

EVERYDAY LOW WAGES:

THE HIDDEN PRICE WE ALL PAY FOR WAL-MART

**A REPORT BY THE DEMOCRATIC STAFF OF THE
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INTRODUCTION

The retail giant Wal-Mart has become the nation's largest private sector employer with an estimated 1.2 million employees.¹ The company's annual revenues now amount to 2 percent of the U.S. Gross Domestic Product.² Wal-Mart's success is attributed to its ability to charge low prices in mega-stores offering everything from toys and furniture to groceries. While charging low prices obviously has some consumer benefits, mounting evidence from across the country indicates that these benefits come at a steep price for American workers, U.S. labor laws, and community living standards.

Wal-Mart is undercutting labor standards at home and abroad, while those federal officials charged with protecting labor standards have been largely indifferent. Public outcry against Wal-Mart's labor practices has been answered by the company with a cosmetic response. Wal-Mart has attempted to offset its labor record with advertising campaigns utilizing employees (who are euphemistically called "associates") to attest to Wal-Mart's employment benefits and support of local communities. Nevertheless – whether the issue is basic organizing rights of workers, or wages, or health benefits, or working conditions, or trade policy – Wal-Mart has come to represent the lowest common denominator in the treatment of working people.

This report reviews Wal-Mart's labor practices across the country and around the world and provides an overview of how working Americans and their allies in Congress are seeking to address the gamut of issues raised by this new standard-bearer of American retail.

WAL-MART'S LABOR PRACTICES

WORKERS' ORGANIZING RIGHTS

The United States recognizes workers' right to organize unions. Government employers generally may not interfere with public sector employees' freedom of association. In the private sector, workers' right to organize is protected by the National Labor Relations Act.³ Internationally, this right is recognized as a core labor standard and a basic human right.⁴

Wal-Mart's record on the right to organize recently achieved international notoriety. On January 14, 2004, the International Confederation of Free Trade Unions (ICFTU), an organization representing 151 million workers in 233 affiliated unions around the world, issued a report on U.S. labor standards.⁵ Wal-Mart's rampant violations of workers' rights figured prominently. In the last few years, well over 100 unfair labor practice charges have been lodged against Wal-Mart throughout the country, with 43 charges filed in 2002 alone. Since 1995, the U.S. government has been forced to issue at least 60 complaints against Wal-Mart at the National Labor Relations Board.⁶ Wal-Mart's labor law violations range from illegally firing workers who attempt to organize a union to unlawful surveillance, threats, and intimidation of employees who dare to speak out.

With not a single Wal-Mart store in the United States represented by a union, the company takes a pro-active role in maintaining its union-free status. Wal-Mart has issued “A Manager’s Toolbox to Remaining Union Free,” which provides managers with lists of warning signs that workers might be organizing, including “frequent meetings at associates’ homes” and “associates who are never seen together start talking or associating with each other.”⁷ The “Toolbox” gives managers a hotline to call so that company specialists can respond rapidly and head off any attempt by employees to organize.

When employees have managed to obtain a union election and vote for a union, Wal-Mart has taken sweeping action in response. In 2000, when a small meatcutting department successfully organized a union at a Wal-Mart store in Texas, Wal-Mart responded a week later by announcing the phase-out of its meatcutting departments entirely. Because of deficient labor laws, it took the meatcutters in Texas three years to win their jobs back with an order that Wal-Mart bargain with their union.⁸ Rather than comply, Wal-Mart is appealing this decision.⁹

Wal-Mart’s aggressive anti-union activity, along with the nation’s weak labor laws, have kept the largest private sector employer in the U.S. union-free. Breaking the law that guarantees workers’ right to organize has material consequences for both the workers and the company. According to data released by the Bureau of Labor Statistics in January 2004, union workers earn median weekly salaries of \$760, compared to non-union workers’ median weekly salaries of \$599 – a difference of over 26 percent.¹⁰ In the supermarket industry, the union difference is even more pronounced, with union members making 30 percent more than non-union workers. Union representation also correlates with higher benefits.¹¹ For instance, 72 percent of union workers have guaranteed pensions with defined benefits, while only 15 percent of non-union workers enjoy such retirement security.¹² On the health care front, which will be explored in more detail later, 60 percent of union workers have medical care benefits on the job, compared to only 44 percent of non-union workers.¹³ For companies like Wal-Mart seeking to maintain low labor costs, these statistics obviously provide an incentive to remain union-free. Unfortunately, U.S. labor laws fail to provide a sufficient disincentive against violating workers’ rights.

LOW WAGES

By keeping unions at bay, Wal-Mart keeps its wages low – even by general industry standards. The average supermarket employee makes \$10.35 per hour.¹⁴ Sales clerks at Wal-Mart, on the other hand, made only \$8.23 per hour on average, or \$13,861 per year, in 2001.¹⁵ Some estimate that average “associate” salaries range from \$7.50 to \$8.50 per hour.¹⁶ With an average on-the-clock workweek of 32 hours, many workers take home less than \$1,000 per month.¹⁷ Even the higher estimate of a \$13,861 annual salary fell below the 2001 federal poverty line of \$14,630 for a family of three.¹⁸ About one-third of Wal-Mart’s employees are part-time, restricting their access to benefits.¹⁹ These low wages, to say the least, complicate employees’ ability to obtain essential benefits, such as health care coverage, which will be explored in a later section.

The low pay stands in stark contrast to Wal-Mart’s slogan, “Our people make the difference.” Now-retired Senior Vice President Don Soderquist has explained: “Our people

make the difference' is not a meaningless slogan – it's a reality at Wal-Mart. We are a group of dedicated, hardworking, ordinary people who have teamed together to accomplish extraordinary things."²⁰ With 2002 company profits hitting \$6.6 billion, Wal-Mart employees do indeed "accomplish extraordinary things."²¹ But at poverty level wages, these workers are not sharing in the company's success.

UNEQUAL PAY AND TREATMENT

Title VII of the Civil Rights Act prohibits discrimination in employment based on employees' race, color, religion, sex, or national origin.²² Additionally, the Equal Pay Act, an amendment to the Fair Labor Standards Act, prohibits unequal pay for equal work on the basis of sex.²³ These basic labor and civil rights laws have become an issue at Wal-Mart.

