“Hi, welcome to Walmart,” says the greeter. You smile back politely in acknowledgment before you quickly enter the store. You have to shop. You have to find the best deals. You fill your cart with disposable razors, diapers for the baby, socks, batteries, dog biscuits, skim milk, chocolate candies, white bread, gum, mayonnaise, chunk cheese, your favorite magazine, and a few impulse buys with prices too good to pass up. It was just a quick visit today. You make your way to the register and the cashier rings up your items and tells you the total damage to your wallet. You smile to yourself knowing you saved a bundle of time and money. Walmart is your one stop shop. You leave the store with bags in hand, only to find a chanting mob outside the store: volunteers for the union. They yell out many of Walmart’s faults: its discrimination toward women, its dismal health care benefits, and its barely livable wages. You wonder how much of this is true. You’ve heard these arguments before, but look at how much money Walmart saves you. Is it really as bad as the union says? Is Walmart some dark empire, or the chosen target for some of the many problems American consumerism has created? Has the company been singled out unfairly?

Within fifty years Walmart has grown from a few stores in Arkansas to a multibillion-dollar corporation that spans the entire United States and many countries around the globe. Sam Walton opened the first Wal-Mart in 1962 to save the customer money, which is the Walmart motto. Expanding rapidly nationally and internationally, Walmart consists of more than 6,200 facilities and 1.6 million employees worldwide. Walmart affects millions of lives on a daily basis: over 138 million global customers visit the store each week (“Walmart Facts”). With numbers like these it’s obvious how influential Walmart is both nationally and internationally. Walmart saves its shoppers money with every shopping experience. But many critics dislike the methods Walmart uses to save its consumers money.
While so many vilify Walmart for its sins, few look at the big picture: if Walmart were to disappear off the face of the earth, other companies like it would still pay minimum wage to save you and me money. What about Target or Kmart? Walmart is not an evil, all-consuming empire but a product of its times. American culture made stores like Walmart possible; it is the consumerist culture that epitomizes America. It is the need, the demand for more stuff, and our desire for material wealth that fills our closets, our drawers, and our garages. As consumers we want the new, the flashy, and we want it now for a discount price. While I have oversimplified American consumerism and made it sound like the only factor, which it is not, consumerism is definitely a large contributor to big retail chains. Walmart, along with other big business stores like it, fulfills the desire for stuff and saves the consumer millions. In fact, Walmart saves its customers about $16 billion a year, say Harvard business professor Pankaj Ghemawat and business consultant Ken Mark. But in order to pass on these savings to the consumer, Walmart associates receive what many believe to be sub-par healthcare coverage and salaries. Critics also charge that Walmart destroys local businesses and communities. In addition to unfairly targeting Walmart, many overlook the company's openness to criticism and willingness to change.

According to freelance writer Liza Featherstone, Walmart is as bad as the unions proclaim the corporation to be. Featherstone strongly criticizes Walmart in her 2005 article “Down and Out in Discount America.” Walmart's obsession with saving the customer money, she argues, has a price. Its employees largely pay for that price in the form of low wages. According to Featherstone, the average Walmart worker makes just over $8 an hour (about $15,000 a year). She cites Al Zack, former vice president for strategic programs of United Food and Commercial Workers, who claims Walmart “needs to create more
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poverty to grow.” Featherstone creates a comparison between Walmart and Henry Ford. Where Ford paid his employees plenty so they could buy Ford cars, Walmart does the opposite. Walmart's low wages help to keep poverty going, Featherstone reasons, thus allowing Walmart to grow. The low wages also keep them from being able to shop anywhere else but at Walmart. She claims Walmart uses welfare to supplement its low paycheck, citing that Walmart encourages its workers to apply for federal assistance. So it is the taxpayers' dollars that help Walmart associates get by (Featherstone). But, unfortunately, these are realities in retail. And Walmart is not alone. It is the price that some must pay so that American consumers can enjoy discount prices. Minimum wage helps to make these discount prices possible.

Today, the average American Walmart employee makes close to $11 an hour (around $21,000 a year). This may not seem like much, but it is above the poverty line. Currently, Walmart's pay is four dollars higher than the federal minimum wage. Even when Featherstone's article was up to date in 2005, Walmart was still several dollars above the federal minimum wage (“Walmart Facts”). I have held a part-time job at Price Chopper, a northeast grocery store chain, for five years, and I have yet to make $9 an hour. It is how the retail world works. To keep prices low for the customer, companies pay minimum wage, cut worker hours, and offer minimum healthcare. “The fact is,” writes Robert Reich, former secretary of labor for President Bill Clinton, “today’s economy offers us a Faustian bargain: it can give consumers deals largely because it hammers workers.”

