12 Companies Paying Americans the Least."¹⁷ Accurate and timely data on Wal-Mart's hourly wages are not always readily available. According to IBIS World, an independent market research group, the average hourly wage of a Wal-Mart sales associate is just \$8.81, with Wal-Mart's Sam's Club sales associates averaging slightly more at \$10.30 per hour.¹⁸

Wal-Mart employees have complained that they find themselves trapped in low-wage, part-time jobs with little opportunities for advancement. An internal Wal-Mart document obtained by the Huffington Post in November 2012 entitled, 'Field Non-Exempt Associate Pay Plan Fiscal Year 2013,' "details a rigid pay structure for hourly employees that makes it difficult for most to rise much beyond poverty-level wages."¹⁹ According to a New York University study published in 2005, Wal-Mart employees earn 28 percent less, on average, than employees of other large retailers.²⁰

In a November 2012 report, "Retail's Hidden Potential," the non-partisan public policy center Demos found that raising wages throughout the retail industry would lift hundreds of thousands of Americans out of poverty and spur economic growth and job creation. According to the report, raising wage standards to the equivalent of \$25,000 per year for full-time retail workers would lift 734,075 people out of poverty, increase GDP between \$11.8 billion and \$15.2 billion over the next year, and create 100,000 to 132,000 additional jobs.²¹ According to the report, Wal-Mart could use its position of influence as the largest retailer to drive wages up and spur job creation, but has chosen so far to hold down wages, stunting the potential quality of jobs across the retail sector.²²

An essential component of Wal-Mart's low-wage business model is an uncompromising hostility towards union organizing. Wal-Mart's efforts to prevent its workers from organizing and collectively bargaining have been well documented.²³ According to Human Rights Watch, between 2000 and 2005, the National Labor Relations Board issued 39 complaints accusing Wal-Mart of violating the rights guaranteed to workers by the National Labor Relations Act.²⁴ The complaints related to 101 cases in which NLRB attorneys found merit to charges including illegal firings, disciplinary action and discrimination against union supporters.²⁵ Wal-Mart's anti-union posture has chilled the exercise of workers' rights there. In the years since 2005, efforts to formally unionize Wal-Mart workplaces have declined, and in turn, so have NLRB complaints against Wal-Mart.

However, Wal-Mart workers are turning to new models of organizing to better their working lives. Wal-Mart workers founded the group OUR Walmart in June of 2011 to provide a new platform where workers can call upon the company to improve conditions in stores throughout the country.²⁶ In at least 11 U.S. cities in 2012, Wal-Mart workers affiliated with OUR Walmart engaged in walk-outs to protest alleged retaliation against workers who spoke out to address basic workplace issues like unpredictable shift scheduling.²⁷ Erratic scheduling, which complicates personal lives, child care arrangements, and the ability to hold second jobs, compounds the effects of low wages.

In addition to scheduling issues, Wal-Mart employees have raised concerns about the lack of access to full-time employment. Although Wal-Mart claims²⁸ that fewer than half of its hourly-workforce is part time, available data paint a much different picture. Data Wal-Mart reported to the Partnership for a Healthy America revealed that it recently hired 6,758 employees to work in "newly built or existing expanded/remodeled stores" providing fresh groceries to consumers living in "food desert" areas.²⁹ A majority (3,537) of these 6,758 employees were hired on a part-time basis.³⁰

Low wages at Wal-Mart are combined with health benefit plans criticized as too expensive or simply inaccessible for its

employees. According to the most recently disclosed data, only about half of Wal-Mart associates are covered by its plans. Public criticism led to a 2006 decision by the company to expand coverage to part-timers. But, almost seven years later, the company announced it would eliminate coverage for part-time workers altogether, drawing new rounds of criticism for the company that had declared in 2009: "We are for shared responsibility. Not every business can make a contribution [to health care coverage], but everyone must make some contribution."³¹

Wal-Mart's emphasis on strict labor cost controls finds its way up and down the company's supply chain. Employees of companies that serve as Wal-Mart suppliers have raised concerns about deteriorating working conditions. One such worker told a reporter: "Wal-Mart squeezes the company, and the company squeezes me." His company produces chicken for sale at Wal-Mart, quadrupling its production over the last 14 years but not its staff. The worker cited increased workplace injuries resulting from tired employees working overtime to meet production requirements.³²