In 2001, six women sued Wal-Mart in California claiming the company discriminated against women by systematically denying them promotions and paying them less than men. The lawsuit has expanded to potentially the largest class action in U.S. history – on behalf of more than 1 million current and former female employees. While two-thirds of the company's hourly workers are female, women hold only one-third of managerial positions and constitute less than 15 percent of store managers.²⁴ The suit also claims that women are pushed into "female" departments and are demoted if they complain about unequal treatment. One plaintiff, a single mother of four, started at Wal-Mart in 1990 at a mere \$3.85 an hour. Even with her persistent requests for training and promotions, it took her eight years to reach \$7.32 an hour and seven years to reach management, while her male counterparts were given raises and promotions much more quickly. For this plaintiff, annual pay increases were as little as 10 cents and never more than 35 cents per hour.²⁵

OFF-THE-CLOCK WORK

While wages are low at Wal-Mart, too often employees are not paid at all. The Fair Labor Standards Act (FLSA), along with state wage and hour laws, requires hourly employees to be paid for all time actually worked at no less than a minimum wage and at time-and-a-half for all hours worked over 40 in a week.²⁶ These labor laws have posed a particular obstacle for Wal-Mart. As of December 2002, there were thirty-nine class-action lawsuits against the company in thirty states, claiming tens of millions of dollars in back pay for hundreds of thousands of Wal-Mart employees.²⁷

In 2001, Wal-Mart forked over \$50 million in unpaid wages to 69,000 workers in Colorado. These wages were paid only after the workers filed a class action lawsuit. Wal-Mart had been working the employees off-the-clock. The company also paid \$500,000 to 120 workers in Gallup, New Mexico, who filed a lawsuit over unpaid work.²⁸

In a Texas class-action certified in 2002 on behalf of 200,000 former and current Wal-Mart employees, statisticians estimated that the company shortchanged its workers \$150 million over four years – just based on the frequency of employees working through their daily 15 minute breaks.²⁹

In Oregon, 400 employees in 27 stores sued the company for unpaid, off-the-clock overtime. In their suit, the workers explained that managers would delete hours from their time records and tell employees to clean the store after they clocked out. In December 2002, a jury found in favor of the workers.³⁰ One personnel manager claimed that, for six years, she was forced to delete hours from employee time sheets.³¹

In the latest class-action, filed in November 2003, noting evidence of systematic violations of the wage-and-hour law, a judge certified a lawsuit for 65,000 Wal-Mart employees in Minnesota. Reacting to the certification, a Wal-Mart spokesperson told the Minneapolis *Star Tribune*: "We have no reason to believe these isolated situations . . . represent a widespread problem with off-the-clock work."³²

Many observers blame the wage-and-hour problems at Wal-Mart on pressure placed on managers to keep labor costs down. In 2002, operating costs for Wal-Mart were just 16.6 percent of total sales, compared to a 20.7 percent average for the retail industry as a whole.³³ Wal-Mart reportedly awards bonuses to its employees based on earnings. With other operating and inventory costs set by higher level management, store managers must turn to wages to increase profits. While Wal-Mart expects those managers to increase sales each year, it expects the labor costs to be cut by two-tenths of a percentage point each year as well.³⁴

Reports from former Wal-Mart managers seem to corroborate this dynamic. Joyce Moody, a former manager in Alabama and Mississippi, told the *New York Times* that Wal-Mart "threatened to write up managers if they didn't bring the payroll in low enough." Depositions in wage and hour lawsuits reveal that company headquarters leaned on management to keep their labor costs at 8 percent of sales or less, and managers in turn leaned on assistant managers to work their employees off-the-clock or simply delete time from employee time sheets.³⁵

CHILD LABOR AND WORK BREAKS VIOLATIONS

The Fair Labor Standards Act and state wage and hour laws also govern child labor and work breaks. These work time regulations have likewise posed a problem at Wal-Mart stores.

In January 2004, the *New York Times* reported on an internal Wal-Mart audit which found "extensive violations of child-labor laws and state regulations requiring time for breaks and meals."³⁶ One week of time records from 25,000 employees in July 2000 found 1,371 instances of minors working too late, during school hours, or for too many hours in a day. There were 60,767 missed breaks and 15,705 lost meal times.³⁷

According to the *New York Times* report: "Verette Richardson, a former Wal-Mart cashier in Kansas City, Mo., said it was sometimes so hard to get a break that some cashiers urinated on themselves. Bella Blaubeergs, a diabetic who worked at a Wal-Mart in Washington State, said she sometimes nearly fainted from low blood sugar because managers often would not give breaks."³⁸

A store manager in Kentucky told the *New York Times* that, after the audit was issued, he received no word from company executives to try harder to cut down on violations: "There was no follow-up to that audit, there was nothing sent out I was aware of saying, 'We're bad. We screwed up. This is the remedy we're going to follow to correct the situation.'"³⁹

UNAFFORDABLE OR UNAVAILABLE HEALTH CARE

In 2002, 43 million non-elderly Americans lacked health insurance coverage – an increase of almost 2.5 million from the previous year. Most Americans receive their health insurance coverage through their employers. At the same time, most of the uninsured are working Americans and their families, with low to moderate incomes. Their employers, however, either do not offer health insurance at all or the health insurance offered is simply unaffordable.⁴⁰

Among these uninsured working families are a significant number of Wal-Mart employees, many of whom instead secure their health care from publicly subsidized programs. Fewer than half – between 41 and 46 percent – of Wal-Mart's employees are insured by the company's health care plan, compared nationally to 66 percent of employees at large firms like Wal-Mart who receive health benefits from their employer.⁴¹ In recent years, the company increased obstacles for its workers to access its health care plan.

