# The Walmart Economy: Everyday Low Prices That We Can't Afford to Pay

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#### Research Question

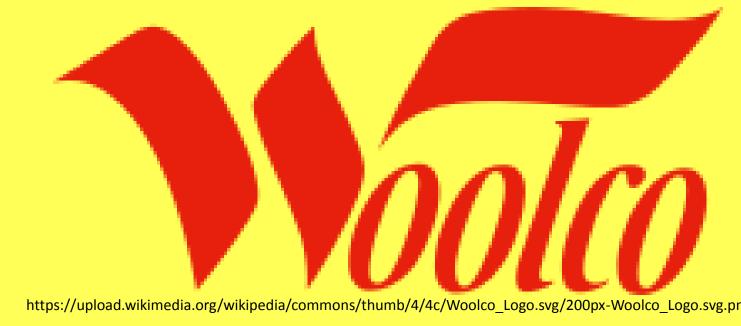
Does Wal-Mart provide a net benefit to the Canadian and American economies?

### Methodology

- Survey of the academic literature focused on the socio-economic effects of Walmart
- Academic articles and news media reports were located using online databases
- News media reports were useful in uncovering personalized stories not found in academic literature
- Books were located using the Scott Library database

### The Canadian Context

- Walmart expanded into Canada in 1994
- It did so by buying over 122 Woolco stores in nine provinces



Walmart in Canada has been vehemently anti-union

## **Findings**

- Job Displacement
  - •For every job Walmart creates, it displaces 1.5 jobs
  - •These displaced jobs were typically better-paying with better benefits



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- Poverty
  - •A 2006 study found that the presence of Walmart is correlated with increased poverty rates
  - •US taxpayers subsidize Walmart \$2103 per employee in the form of food stamps, housing assistance, Medicaid, etc.
- Crime
  - •A 2014 study found higher crime rates in US counties that contained at least one Walmart relative to counties without a Walmart
- Space
  - •Walmart vacates 30 million square feet of retail space per year
  - •This doesn't include the thousands of acres of unused parking lots



- •85% of Costco employees have health insurance coverage
- Half of each store's workers are required to be full-time

## Conclusions

- Walmart does not provide a net benefit to the Canadian and American economies
- Walmart's poor labour practices act as a drag on the overall economy
- The achievements of Costco prove that immense success in the business world does not necessitate immoral business practices