On the other side of the world, garment factories in Bangladesh that produce clothing for sale at Wal-Mart have made headlines for their failure to expend time or money on safety measures and their focus on fast, low-cost production to meet the demands of retailers like Wal-Mart. Bangladeshi garment workers' minimum wages are \$37 per month. The most recent industrial tragedy there was the Rana Plaza building collapse, which killed more than 1,100 garment workers. That building produced blue jeans for Wal-Mart as recently as 2012. When this arrangement came to light following the collapse, Wal-Mart denied knowledge of the contract and blamed a rogue supplier.³³ Wal-Mart has thus far refused to sign an international fire and safety agreement that would require the company to contribute to the cost of improving the safety of the factories it employs.

Alternative Models in Retail Labor Relations

Wal-Mart's low-wage model is not a function of necessity. Other retailers have proven that success in the hyper-competitive retail sector does not depend on ever smaller

labor costs, but can be a consequence of robust investment in high quality labor. In fact, a growing body of scholarship suggests that higher wage retail business models result in higher productivity and sales.

MIT management professor Zeynep Ton has studied the retail industry for more than a decade. In a January-February 2012 issue of the Harvard Business Review, Ton argued that the "presumed trade-off between investment in employees and low prices is false."³⁴ As evidence, Ton offers up the examples of higher wage retailers including QuikTrip, Mercadona, Trader Joe's and Costco. These retailers engage in what Ton calls the "virtuous cycle" of investment in high quality labor, better operational execution, and higher sales and profits.³⁵ According to Ton, these retailers offer higher pay, more opportunities for advancement, and more accommodating work scheduling. In turn, they enjoy lower rates of employee turnover and higher rates of customer satisfaction. Full-time employee turnover at Trader Joe's, Mercadona, and Costco is just 10 percent, 4 percent, and 5.5 percent respectively.³⁶

The University of Michigan's American Customer Satisfaction Index consistently ranks the level of customer satisfaction at Costco higher than at Wal-Mart's Sam's Club.³⁷

Costco employees earn approximately 40 percent more than employees at its chief competitor: Wal-Mart's Sam's Club.³⁸ According to Costco, its average employee's wage is \$21.96 per hour.³⁹ More than 88 percent of Costco employees in the U.S. are eligible for employer-provided benefits and 98 percent of these eligible employees actually become enrollees.⁴⁰

The employee compensation disparities between Wal-Mart and Costco apparently have not hindered Costco's ability to compete. In Costco's most recent quarterly earnings report, the retailer reported an 8 percent growth rate in year-on-year sales and a 5 percent increase in same store sales.⁴¹ In addition, Costco membership fees increased from \$459 million in the corresponding quarter of last year to \$528 million this year.

By contrast, Wal-Mart experienced sluggish growth with a mere 1 percent increase in year-over-year sales for the most recent quarter ending April 30, 2013.⁴²

Zeynep Ton argues that higher wage retailers are able to break the "trade-off" between well compensated labor and low prices by a combination of good practices: 1) offering fewer products and reducing the complexity of sales promotions, 2) achieving flexibility by cross training employees to perform multiple functions, 3) eliminating waste in everything but staffing by training employees to operate efficiently, and 4) empowering employees to make small decisions at the local level, boosting employee morale and helping stores better match local consumer demands.⁴³ According to Ton, the performance of these firms demonstrates that retailers don't need to drive down labor standards in order to spur the success of their businesses.

Wal-Mart's Costs to Taxpayers

In 2004, the Democratic staff of the Committee on Education and the Workforce released a report entitled, "Everyday Low Wages: The Hidden Price We All Pay for Wal-Mart." The report sought to capture the public costs Wal-Mart's business model imposes upon the nation's taxpayers. It found that a hypothetical 200-person Wal-Mart store cost taxpayers an estimated \$420,750 per year. In recent years, state-level data has been released that may help paint an updated picture of these costs.