In 2002, Wal-Mart increased the waiting period for enrollment eligibility from 90 days to 6 months for full-time employees. Part-time employees must wait 2 years before they may enroll in the plan, and they may not purchase coverage for their spouses or children. The definition of part-time was changed from 28 hours or less per week to less than 34 hours per week. At the time, approximately one-third of Wal-Mart's workforce was part-time. By comparison, nationally, the average waiting period for health coverage for employees at large firms like Wal-Mart was 1.3 months.⁴²

The Wal-Mart plan itself shifts much of the health care costs onto employees. In 1999, employees paid 36 percent of the costs. In 2001, the employee burden rose to 42 percent. Nationally, large-firm employees pay on average 16 percent of the premium for health insurance. Unionized grocery workers typically pay nothing.⁴³ Studies show that much of the decline in employer-based health coverage is due to shifts of premium costs from employers to employees.⁴⁴

Moreover, Wal-Mart employees who utilize their health care confront high deductibles and co-payments. A single worker could end up spending around \$6,400 out-of-pocket – about 45 percent of her annual full-time salary – before seeing a single benefit from the health plan.⁴⁵

According to an AFL-CIO report issued in October 2003, the employees' low wages and Wal-Mart's cost-shifting render health insurance unaffordable, particularly for those employees with families. Even under the Wal-Mart plan with the highest deductible (\$1,000) – and

therefore with the lowest employee premium contribution – it would take an \$8 per hour employee, working 34 hours per week, almost one-and-a-half months of pre-tax earnings to pay for one year of family coverage.⁴⁶

Wal-Mart's spending on health care for its employees falls well below industry and national employer-spending averages. A Harvard Business School case study on Wal-Mart found that, in 2002, Wal-Mart spent an average of \$3,500 per employee. By comparison, the average spending per employee in the wholesale/retailing sector was \$4,800. For U.S. employers in general, the average was \$5,600 per employee.⁴⁷

In the end, because they cannot afford the company health plan, many Wal-Mart workers must turn to public assistance for health care or forego their health care needs altogether. Effectively, Wal-Mart forces taxpayers to subsidize what should be a company-funded health plan. According to a study by the Institute for Labor and Employment at the University of California-Berkeley, **California taxpayers subsidized \$20.5 million worth of medical care for Wal-Mart in that state alone.**⁴⁸ In fact, Wal-Mart personnel offices, knowing employees cannot afford the company health plan, actually encourage employees to apply for charitable and public assistance, according to a recent report by the PBS news program *Now With Bill Moyers*.⁴⁹

When a giant like Wal-Mart shifts health insurance costs to employees, its competitors invariably come under pressure to do the same. Currently engaged in the largest ongoing labor dispute in the nation, unionized grocery workers in southern California have refused to accept higher health care costs resulting from cost-shifting on health insurance premiums by their grocery chain employers – cost-shifting, the grocers say, inspired by the threat of Wal-Mart competition. Beginning on October 11, 2003, 70,000 grocery employees of Vons, Pavilions, Ralphs, and Albertsons have either been on strike or locked out. The companies want to dramatically increase workers' share of health costs, claiming that the change is necessary in order to compete with Wal-Mart's incursion in the southern California market. E. Richard Brown, the director of the Center for Health Policy at the University of California, Los Angeles, told the *Sacramento Bee* that, if the grocery chains drastically reduce health benefits, the trends toward cost shifting and elimination of health coverage will accelerate. Following the grocers' lead, more employers would offer fewer benefits, would require their workers to pay more, and may even drop health benefits altogether.⁵⁰ Whether the current pressure from Wal-Mart is real or imagined or merely a convenient excuse for the grocers' cost-cutting bargaining position, Wal-Mart has sparked a new race to the bottom among American retail employers. Undeniably, such a race threatens to undermine the employer-based health insurance system.

LOW WAGES MEAN HIGH COSTS TO TAXPAYERS

Because Wal-Mart wages are generally not living wages, the company uses taxpayers to subsidize its labor costs. While the California study showed how much taxpayers were subsidizing Wal-Mart on health care alone, the total costs to taxpayers for Wal-Mart's labor policies are much greater.

The Democratic Staff of the Committee on Education and the Workforce estimates that one 200-person Wal-Mart store may result in a cost to federal taxpayers of \$420,750 per year – about \$2,103 per employee. Specifically, the low wages result in the following additional public costs being passed along to taxpayers:

- \$36,000 a year for free and reduced lunches for just 50 qualifying Wal-Mart families.
- \$42,000 a year for Section 8 housing assistance, assuming 3 percent of the store employees qualify for such assistance, at \$6,700 per family.
- \$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 the additional Title I expenses, assuming 50 Wal-Mart families qualify with an average of 2 children.
- \$108,000 a year for the additional federal health care costs of moving into state children's health insurance programs (S-CHIP), assuming 30 employees with an average of two children qualify.
- \$9,750 a year for the additional costs for low income energy assistance.

Among Wal-Mart employees, some single workers may be able to make ends meet. Others may be forced to take on two or three jobs. Others may have a spouse with a better job. And others simply cannot make ends meet. Because Wal-Mart fails to pay sufficient wages, U.S. taxpayers are forced to pick up the tab. In this sense, Wal-Mart's profits are not made only on the backs of its employees – but on the backs of every U.S. taxpayer.

The ultimate costs are not limited to subsidies for underpaid Wal-Mart workers. When a Wal-Mart comes to town, the new competition has a ripple effect throughout the community. Other stores are forced out of business or forced to cut employees' wages and benefits in order to compete with Wal-Mart. The Los Angeles City Council commissioned a report in 2003 on the effects of allowing Wal-Mart Supercenters into their communities. The report, prepared by consulting firm Rodino and Associates, found that Supercenters drive down wages in the local retail industry, place a strain on public services, and damage small businesses. It recommended that the City Council refuse to allow any Supercenters to be built in Los Angeles without a promise from Wal-Mart to increase wages and benefits for its employees.⁵¹

The findings of the Rodino report are alarming. The labor impacts of a Wal-Mart Supercenter on low-income communities include:

- “Big box retailers and superstores may negatively impact the labor market in an area by the conversion of higher paying retail jobs to a fewer number of lower paying retail jobs. The difference in overall compensation (wages and benefits) may be as much as \$8.00.”
- “Lack of health care benefits of many big box and superstore employees can result in a greater public financial burden as workers utilize emergency rooms as a major component of their health care.”
- “A study conducted by the San Diego Taxpayers Association (SDCTA), a nonprofit, nonpartisan organization, found that an influx of big-box stores into San Diego would

result in an annual decline in wages and benefits between \$105 million and \$221 million, and an increase of \$9 million in public health costs. SDCTA also estimated that the region would lose pensions and retirement benefits valued between \$89 million and \$170 million per year and that even increased sales and property tax revenues would not cover the extra costs of necessary public services.”

