Opportunity

Creating economic opportunity

Increasing economic mobility and inclusion

Supporting local, diverse and small businesses
In markets around the world, we’ve seen rising anxiety about economic inequality. This makes it especially important to provide new entry points for job seekers of all skill levels, as well as opportunities for advancement from day one on the job. We believe that Walmart is uniquely situated to provide this kind of opportunity. As a global retailer, we’re well positioned to promote the role retail can play in economic mobility, provide training and job experience to new members of the workforce, and encourage suppliers do the same. Our goal is to increase economic mobility for workers, whether they work in a Walmart or other retail store, a factory or a family farm.

As in so many other areas, we’ve learned that to maximize our impact we need to think in terms of the entire system. To provide meaningful opportunity, it is not enough to simply address onboarding or training. We must strive to identify and reduce system-wide barriers and to give workers the tools they need to advance within our stores, within the sector, or even in other parts of the economy. We truly believe that retail can impart skills and accelerate progress for workers everywhere.

To achieve these goals, we collaborate with a broad array of stakeholders, including associates, employers, educational experts, nonprofit organizations, technology companies and governmental agencies. We see value in this approach for both society and our business: We hope to improve the economic mobility and inclusion of millions of people while also strengthening the talent pool our business relies on.

We’re increasing economic mobility and inclusion through four key strategies:

1. Providing great jobs, training and advancement for associates
2. Accelerating the mobility of frontline retail workers beyond Walmart
3. Promoting culture, diversity and inclusion at Walmart
4. Supporting economic inclusion in communities and supply chains
Our goal is to increase economic mobility for workers, whether they work in a Walmart or other retail store, a factory or a family farm.
Providing great jobs, training and advancement for associates

Walmart is a company where it’s still possible to start with a job stocking store shelves and build a career with unlimited opportunity. Our CEO, Doug McMillon, for example, began his career in a Walmart warehouse. Three quarters of our U.S. store management teams began as hourly employees. In the U.S., where millions of people live within 10 miles of a Walmart store or Sam’s Club location, we believe that we can be a source for advancement in thousands of communities.

Providing that sort of opportunity is more important than ever. According to a study from Programme for the International Assessment of Adult Competencies, lower-skilled workers make up a significant part of the U.S. adult workforce. With an average 300 positions in each of our U.S. supercenter stores, Walmart can provide a broad opportunity for workers to learn important—and transferable—job skills while earning a paycheck.

To help enable that advancement, we aim to provide our associates with both stability and mobility. We firmly believe both are required for a fulfilling career experience. That means supporting our associates in the jobs they have while striving to provide the tools they need to advance. We see each job as a pathway to greater opportunity, whether it’s within Walmart, within the sector or in another industry entirely.
Providing great jobs for U.S. associates

Walmart is committed to investing in our associates. In FY2017 we completed our $2.7 billion investment in the U.S. that includes increases in training, education and wages. In addition, we continually evaluate our benefits and workplace policies to, among other things, look for opportunities to address barriers that may impede career advancement. Some of our actions follow:

• **Wage increase.** To help meet our commitment of providing stability, we maintained our U.S. entry-level wage of $9 per hour for new hires, with an additional increase to at least $10 per hour after successfully completing our Pathways training program, which associates can finish in as quickly as 90 days (as of 1/23/17). We also raised the wages of all U.S. hourly associates hired before Jan. 1, 2016, to at least $10 per hour.

• **Scheduling.** Handling responsibilities at home can be difficult with an ever-changing schedule. When our associates have more stability at work, they have a greater ability to address demands outside of work and pursue training and education opportunities needed for greater mobility. Our associates get their schedules more than two weeks in advance, and in FY2017 we began piloting a new scheduling format to provide associates with more consistency, flexibility and control over their schedules. Some associates have fixed schedules, enabling them to work the same hours on the same days for a more consistent schedule—and more predictable paycheck—while others have the option to build their schedule (even pick up additional, unfilled shifts) each week, based on changing needs. The new scheduling format began testing in Neighborhood Markets in FY2017, and will be tested in other formats in FY2018.

• **Paid time off.** We know that our associates have responsibilities outside of work. Sometimes they need to cope with an illness, a sick child or other family responsibilities. In FY2017, we designed a paid-time-off (PTO) program for hourly associates in U.S. Walmart stores and Sam’s Clubs to address these needs. The program groups paid vacation, sick, personal and holiday time into one category and eliminates a prior one-day wait to use sick time. Associates earn PTO based on tenure and hours worked and can carry over up to 80 hours for full-time and up to 48 hours for part-time to the next year. Any PTO hours above those totals are cashed out and automatically added to their paycheck at the end of the program year.

• **Short-term disability.** Stability also means being able to weather illnesses or injuries that require time for recovery. That’s why Walmart added a basic short-term disability plan at no cost to full-time hourly U.S. associates in FY2017. It pays 50 percent of an associate’s average weekly wage, up to $200, for up to 26 weeks. We also added an enhanced plan at a lower cost than our previous voluntary plan that provides up to 60 percent of an associate’s average weekly wage for up to 26 weeks.

• **Quarterly bonuses.** Eligible associates will continue to qualify for quarterly bonuses based on the performance of their store. In FY2017, hourly associates (full-time and part-time) received more than $700 million in quarterly bonuses.
Investing in training and advancement

Providing a ladder of opportunity is part of our investment in our associates. While Walmart has long been a place where frontline workers could advance in the organization, we want to make that upward progress easier and faster, helping enable more associates to reach positions of greater responsibility and income, both within Walmart and beyond.