Although several states have released data on Medicaid enrollment by employer in the past, this report focuses on data from the state of Wisconsin because it appears to be the most recent and comprehensive. Wisconsin released data on Medicaid enrollment by employer as of the fourth quarter of 2012. Wal-Mart ranked first on the list with 3,216 of its employees enrolled in the state's Medicaid program, BadgerCare+.⁴⁴ Including the children and adult dependents of these employees, Wal-Mart accounts for 9,207 enrollees in the program.⁴⁵ These numbers reflect actual participation in BadgerCare+, while the total number of Wal-Mart employees and dependents who are eligible to participate is likely much higher.

Because of varying program eligibility requirements across states, extrapolating taxpayer costs for Wal-Mart stores in other states based on the Wisconsin data is difficult.

Wisconsin's poverty rate stands well under the national average, so it would be reasonable to assume that the households of Wal-Mart employees in other states would be more likely to qualify for public assistance. On the other hand, Wisconsin's Medicaid program eligibility requirements are more inclusive than other states', meaning many Wal-Mart employees in other states could find themselves ineligible for Medicaid while their Wisconsin counterparts of equivalent incomes would be eligible.

According to Wal-Mart, 75 out of the 100 Wal-Mart stores in Wisconsin are Wal-Mart Supercenters and each Wal-Mart Supercenter employs approximately 300 people.⁴⁶ Utilizing the Wisconsin Medicaid data, the Democratic staff of the Committee on Education and the Workforce estimates⁴⁷ that one 300-person Wal-Mart Supercenter store in Wisconsin may result in a cost to taxpayers of **\$904,542 per year** – about \$3,015 per employee. This estimate assumes that only as many workers that actually enroll in BadgerCare+, despite many more likely being eligible to enroll in that program, also enroll in other taxpayer-funded programs (see Estimate A on Page 11).

Since the Wisconsin BadgerCare+ data reveals the number of Wal-Mart employees enrolled in BadgerCare+ but does not include those who are eligible but choose not to enroll, the universe of recipients of all public benefit programs inside the Wisconsin Wal-Mart workforce is likely larger than actual participation in BadgerCare+. Accordingly, one 300-person store in Wisconsin may result in a cost to taxpayers of **up to \$1,744,590 per year** – about \$5,815 per employee. This estimate assumes that one-quarter of the store's employees enroll in the other select taxpayer-funded programs while maintaining current participation rates in BadgerCare+ (see Estimate B on Page 11).

Specifically, the low wages result in the following public costs being passed along to taxpayers every year:

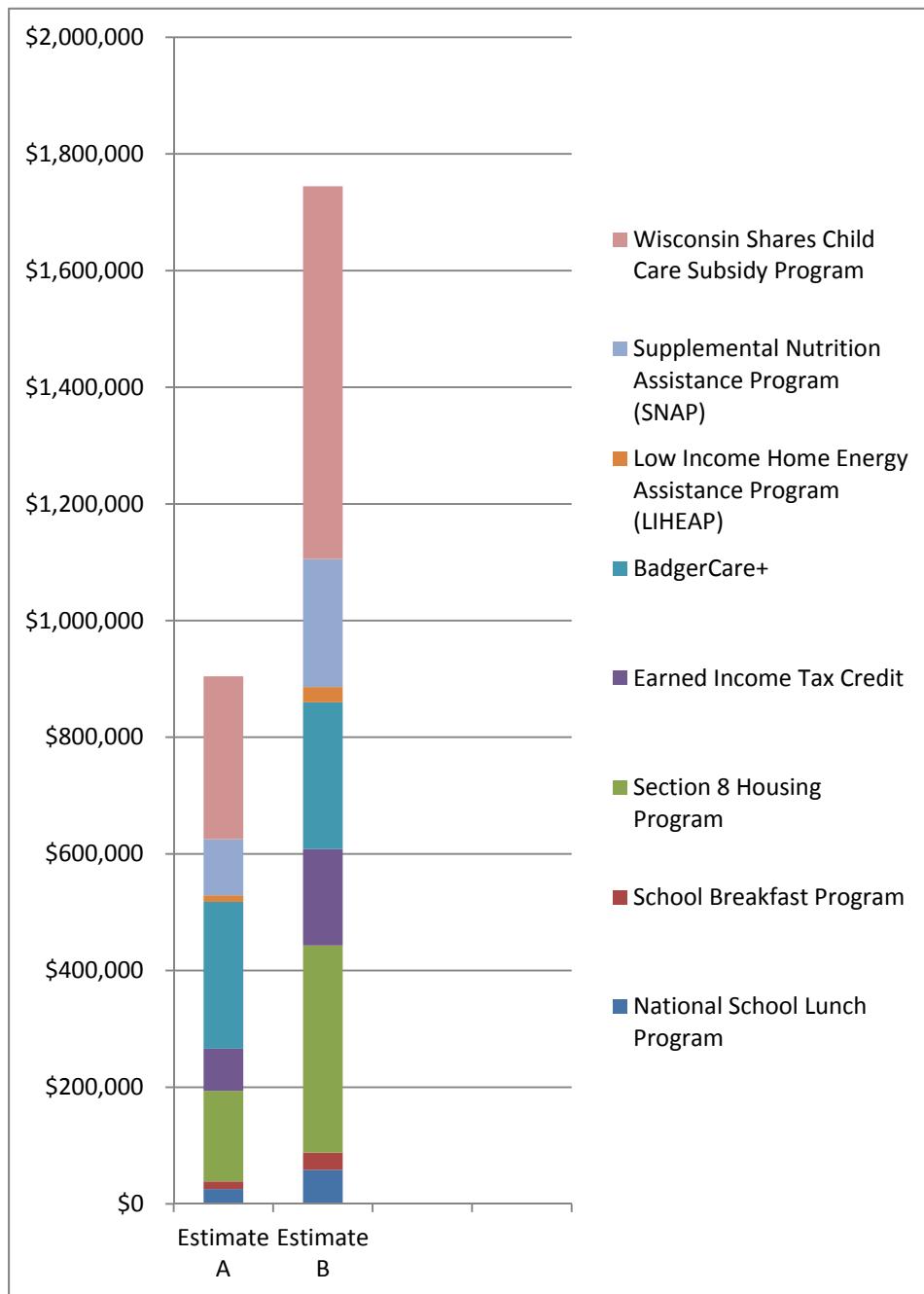
ESTIMATE A

- **\$25,461** – reduced-price lunches under the National School Lunch Program.⁴⁸
- **\$12,938** – reduced-price breakfasts under the School Breakfast Program.⁴⁹
- **\$155,406** – subsidized housing assistance under the Section 8 Housing Program.⁵⁰
- **\$72,160** – for the Earned Income Tax Credit.⁵¹
- **\$251,706** – for Medicaid enrollment under the BadgerCare+ Program.⁵²
- **\$11,414** – for assistance under the Low Income Home Energy Assistance Program (LIHEAP).⁵³
- **\$96,007** – for Supplemental Nutrition Assistance Program (formerly Food Stamp Program) benefits under Wisconsin's FoodShare Program.⁵⁴
- **\$279,450** – for Wisconsin Shares Child Care Subsidy Program benefits.⁵⁵

ESTIMATE B

- **\$58,228** – reduced-price lunches under the National School Lunch Program.⁵⁶
- **\$29,588** – reduced-price breakfasts under the School Breakfast Program.⁵⁷
- **\$355,350** – subsidized housing assistance under the Section 8 Housing Program.⁵⁸
- **\$165,000** – for the Earned Income Tax Credit.⁵⁹
- **\$251,706** – for Medicaid enrollment under the BadgerCare+ Program.⁶⁰
- **\$26,100** – for assistance under the Low Income Home Energy Assistance Program (LIHEAP).⁶¹
- **\$219,528** – for Supplemental Nutrition Assistance Program (formerly Food Stamp Program) benefits under Wisconsin's FoodShare Program.⁶²
- **\$639,090** – for Wisconsin Shares Child Care Subsidy Program benefits.⁶³

Taxpayer Subsidy for a Wal-Mart Supercenter store in Wisconsin



Recommendations

Increasing wages at Wal-Mart and across the nation's large retail sector should have a significant impact on two interrelated fronts: economic growth and deficit reduction.

A recent Demos report lays out how important wage increases are to generating greater economic activity and job growth through greater consumer demand. Indeed, polls have repeatedly found that American businesses, especially small businesses, cite lack of consumer demand as the number one threat to their success.⁶⁴ When people have more money in their pockets, especially at the lower end of the income spectrum, they spend more. Wal-Mart undoubtedly recognized this dynamic when the company supported the last federal minimum wage increase in 2007.