- “[The threat of Wal-Mart’s incursion into the southern California grocery market] is already triggering a dynamic in which the grocery stores are negotiating with workers for lowered compensation, in an attempt to re-level the ‘playing field.’”
- “One study of superstores and their potential impact on grocery industry employees found that the entry of such stores into the Southern California regional grocery business was expected to depress industry wages and benefits at an estimated range from a low of \$500 million to a high of almost \$1.4 billion annually, potentially affecting 250,000 grocery industry employees . . . [T]he full impact of lost wages and benefits throughout Southern California could approach \$2.8 billion per year.”⁵²

Reports such as these have provided supporting evidence to localities which seek to pass ordinances restricting “big box” or supercenter stores. Such ordinances were recently passed in Alameda and Contra Costa counties in California. Wal-Mart, however, has moved to overturn those ordinances. In Contra Costa, Wal-Mart launched a petition drive to challenge that county’s ordinance in a referendum in March 2004. In Alameda, the company has filed a lawsuit to void an ordinance passed by the Board of Supervisors in January 2004.⁵³

One of the most cited studies on Wal-Mart’s impact on local communities was performed by economist Kenneth Stone at Iowa State University in 1993. Stone looked at the impact of Wal-Mart on small towns in Iowa. He found a 3 percent spike in total retail sales in communities immediately after a Wal-Mart opened. But the longer term effects of Wal-Mart were disastrous for nearby independent businesses. Over the course of the next several years, retailers’ sales of mens’ and boys’ apparel dropped 44 percent on average, hardware sales fell by 31 percent, and lawn and garden sales fell by 26 percent. Likewise, a Congressional Research Service report in 1994 explained that Wal-Mart uses a saturation strategy with store development. In other words, it builds stores in nearby connected markets in order to stifle any competition in the targeted area by the size of its presence.⁵⁴

By all accounts, Wal-Mart’s development strategy has been working. Currently, Wal-Mart operates around 3,000 total stores and close to 1,400 Supercenters. It is the largest grocer in the U.S., with a 19 percent market share, and the third-largest pharmacy, with a 16 percent market share. According to Retail Forward, a global management consulting and research firm, for every one Supercenter that will open, two supermarkets will close.⁵⁵ Since 1992, the supermarket industry has experienced a net loss of 13,500 stores.⁵⁶ Over the next five years, Wal-Mart plans to open 1,000 more Supercenters in the U.S.⁵⁷ By 2007, Wal-Mart is expected to control 35 percent of food and drug sales in the U.S.⁵⁸

ILLEGAL USE OF UNDOCUMENTED WORKERS

Among the lowest paid workers in the U.S. economy are undocumented immigrants. As was reported in the fall of 2003, these workers are not foreign to the floors of Wal-Mart stores. On October 23, 2003, federal agents raided 61 Wal-Mart stores in 21 states. When they left, the agents had arrested 250 nightshift janitors who were undocumented workers.⁵⁹

Following the arrests, a grand jury convened to consider charging Wal-Mart executives with labor racketeering crimes for knowingly allowing undocumented workers to work at their stores. The workers themselves were employed by agencies Wal-Mart contracted with for cheap cleaning services. While Wal-Mart executives have tried to lay the blame squarely with the contractors, federal investigators point to wiretapped conversations showing that executives knew the workers were undocumented.⁶⁰

Additionally, some of the janitors have filed a class-action lawsuit against Wal-Mart alleging both racketeering and wage-and-hour violations. According to the janitors, Wal-Mart and its contractors failed to pay them overtime totaling, along with other damages, \$200,000. One of the plaintiffs told the *New York Times* that he worked seven days per week for eight months, earning \$325 for 60-hour weeks, and he never received overtime.⁶¹ A legal question now being raised is whether these undocumented workers even have the right to sue their employers.⁶²

Not surprisingly, this recent raid was not the first time Wal-Mart was caught using undocumented workers. In 1998 and 2001, federal agents arrested 102 undocumented workers at Wal-Marts around the country.⁶³

President Bush's newly proposed temporary foreign worker plan would legalize such undocumented workers without granting them an opportunity for citizenship, creating a new class of indentured servants and a safer source of cheap labor for companies like Wal-Mart.

TRADING AWAY JOBS

Since the recession began in March 2001, the United States has lost 2.4 million jobs. In every recession, since the Great Depression, jobs were recovered within the first 31 months after the recession began – until now. The latest recession began 34 months ago and officially ended in November 2001, but the jobs have not been recovered. For American working families, by all accounts, the “jobless recovery” has been of little benefit to them. While GDP growth was strong or solid in the third and fourth quarters of 2003, real wages for workers remained stagnant and even declined.⁶⁴

Indeed, of the jobs that remain, the pay is low. The country has seen a dramatic shift from high-paying jobs to low-paying jobs. For instance, in New Hampshire, which still has not recovered the number of jobs it lost in the recession, new jobs pay 35 percent lower wages than lost jobs. In Delaware, those wages are 43 percent lower; in Colorado, 35 percent lower; in West Virginia, 33 percent lower. In fact, the low-pay shift has hit all but two of the fifty states.⁶⁵

Moreover, these changes in the labor market reveal themselves in a marked decline in living standards for low- and middle-income workers. The real weekly earnings for full-time workers age 25 and older fell for the bottom half of the workforce between the fourth quarters of 2002 and 2003. In particular, workers in the 10th percentile saw their weekly earnings fall 1.2 percent; in the 20th percentile, by 0.5 percent, in the 50th percentile, by 0.1 percent.⁶⁶ Conversely, earners in the top percentiles of income experienced growth. The 90th percentile, for instance, saw a 1.1 percent increase in weekly earnings. As the Economic Policy Institute points out: “This pattern of earnings growth suggests that while the economy is expanding, the benefits of growth are flowing to those at the top of the wage scale.”⁶⁷

These lower-paying jobs are largely service sector jobs, like retail, replacing traditionally higher-paying and unionized manufacturing jobs. Between January 1998 and August 2003, the nation experienced a net loss of 3 million manufacturing jobs.⁶⁸ During the “recovery,” 1.3 million manufacturing jobs disappeared.⁶⁹ American manufacturers find it increasingly difficult to keep jobs in the U.S., given the availability of cheap labor abroad. In 2003, the U.S. trade deficit hit a record high of \$551 billion, increasing 15 percent from 2002 and exceeding 5 percent of GDP.⁷⁰

Wal-Mart plays a curiously illustrative role in this jobs phenomenon – not just in the creation of low-paying jobs and the downward pressure on wages and benefits, but also in the export of existing manufacturing jobs to foreign countries offering cheap labor. Wal-Mart markets itself with a patriotic, small-town, red-white-and-blue advertising motif. But Wal-Mart’s trade practices are anything but small-town. Indeed, Wal-Mart conducts international trade in manufactured goods on a scale that can bring down entire nations’ economies.