Besides Walmart’s low pay, people criticize the company’s healthcare. The plan is said to be too expensive for the average Walmart employee to afford. Thus, many reason, few Walmart associates have insurance. However, this is not the case. Walmart reported that as of this year, 92.7 percent of its employees had health insurance, a two
percent increase from last year. In fact, the national average of uninsured workers nationwide is significantly higher than the number of Walmart employees that lack coverage. The U.S. Census Bureau recently announced 17.7 percent of Americans do not have healthcare, versus the 7.3 percent of Walmart’s workers who lack coverage.

Walmart’s insurance includes medical and dental benefits but not eye care. But what it is short of, the company is trying to make up for. This year Walmart partnered with 1-800-CONTACTS in an effort to “help drive down healthcare costs.” The long-term agreement will bring contact lenses to Walmart customers at lower costs. The two companies estimate this partnership could save consumers $400 million in the next three years. And because many of Walmart’s employees are also Walmart customers, they will also be able to partake in this benefit (employees can even use their Walmart discount, which will help to save them even more money). Walmart also offers and continues to expand its $4 prescription plan. “Our $4 prescription program is proof that Wal-Mart is committed to meeting America’s healthcare challenges,” says Dr. John Agwunobi, senior vice president and president for Walmart’s professional services division (“Walmart Facts”).

Walmart is also believed to be the sole cause for running small family businesses into the ground. Freelance writer Floyd McKay reasons local downtowns become ghost towns when big-box retailers such as Walmart move in. He writes, “Wal-Mart is like a neutron bomb, sucking life out of small towns, leaving buildings without the essence of civic life.” Critics like McKay state mom-and-pop stores cannot compete with Walmart’s discount prices, forcing the small businesses to close for good.

However, business columnist Steve Maich counters that Walmart actually boosts local economy rather than destroying it. Maich cites Carol Foote’s experience with Walmart as an example of how the company helped her town. In 2000 Foote helped to organize bringing a
Walmart to her hometown, Miramichi, New Brunswick. Critics warned Foote and other Walmart supporters that it would ruin local businesses. However, Foote suspected Walmart would invigorate local businesses just as it had done throughout the rest of Canada. She turned out to be right. In 2002, Ryerson University completed a major study of Walmart’s impact on small retailers. What they found was the opening of big-box retailers like Walmart was an economic boon for the whole area: attracting other retailers and driving up sales at nearby stores. The study concluded, “It is difficult to make the case that a Walmart store actually puts other retailers out of business.” Two years later, a survey conducted by Canadian Imperial Bank of Commerce found that of the 1,800 small businesses that participated in its study, the vast majority claimed Walmart had little or no impact on them. “And while critics portray [Walmart] as the work of a ravenous invading force,” writes Maich, “the truth is most communities reached out to Wal-Mart and embraced it.” Communities such as Miramichi. Foote says Walmart has created dozens of jobs for her hometown and “brought new life to the town’s small commercial district” (qtd. in Maich).

Like anything man-made, Walmart has its defects. I am not saying Walmart is blameless. I am saying Walmart is not the only corporation at fault. Furthermore, the company knows it has flaws and is responding to them. Some of their responses include $4 prescriptions and the company’s partnership with 1-800-CONTACTS. Walmart is also committed to saving the environment. The company has helped to permanently conserve 395,000 acres of land for critical wildlife habitats. Walmart has also opened two experimental supercenters built out of recycled materials; vegetable and motor oils heat the stores. The two stores are dedicated to sustainability and will lead the way in finding methods to apply environmental practices to other Walmart facilities (“Walmart Facts”). Walmart is adapting and in ways that other
companies are not. It is this openness to change that proves Walmart is concerned about more things than making a quick buck. Many people often deem change too scary or too risky. Yet Walmart takes such risks and creates good reforms that benefit millions of lives each and every day. While Walmart is far from perfect, it is not the evil empire many critics have made it out to be.
Works Cited


[Editor’s note: Every effort has been made to include accurate URLs for websites cited. However, some of this information may be inaccurate.]