Workers with more money in their pockets also need less public assistance. In this way, increased wages in the retail sector can lead to a virtuous cycle that promotes economic growth while reducing the deficit through a larger tax base and less need for public assistance.

Creating upward pressure on wages from the bottom of the wage scale can be accomplished by a number of mechanisms.

The federal minimum wage is due for another increase. Bills in the House, H.R. 1010 introduced by Rep. George Miller, and in the Senate, S. 460 introduced by Sen. Tom Harkin, would raise the minimum wage from \$7.25 to \$10.10 per hour in three steps and index future increases to inflation, giving Wal-Mart and other retail sector workers a significant boost in earnings. More than 30 million Americans would see a raise from this legislation and an estimated 18 million children have parents who will get a raise. A \$10.10 minimum wage would increase the nation's gross domestic product by nearly \$33 billion and generate 140,000 new jobs over the course of three years.⁶⁵

Wages can also be raised by effectively addressing gender discrimination in pay. The discrimination claims of over one million female Wal-Mart employees, in the case of *Wal-Mart*

v. Dukes, were recently dismissed by the Supreme Court on procedural grounds, without addressing the merits of the underlying claims of bias. Legislation like the Paycheck Fairness Act, introduced by Congresswoman Rosa DeLauro in the House (H.R. 377) and Senator Barbara Mikulski in the Senate (S. 84), would close loopholes in the Equal Pay Act and empower employees to share salary information with one another, giving women – who make up a large share of the retail workforce – more effective tools at fighting the gender pay gap.

Additionally, ensuring workers have a meaningful right to organize would empower workers to bargain for better wages on their own. As noted earlier, Wal-Mart's antipathy for unions is infamous. Despite a well-earned reputation for retaliating against workers who speak out, Wal-Mart has been unable to totally crush worker efforts to win a voice on the job. In fact, the recent rise of OUR Wal-Mart job actions indicates a renewed interest for organizing for change among Wal-Mart's employees.

It is critical that policymakers recognize the significant risks these workers undertake to make improvements on the job, given the weaknesses in current federal labor law. By strengthening federal labor law protections for workers who exercise their rights to organize, policymakers can ensure that workers at companies like Wal-Mart have the freedom to press for better terms of employment.

That's why recent efforts to defund or otherwise shut down the National Labor Relations Board should be resisted. Under the law, this agency is the only venue available to workers seeking redress when they have been subjected to unlawful retaliation or discrimination because of their organizing efforts.

Finally, the slow recovery from the Great Recession has meant a persistently large pool of unemployed workers. This supply of available labor contributes to wage stagnation. It is important that policymakers make job creation a top priority, including efforts to directly create jobs through badly needed infrastructure investments and other means. Increased employment will increase wages.

Endnotes

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⁴⁶ <http://corporate.walmart.com/our-story/locations#/united-states/wisconsin> and <http://corporate.walmart.com/our-story/our-stores/united-states-stores>

⁴⁷ Wal-Mart's secrecy has produced a dearth of comprehensive demographic data on its employees. This makes an exact calculation of public costs for a hypothetical store impossible. Our estimates depend upon a series of assumptions, cited in this endnote and in endnotes 55 through 70. Our analysis assumes discretionary programs are fully funded. According to the Wisconsin Department of Health Services, as of the fourth quarter of 2012, 3,216 Wal-Mart employees in Wisconsin are enrolled in BadgerCare+ (see endnote 45).

According to Wal-Mart, there are 29,457 Wal-Mart employees in Wisconsin (see <http://corporate.walmart.com/our-story/locations#/united-states/wisconsin>).