While the red-white-and-blue banners remain, long-gone are the days when Wal-Mart abided by the mottos of “Buy American” and “Bring It Home to the USA.” In 1995, Wal-Mart claimed only 6 percent of its merchandise was imported. Today an estimated 50-60 percent of its products come from overseas.⁷¹ In the past five years, Wal-Mart has doubled its imports from China. In 2002, the company bought 14 percent of the \$1.9 billion of clothes exported by Bangladesh to the United States. Also in 2002, the company purchased \$12 billion in merchandise from China, or 10 percent of China’s total U.S.-bound exports, a 20 percent increase from the previous year. In 2003, these Chinese purchases jumped to \$15 billion, or almost one-eighth of all Chinese exports to the United States.⁷² Today, more than 3,000 supplier factories in China produce for Wal-Mart.⁷³

Wal-Mart maintains an extensive global network of 10,000 suppliers.⁷⁴ Whether American, Bangladeshi, Chinese, or Honduran, Wal-Mart plays these producers against one another in search of lower and lower prices. American suppliers have been forced to relocate their businesses overseas to maintain Wal-Mart contracts.⁷⁵ Overseas manufacturers are forced to engage in cutthroat competition that further erodes wages and working conditions of what often already are sweatshops. To keep up with the pressure to produce ever cheaper goods, factories force employees to work overtime or work for weeks without a day off. A Bangladeshi factory worker told the *Los Angeles Times* that employees at her factory worked from 8 a.m. to 3 a.m. for 10 and 15 day stretches just to meet Wal-Mart price demands. And still, Wal-Mart’s

general manager for Bangladesh complained of his country's factories, telling the *Los Angeles Times*, "I think they need to improve. When I entered a factory in China, it seemed they are very fast."⁷⁶

While low-wage jobs displace higher-paid manufacturing jobs in the United States, undercutting living standards at home, living standards abroad are not reaping the benefits one might expect. Reports indicate that Wal-Mart's bargaining power is able to maintain low wages and poor working conditions among its foreign suppliers. The *Washington Post* has explained: "As capital scours the globe for cheaper and more malleable workers, and as poor countries seek multinational companies to provide jobs, lift production, and open export markets, Wal-Mart and China have forged themselves into the ultimate joint venture, their symbiosis influencing the terms of labor and consumption the world over."⁷⁷ Thanks to a ban on independent trade unions and a lack of other basic human rights, China offers Wal-Mart a highly-disciplined and cheap workforce. A Chinese labor official who asked to remain anonymous for fear of punishment told the *Washington Post* that "Wal-Mart pressures the factory to cut its price, and the factory responds with longer hours or lower pay. And the workers have no options."⁷⁸

One employee of a Chinese supplier described the difficulties of surviving on \$75 per month. She could rarely afford to buy meat, and her family largely subsisted on vegetables. Over four years, she had not received a single salary increase.⁷⁹

Wal-Mart has countered that it insists that its suppliers enforce labor standards and comply with Chinese law. One-hundred Wal-Mart auditors inspect Chinese plants, and the company has suspended contracts with about 400 suppliers, mainly for violating overtime limits. An additional 72 factories were permanently blacklisted in 2003 for violating child labor standards. Still, critics point out that the Wal-Mart does not regularly inspect smaller factories that use middlemen to sell to the company. Nor does it inspect the factories of subcontractors. A Chinese labor organizer explained that the inspections are "ineffective," since Wal-Mart usually notifies the factories in advance. The factories "often prepare by cleaning up, creating fake time sheets and briefing workers on what to say."⁸⁰

The factories themselves complain that, because Wal-Mart demands such low prices, they have slim profit margins – if any. A manager of one Chinese supplier told the *Washington Post*, "In the beginning, we made money ... But when Wal-Mart started to launch nationwide distribution, they pressured us for a special price below our cost. Now, we're losing money on every box, while Wal-Mart is making more money."⁸¹ Obviously, one way to regain a profit for such suppliers would be to begin cutting back on labor costs.

Finally, as testament to Wal-Mart's stalwart anti-union policy, none of its 31 stores in China are unionized, despite the fact that the Communist Party-controlled official union has told the company that it would not help workers fight for higher pay.⁸² Oddly enough, Article 10 of China's Trade Union Law requires that any establishment with 25 or more workers must have a union. Wal-Mart, however, claims that it has received assurances from the central government that it need not allow unions in any of its stores.⁸³ As one reporter has explained, "The explanation for the apparent contradiction may be that the government's desire for foreign

investment and jobs trumps any concern for workers' rights. That wouldn't be surprising in the Chinese environment, where strikes are forbidden and the official labor grouping actively supports the government's efforts to block the rise of independent unions."⁸⁴ With China, any company in search of pliant and cheap labor has found a perfect mix of cooperative government officials and workers made submissive through fear.

DISABILITY DISCRIMINATION

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities in employment matters. In particular, an employer may not discriminate against an employee or prospective employee who is otherwise qualified to perform the job if given reasonable accommodations.⁸⁵

In addition to lawsuits over lost wages or unequal pay, Wal-Mart has faced a barrage of lawsuits alleging that the company discriminates against workers with disabilities. In 2001, Wal-Mart paid over \$6 million to settle 13 such lawsuits. These cases were brought by the U.S. Equal Employment Opportunity Commission (EEOC) on behalf of disabled persons whom Wal-Mart failed to hire. The settlement also required Wal-Mart to change its procedures in dealing with disabled job applicants and provide more training for its employees on anti-discrimination laws.⁸⁶

Yet, on January 20, 2004, the EEOC filed another lawsuit against the retail giant on behalf of a job applicant who claims he was not hired because he needed a wheelchair. The lawsuit was filed in Kansas City after the EEOC failed to obtain a settlement with Wal-Mart.⁸⁷

WORKER SAFETY

The Occupational Safety and Health Act (OSHA) is designed to protect workers from workplace injuries and illnesses.⁸⁸ OSHA is enforced by the Department of Labor's Occupational Safety and Health Administration. Regulations issued by that agency lay out clear rules for such safety matters as the provision of exits for employees.⁸⁹

The latest Wal-Mart scandal to hit the news is its reported lockdown of its nighttime shift various stores around the country. According to a January 18, 2004, *New York Times* report, the company institutes a "lock-in" policy at some of its Wal-Mart and Sam's Club stores.⁹⁰ The stores lock their doors at night so that no one can enter or leave the building, leaving workers inside trapped. Some workers are then threatened that, if they ever use the fire exit to leave the building, they will be fired. Instead, a manager is supposed to have a key that will unlock doors to allow employees to escape. Many workers have found themselves locked in without a manager who has a key, as the *New York Times* story detailed.⁹¹

The company has claimed that the policy is designed to protect stores and employees from crime. Former store managers, however, have claimed the real reason behind the lockdown is to prevent "shrinkage" – i.e., theft by either employees or outsiders. It is also designed to eliminate unauthorized cigarette breaks or quick trips home.⁹²

Locked-in workers have had to wait for hours off-the-clock for a manager to show up to let them go home after they completed their shift. One worker claims to have broken his foot on the job and had to wait four hours for someone to open the door. Another worker alleges she cut her hand with box cutters one night and was forced to wait until morning to go to the hospital, where she received thirteen stitches.⁹³

In the history of American worker safety, some of the worst tragedies have involved employees locked in their workplaces in an emergency, including the Triangle Waist Company fire of 1911 in which 146 women died in a fire because the garment factory's doors were locked. As recently as 1991, 25 workers perished in a fire at a chicken processing plant in North Carolina. The plant's owner had locked the doors for fear of employee theft and unauthorized breaks. According to recent reports, ten percent of Wal-Mart's stores are subjected to the nighttime lockdown.⁹⁴

In 2002, in a telling junction of alleged labor law violations, the National Labor Relations Board (NLRB) issued a complaint against a Wal-Mart in Texas regarding health and safety threats made by management against employees. According to the complaint, a company official told workers that, after a worker filed complaints regarding unsafe conditions with the Occupational Safety and Health Administration (OSHA), any fines imposed upon the company would come out of employee bonuses.⁹⁵

WAL-MART'S RESPONSE

Wal-Mart's response to this extensive list of labor problems has been to treat the charges as a public-relations matter and not a substantive issue of workplace fairness. Seemingly, Wal-Mart believes only its image – not its behavior – needs to be adjusted. In that regard, Wal-Mart has undertaken aggressive advertising campaigns, has financed its own economic-impact studies to counter those that show the costs of Wal-Mart to local communities, and has become a major political campaign contributor.

On the advertising front, Wal-Mart launched a television ad series called "Good Jobs" in early 2004. The ads feature Wal-Mart employees talking about how great it is to work at Wal-Mart. Spots also show Wal-Mart's community involvement. One ad features a Wal-Mart employee who attests that Wal-Mart health insurance made it possible to treat his 7-year-old son for liver disease.⁹⁶ It is not known what the total cost of the ad series will be in the end.

Wal-Mart has also financed its own studies, to counter publicly commissioned reports which detail the burden that Wal-Mart imposes on communities. After the Rodino report was commissioned by Los Angeles City Council members, the Los Angeles Economic Development Corporation (LAEDC), a private non-profit corporation, released its own study. The LAEDC study was commissioned and financed by Wal-Mart Stores, Inc. Unsurprisingly, it claimed that Wal-Mart Supercenters would provide extraordinary benefits for the Los Angeles economy.

Because Wal-Mart would be charging lower prices, according to the report, households would experience greater savings. If Wal-Mart penetrates 20 percent of the market in the seven Southland counties, the savings, an estimated \$3.6 billion, would then translate into the creation of an incredible 36,400 jobs annually. That is, while the study estimates that 3,000 to 5,000 jobs would be lost in the grocery business, consumer savings on food prices would turn into more consumer spending on non-grocery goods, creating more jobs in those sectors.⁹⁷ Of course, it is not at all clear why job loss would be limited to the grocery business, since Supercenters, by their very nature, sell virtually any consumer good, except for durables like automobiles. According to the study, California consumers “may opt to spend their savings on sports equipment, continuing education classes, or restaurant meals.”⁹⁸ The study failed to mention that Wal-Mart already offers an extensive line of “sports equipment.”⁹⁹ The “continuing education classes” were presumably listed because they may constitute job training for better jobs. And where would those better jobs be? It can only be assumed, as more people spend their grocery savings for “restaurant meals,” much of the claimed job creation would be in restaurants and similar low-paying service sector businesses, for which continuing education classes offer little advantage.

The ultimate household savings projections by the LAEDC study should also be questioned. First, downward pressure on wages and benefits, spurred by the giant employer, would cause people to have less money to spend. Thus, while they may spend less on groceries, they also make less or may be spending more on former benefits like health care. Indeed, the study appears to not take into account the loss of such benefits as health care and pensions that workers are likely to experience. Second, when Wal-Mart has successfully reduced the number of surrounding competitors, there is less pressure on the company to keep its prices low. Third, the claim that Wal-Mart does in fact charge consumers less is open to question. Economist Kenneth Stone has found that Wal-Mart lowers the prices of “price sensitive” items such as milk and bread. Consumers pay attention to the prices of these items – the kind of everyday items consumers buy most often – and less attention to the prices of other items such as light bulbs – which are not reduced and may be more expensive at Wal-Mart than at other retailers. The lower-priced items are displayed prominently, grabbing customers’ attention and leading them to mistakenly believe that they are getting similarly low prices on other items throughout the store.¹⁰⁰

The LAEDC study also disputed the extent of wage and benefit differences between Wal-Mart employees and other retail or grocery workers. According to the LAEDC, wage comparisons are often skewed for two reasons. First, most Wal-Mart Supercenters have not been open long enough to allow employees to accumulate seniority and, therefore, higher rates of pay. Second, because Wal-Mart promotes to management from within its own ranks, those employees with the greatest longevity are usually no longer counted as hourly employees.¹⁰¹

The first reason does not appear to square with prolific reports about the intense pressure on stores to keep labor costs down. This story first appeared in the *Wall Street Journal*:

At Wal-Mart Stores Inc., managers are judged in part on their ability to keep payroll costs at a strict percentage of sales, according to former managers. Some

say that puts extra pressure on higher-paid workers to be more productive.

"You keep people making \$ 10 an hour to a high standard," putting more pressure on them for small mistakes, said Lyndol Jackson, a Wal-Mart manager until he left for another job in 1998.

Often, those workers quit and can be replaced less expensively, added Jackson, who lives in Memphis, Tenn.