Because all adult participants in BadgerCare+ must earn incomes below 200% of the federal poverty line, it is very likely that at least 3,216 Wisconsin Wal-Mart employees would also be eligible for subsidized housing assistance (according to the average income eligibility requirements across Wisconsin counties), low-income home energy assistance, the earned income tax credit (if households qualify), and FoodShare benefits (if households qualify). Consistent with the proportion of Wisconsin Wal-Mart employees who are enrolled in BadgerCare+ to the total number of Wal-Mart employees in the state, we estimate 32.8 BadgerCare+ participants would work in our hypothetical 300-person store. Furthermore, Wal-Mart's 3,216 employees who are enrolled in BadgerCare+ account for an additional 349 dependent adults and 5,642 children who are also enrolled in the program. Consistent with that proportion, we estimate that our hypothetical store would account for 36.3 adults (including employees) and 57.5 children who are enrolled in BadgerCare+. Because all eligible child participants in BadgerCare+ must come from families with incomes below 185% of the federal poverty line, those children would be eligible for reduced-price lunches and breakfasts under the Food and Nutrition Service Programs. Children from families with incomes below 130% of the poverty line are eligible for free lunches, but our estimate makes the conservative assumption that all 38.3 children come from families with incomes between 130% and 185% of the poverty line, and are therefore only eligible for reduced-price lunches. Because all eligible child participants in BadgerCare+ and the Wisconsin Shares Child Care Subsidy Program must come from families with incomes below 185% of the federal poverty line, the children of our hypothetical store's employees who are enrolled in BadgerCare+ would also be eligible to participate in Wisconsin Shares if they met the program's age limits (under 13 years of age or under 19 with special needs). More information on Wisconsin Shares is available at

<http://DCF.WI.GOV/childcare/wishares/eligibility.htm>

⁴⁸ Assumes 57.5 children receive 180 reduced-price lunches. Source: "School Programs - Meal, Snack and Milk Payments to States and School Food Authorities" Available at

<http://www.FNS.USDA.GOV/CND/Governance/Notices/NAPS12-13.PDF>

⁴⁹ Assumes 57.5 children receive 180 reduced-price breakfasts. Source: "School Programs - Meal, Snack and Milk Payments to States and School Food Authorities" Available at

<http://www.FNS.USDA.GOV/CND/Governance/Notices/NAPS12-13.PDF>

⁵⁰ Assumes 32.8 households apply and receive the 2008 statewide average housing voucher. Source: Institute for Research on Poverty. "The Benefits and Costs of the Section 8 Housing Program: A Framework and First-Year

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Estimates”(May 2010) Available at
<http://www.irp.wisc.edu/publications/dps/pdfs/dp138010.pdf>

⁵¹ Assumes 32.8 employees qualify and receive the 2012 average credit of \$2,200. Source: Internal Revenue Service. “On EITC Awareness Day, IRS and Partners Alert Low- and Moderate-Income Workers of Significant Tax Benefit” Available at <http://www.irs.gov/uac/Newsroom/On-EITC-Awareness-Day,-IRS-and-Partners-Alert-Low-and-Moderate-Income-Workers-of-Significant-Tax-Benefit>

⁵² Assumes 36.3 adults and 57.5 children enroll in BadgerCare+ and each cost the program the FY 2009 average cost per enrollee (\$3,625 per non aged adult, and \$2,089 per child). Includes both federal and state spending. Assumes childless adults first enrolled prior to 2009. Sources: Kaiser Family Foundation. “Wisconsin & United States, State Medicaid Fact Sheets.” Available at <http://www.statehealthfacts.org/mfs.jsp?rgn=51&rgn=1> and Wisconsin Department of Health Services “BadgerCare Employer Report 2012 Q4” Available at

<http://www.dhs.wisconsin.gov/badgercareplus/enrollmentdata/BIGEMPLOYER/BCEmp2012Q4.xls>

⁵³ Assumes 32.8 households with qualifying energy burdens (see [Wisconsin Home Energy Assistance Program, Program and Operations Manual](#)) apply and receive the average FY 2012 LIHEAP benefit in Wisconsin (\$348). Source: LIHEAP Clearinghouse. “Wisconsin” Available at <http://www.liheap.ncat.org/profiles/Wisconsin.htm>

⁵⁴ Assumes 32.8 households are eligible for benefits and each receive the FY2012 average monthly FoodShare Wisconsin benefit (\$243.92). Source: Food and Nutrition Service, United States Department of Agriculture “SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: AVERAGE MONTHLY BENEFIT PER HOUSEHOLD” Available at [http://www.fns.usda.gov/pd/19SNAPvg\\$HH.htm](http://www.fns.usda.gov/pd/19SNAPvg$HH.htm)