Former Wal-Mart cashier Dana Mailloux, 33, worked for eight years at a store in Fort Myers, Fla., moving up to \$ 9.15 an hour. Last fall, her manager called her and more than a dozen other longtime employees into his office and told them he had to lay them off because of lack of work.

That same day, Mailloux said, she passed a room with six new hires, red vests in hand, filling out paperwork.

Returning to the store that weekend, she said, she saw newly advertised positions listed on a bulletin board.

"Basically, I was thrown out like a piece of trash," said Mailloux.

Wal-Mart spokeswoman Sarah Clark said the company continually lays off and hires workers as sales rise and fall. She said that if "labor adjustments are necessary," the company before making cuts asks for volunteers to take time off and carefully controls hours.

"It is ludicrous and contrary to our business model to think the company would benefit from replacing experienced associates with new, lower-paid ones," Clark said in a statement. "It's clear that experienced associates are golden with us."

Clark declined to discuss Mailloux's dismissal, citing employee privacy.¹⁰²

In other words, there may be other reasons for the wage difference than just the frequency of store openings. Nor does the lack-of-longevity reason for the wage differences square with previously-mentioned accounts of actual pay raises of just a few cents per year.

The second reason claimed for wage differences – that Wal-Mart promotes its best employees to management – would appear to be exaggerated. To the extent that such promotions do happen, their effect on the average Wal-Mart wage must be minimal. Wal-Mart is not promoting half of its workforce. The average Wal-Mart store has one manager, one-to-three assistant managers, and 15 department heads (who may or may not be counted as hourly), compared to 300 to 350 "associates."¹⁰³

Moreover, according to the study, Wal-Mart's health care benefits are better than often portrayed. The authors acknowledge that the Wal-Mart health insurance plan is not as comprehensive as the unionized grocery store plans in Southern California and that Wal-Mart employees must pay part of the premium while union workers pay nothing. However, the authors note, the Wal-Mart plan does not include a cap on medical expenses, thereby protecting participating employees from the bankrupting costs of catastrophic illnesses. The unionized store plans do have a cap, according to the LAEDC study.¹⁰⁴

The relative worth of a catastrophic plan versus a more comprehensive health plan comes into focus when considering the frequency with which workers utilize various services. While childrens' vaccinations are covered by the union plans, such routine medical needs are excluded from Wal-Mart's coverage. Such out-of-pocket costs for these low-wage employees might be \$75 per shot at a private clinic. On the other hand, Wal-Mart touts the 60 transplants it covers per year at a cost of \$1 million each. As one commentator has noted, 60 transplants amounts to slightly over one-hundredth of one percent of Wal-Mart's 500,000 insured workers.¹⁰⁵

On the issue of health care coverage, the LAEDC study explained:

Since they must pay some of the upfront costs of medical care, many Wal-Mart employees who are eligible for the coverage choose not to participate. This leads to much lower participation rates among Wal-Mart employees than among union workers, virtually all of whom participate since their up front costs are paid by their employer. It is worth noting that more than 90 percent of all Wal-Mart employees have health coverage from some source, including the company itself, a covered spouse, parents, through retirement benefits (from another job), etc.¹⁰⁶

According to the LAEDC, low participation rates in Wal-Mart's health plan are a matter of mere "choice," not affordability. Nevertheless, most Wal-Mart employees, according to the study, have health care from "some source," including "a covered spouse" – that is, a spouse at another company with better health care benefits, now subsidizing what should be Wal-Mart's labor cost. The study did not go into any further detail on what these unnamed other sources of coverage might be, but did not rule out public assistance programs. In July 2003, California Assemblywoman Sandy Lieber (D-San Jose) released copies of employee handouts from Wal-Mart which explained how to use an employment verification service when applying for Medicaid, food stamps, and other public services.¹⁰⁷

The LAEDC study continued on the topic of health care coverage: "The issue of participation rates may become moot in California, however. In October, Governor Davis signed SB2 – Health Care for Working Families that mandates large employers to provide health coverage to all of their employees."¹⁰⁸ While Wal-Mart currently covers about two-thirds of the costs of employee health care, SB2 would require Wal-Mart to cover 80 percent. The long waiting periods for Wal-Mart coverage would also have to be cut by 3 months for full-time workers and one-year and nine months for part-time workers. While the study claimed SB2 might render the debate over participation rates moot, it failed to mention that Wal-Mart has helped finance an employer-backed campaign for a referendum to repeal SB2.¹⁰⁹

On the political front, Wal-Mart has stepped up its campaign donations. The company contributed about \$475,000 in soft money to the Republicans in the 2000 and 2002 election cycles, compared to \$50,000 for Democrats in the same time period.¹¹⁰ In 2003, Wal-Mart contributed over \$1 million to federal campaigns – 85 percent to Republicans and 15 percent to Democrats – jumping from the 71st biggest campaign contributor in 2002 to the second biggest single contributor in 2003.¹¹¹ These contributions come at a time when the public outcry against Wal-Mart's behavior is louder than ever.

CONGRESSIONAL RESPONSES

Wal-Mart is certainly emblematic of structural changes within the U.S. economy. Unfortunately, as a rising standard-bearer of those changes, its employment practices pose a real and growing threat to U.S. labor standards. Indeed, Wal-Mart's sheer size and market power render it more than just an emblem but a leading agent of these changes.

While Congress has failed to address the issues posed by Wal-Mart's ascension, Congressional Democrats advocate a legislative program that tackles issues such as growing income disparities, the plight of the working poor, the lack of health care, unemployment and the shift from high-paying to low-paying jobs, the exodus of manufacturing jobs from the country, and the lack of effective enforcement of workers' rights.

LABOR LAW REFORM AND THE RIGHT TO ORGANIZE

Representative George Miller (D-CA) and Senator Ted Kennedy (D-MA), along with over 130 cosponsors, have introduced HR 3619 "The Employee Free Choice Act." This bill consists of comprehensive reform of the nation's labor laws in order to give meaningful effect to workers' right to organize – an internationally-recognized human right. The Employee Free Choice Act proposes triple damages for unlawful firings of pro-union workers during organizing drives, instead of the meager straight backpay remedy which allows employers to violate rights and destroy organizing drives at very little cost to them; imposes civil fines on employers who commit serious or repeated violations of the right to organize, instead of often meaningless and ineffective notice postings; provides for a card check system for choosing a union, rather than the easily-manipulated NLRB election process; and provides for first-contract mediation and binding arbitration, so that employers cannot stall bargaining until workers give up and abandon their union.