⁵⁵ Assumes 57.5 children meet Wisconsin Shares’s age limit (under 13 years old or under 19 with special needs) and receive the 2012 average monthly payment per child (\$405). Sources: http://www.wccf.org/pdf/wisconsin_shares_key_data_over_time_2007-2013.pdf and <http://dcf.wi.gov/childcare/wishares/eligibility.htm>

⁵⁶ Assumes 131.5 children of 75qualifying families receive 180 reduced-price lunches. (If 32.8 employees account for 57.5 children, this estimate assumes the same proportion – that 75 employees account for 131.5 children.) Source: “School Programs - Meal, Snack and Milk Payments to States and School Food Authorities” Available at <http://www.fns.usda.gov/cnd/Governance/notices/naps/NAPs12-13.pdf>

⁵⁷ Assumes 131.5 children of 75qualifying families receive 180 reduced-price breakfasts. (If 32.8 employees account for 57.5 children, this estimate assumes the same proportion – that 75 employees account for 131.5 children.) Source: “School Programs - Meal, Snack and Milk Payments to States and School Food Authorities” Available at <http://www.fns.usda.gov/cnd/Governance/notices/naps/NAPs12-13.pdf>

⁵⁸ Assumes 75 qualifying households apply and receive the 2008 statewide average housing voucher. Source: Institute for Research on Poverty. “The Benefits and Costs of the Section 8 Housing Program: A Framework and First-Year Estimates”(May 2010) Available at

<http://www.irp.wisc.edu/publications/dps/pdfs/dp138010.pdf>

⁵⁹ Assumes 75 employees qualify and receive the 2012 average credit of \$2,200. Source: Internal Revenue Service. “On EITC Awareness Day, IRS and Partners Alert Low- and Moderate-Income Workers of Significant Tax Benefit”

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Available at <http://www.irs.gov/uac/Newsroom/On-EITC-Awareness-Day,-IRS-and-Partners-Alert-Low-and-Moderate-Income-Workers-of-Significant-Tax-Benefit>

⁶⁰ Assumes 36.3 adults and 57.5 children enroll in BadgerCare+ and each cost the program the FY 2009 average cost per enrollee (\$3,625 per non aged adult, and \$2,089 per child). Includes both federal and state spending. Assumes childless adults first enrolled prior to 2009. Sources: Kaiser Family Foundation. “Wisconsin & United States, State Medicaid Fact Sheets.” Available at <http://www.statehealthfacts.org/mfs.jsp?rgn=51&rgn=1> and Wisconsin Department of Health Services “BadgerCare Employer Report 2012 Q4” Available at

<http://www.dhs.wisconsin.gov/badgercareplus/enrollmentdata/BIGEMPLOYER/BCEmp2012Q4.xls>

⁶¹ Assumes 75 households with qualifying energy burdens apply and receive the average FY 2012 LIHEAP benefit in Wisconsin (\$348). Source: LIHEAP Clearinghouse. “Wisconsin” Available at <http://www.liheap.ncat.org/profiles/Wisconsin.htm>

⁶² Assumes 75 households are eligible for benefits and each receive the FY2012 average monthly FoodShare Wisconsin benefit (\$243.92). Source: Food and Nutrition Service, United States Department of Agriculture “SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: AVERAGE MONTHLY BENEFIT PER HOUSEHOLD” Available at [http://www.fns.usda.gov/pd/19SNAPavg\\$HH.htm](http://www.fns.usda.gov/pd/19SNAPavg$HH.htm)

⁶³ Assumes 131.5 children of 75 qualifying families meet Wisconsin Shares’s age limit (under 13 years old or under 19 with special needs) and receive the 2012 average monthly payment per child (\$405). (If 32.8 employees account for 57.5 children, this estimate assumes the same proportion – that 75 employees account for 131.5 children.) Sources:

http://www.wccf.org/pdf/wisconsin_shares_key_data_over_time_2007-2013.pdf and <http://DCF.WI.GOV/childcare/wishares/eligibility.htm>

⁶⁴ <http://thehill.com/blogs/congress-blog/economy-a-budget/207957-small-business-polls-reject-anti-regulation-rhetoric>

⁶⁵ <http://clermontsun.com/2013/04/12/sherrod-brownproviding-ohio-workers-with-a-fair-wage-is-good-for-business/>