PROPOSALS TO INCREASE WAGES AND PROTECT OVERTIME

Democratic Members of Congress and Senators continue to fight for a higher minimum wage so that one day no one working full-time will be forced to live in poverty. While Wal-Mart typically pays more than the minimum wage, its average hourly rate still puts many working families below the poverty line.

Additionally, Democratic Members of Congress and Senators are fighting the Bush Administration's attempt to gut the nation's overtime laws. Under the Bush Administration's

proposed rule, 8 million working Americans will lose their overtime pay. In exchange, the Bush Administration claims 1.3 million Americans will gain the right to overtime pay; the real number is actually much less, according to analysts at the Economic Policy Institute. President Bush's Department of Labor has issued public advice to employers on how to skirt the law and avoid paying even those additional workers any overtime pay.

Other proposals aimed at improving workers' living standards include tax cuts targeted to working families and making higher education more affordable by boosting funding to Pell grants and increasing the HOPE Scholarship tax credit. Congressmembers and Senators have fought the Bush Administration's efforts to privatize Social Security and have worked to shore up the private pension system of employer-based retirement plans with proposals to protect the pensions of older employees and give workers greater control over their pension savings.

CHILD LABOR

Representative Tom Lantos (D-CA), along with over 40 cosponsors, has introduced HR 3139, "The Youth Worker Protection Act," which imposes limits on the amount of hours teenagers – who should be focused on their education – may work. Wal-Mart's internal audit in 2000 pointed to extensive child labor violations. Longstanding research has established the detrimental impacts of excessive work on school performance.

SWEATSHOPS

Democrats, led by Representative George Miller (D-CA), have introduced HR 3550, "The Recruiter Accountability Act." This bill holds labor recruiters and employers accountable for the promises they make to foreign workers when they lure them to the U.S. Recruited workers often find that, despite promises of good pay and healthy working conditions, their new jobs provide poverty wages – if any wages, at all – and no benefits such as basic health insurance. Additionally, workers are kept in debt to their recruiter for bringing them to the U.S. Democrats will put an end to this practice – which not only amounts to exploitation of foreign workers but undercuts the wages and benefits of working Americans.

Democrats are also introducing a bill to prevent federal agencies from contracting with anyone who operates or does business with a sweatshop. Taxpayer dollars should no longer be used to enrich those who violate basic human rights at home or overseas.

AFFORDABLE AND MEANINGFUL HEALTH INSURANCE

Congress continues to look for solutions to the health care crisis in this country. Democrats have offered mixes of public and employer-sponsored plans to achieve universal care – a key policy goal of the party. They have also focused on the cost of health care. As Wal-Mart demonstrates, offering a health care plan to employees is not enough if employees cannot afford to participate. Proposals include providing tax credits to small businesses to assist them in providing a health plan, reducing the prescription drug prices by making it easier for generic

drugs to be sold, and ensuring a Medicare prescription drug benefit that obtains the best prices for seniors.

FAIR TRADE AND THE FIGHT TO SAVE GOOD-PAYING JOBS

Democrats have led the call for fair trade agreements – with environmental and labor standard protections. American manufacturers simply cannot compete with foreign workforces that are paid pennies per hour, utilize child and slave labor, and do not enjoy basic human rights. Democrats are exploring ways to end sweatshop practices around the world; to ensure basic human rights at home and abroad for all workers; and to ultimately stop the exodus of jobs out of the country. Proposals include tax deductions for manufacturers who expand their U.S. operations and fully funding job training and manufacturing development programs.

CONCLUSION

Wal-Mart's success has meant downward pressures on wages and benefits, rampant violations of basic workers' rights, and threats to the standard of living in communities across the country. The success of a business need not come at the expense of workers and their families. Such short-sighted profit-making strategies ultimately undermine our economy.

In the past few years, Wal-Mart has been subjected to dozens of class-action suits seeking backpay for hundreds of thousands of shortchanged workers, dozens of unfair labor practice complaints by the U.S. government for violations of workers' right to organize, and other legal actions stemming from the company's employment practices. At the same time, it has managed to keep its wages low and put suppliers on a downward spiral to cut their own wages. To keep up with Wal-Mart's low-cost demands, U.S. manufacturers have found it increasingly difficult to remain in the U.S. Cuts in health care benefits to Wal-Mart employees are pushing other U.S. grocers to do the same.

Wal-Mart's current behavior must not be allowed to set the standard for American labor practices. Standing together, America's working families, including Wal-Mart employees, and their allies in Congress can reverse this race to the bottom in the fast-expanding service industry. The promise that every American can work an honest day's work, receive an honest day's wages, raise a family, own a home, have decent health care, and send their children to college is a promise that is not easily abandoned. It is, in short, the American Dream.

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¹⁰² Source: Wall Street Journal, "Too Valuable to Be Kept Employees Find that Success Leads to Higher Pay – and Vulnerability when Companies Look to Cut Costs," *Omaha World-Herald* (Nebraska) 1D (June 23, 2003).

¹⁰³ Simone Toth, "Retailers Stock Up for Another Strong Year of Sales," *San Diego Business Journal* 14 (January 4, 1999); Bill Saporito, "A Week Aboard the Wal-Mart Express," *Fortune* 77 (August 24, 1992).

¹⁰⁴ Freeman, *supra* note 97 at 23-24.

¹⁰⁵ Michael Hiltzik, "Wal-Mart's Costs Can't Always Be Measured," *Los Angeles Times* (February 2, 2004).

¹⁰⁶ Freeman, *supra* note 97 at 23-24.

¹⁰⁷ Janet Adamy, "Wal-Mart's Benefits Come Under Fire," *Contra Costa Times* (Contra Costa, CA) (October 19, 2003).

¹⁰⁸ Freeman, *supra* note 97 at 24.

¹⁰⁹ Carl Ingram, "Court OKs Health-Care Referendum," *Los Angeles Times* B6 (January 23, 2004).

¹¹⁰ Opensecrets.org, <http://www.opensecrets.org/softmoney/softcomp1.asp?txtName=Wal-mart> (January 26, 2004).

¹¹¹ Schneider, *supra* note 95; <http://www.opensecrets.org/overview/topcontribs.asp?cycle=2004> (February 2, 2004).