Providing greater opportunity creates better outcomes, both for our business and for society. On the business side, a more engaged, productive and diverse workforce improves our customers’ experience and grows sales. For society, as workers receive training in the skills that lead them to the next level, household incomes can rise, overall economic stability improves and the national workforce is strengthened. We are working toward our goals with the following programs:

• Training for new workers. In FY2017, we introduced Pathways, our new training program for U.S. entry-level associates. Pathways helps associates gain vital retail job skills and may be completed in as quickly as 90 days. Our goal is to better integrate new hires into Walmart’s culture, reinforcing our core values and our focus on serving the customer. Pathways teaches valuable and transferable skills, including customer service, merchandising, teamwork and communications. The program incorporates both self-paced, computer-based learning and mentoring from a supervisor. Besides helping associates apply what they’ve learned through the online modules, supervisors are able to provide frequent feedback and check-ins as the training progresses and to engage associates in discussions on job performance and potential career opportunities.

• Educational opportunities. Since 2010, Walmart has broadened its view of how it can help associates succeed in retail careers. Through the Lifelong Learning initiative, 7,185 associates have enrolled in our high school programs, and 74,000 associates have enrolled to use Rosetta Stone to learn languages since 2014. Another 8,500 associates have started college since 2011. In FY2017, more than 1,700 scholarships were awarded to associates and their dependents through funding from the Walmart Foundation.

In FY2017, 20,000+ associates completed the Academy training program, and another 225,000 associates slated to graduate in FY2018.

• Training for managers. We also continue to build out our Academy training program. In FY2017, Walmart opened 60 Academies. The Academies are dedicated facilities that offer two to six weeks of hands-on, immersive learning, combining both classroom study and training on the sales floor. The Academies prepare associates for jobs as frontline hourly supervisors, department managers and assistant managers, teaching them to read spreadsheets, profit and loss statements and other skills necessary to take on greater responsibility. We expect to have 200 Academies in place by the end of FY2018, each of which will serve some 25 nearby stores.

From store cashier to district director: a Walmart career

At Walmart, we mean it when we say that a frontline retail job can be the first step in a rewarding career. Wellington Marinho, district director of Sam’s Club in Brazil, is a great example. Marinho joined Walmart Brazil in 1998 as store cashier. Over the next 18 years, he was promoted through positions such as goods operator, cashier controller, auditor, training coordinator, support manager and store manager. In 2009, Marinho was promoted to district director of Sam’s Club and today leads a team of 230 store associates.

We believe in nurturing and recognizing talent at Walmart, and we seek to fill our highest-level jobs from our own associate ranks. Wellington credits his success to Walmart’s strong culture, values and leadership. “I want to keep growing with Walmart for the next 25 years,” says Marinho. “If I could, I would retire in Sam’s Club.”
When I was a student at the University of Indiana, my Walmart job was simply a way of paying bills. After graduation, I was encouraged by my store managers to stay, as they saw promise in me. Thirteen years later, I’m still here. So I fully understand the opportunity that exists to start a career.

Today I’m a co-manager at a supercenter in Beech Grove, Indiana, and it’s awesome to watch others take that same journey. One young woman I recently crossed paths with—Kinder Kaur—is the most passionate associate I’ve ever met. Recently she worked her way up to managing an entire department.

Rewind this story back to 2006. Kinder was a first-generation immigrant from India here with her husband and son trying to make a better life. She worked in an audiovisual business that her husband owned and also as a restaurant server for two and a half years. Next, she got experience in retail as she worked in their family-owned convenience store. Wanting a change, Kinder decided to come to Walmart. She started in our back room, unloading and stocking inventory.

It’s hard work, but Kinder excelled. Her attention to detail made her stand out. Seeing this, I thought she would be a good candidate to try something new: being out on the floor. While she was nervous, with a little support from her team she was ready.

Fast-forward to last fall, and Kinder was shining. She loves being out on the floor interacting with customers, and her sharp eye really matters in the beauty department, where smaller items like nail polish and hair dye need to be meticulously organized.

Not too long ago, our store manager encouraged all of us to apply to enter the company’s new Academy program, where associates can receive extra training that better equips them to help customers. Kinder was a natural candidate, and after completing the program, she participated in her first graduation.

In Kinder’s native India, graduation ceremonies aren’t common. Although she completed high school, she had never worn a cap and gown. Putting on these pieces was an extremely proud moment for Kinder and her family. Her son, Gurpreet, who works in electronics at Walmart, also graduated with his mother. It was awesome to see such a great day of celebration for their family!

Everyone I see return from the Academies training is more excited and attentive than before. They’ve returned with a fresh mindset about how to take care of customers. These Academy locations are opening nationwide, and soon there will be thousands of associates who’ve graduated.

The Academies program is empowering associates across the country to take charge of their careers. But even better, it’s harnessing the passion of people like Kinder, which is a huge step forward in also transforming our shopping experience.
In 2015, Walmart and the Walmart Foundation launched the Retail Opportunity Initiative, a five-year, $100 million sector-wide effort aimed at strengthening the transferability of skills of the U.S. retail workforce and developing ways to make it easier for front-line workers to advance their careers. Through the end of FY2017, Walmart and the Walmart Foundation invested more than $59 million and collaborated with leading nonprofits, employers, government agencies and educational institutions to identify and implement innovations aimed at increasing mobility of retail and related sector workers. As we work to accelerate mobility in the sector, we are focusing on the following areas:

- Showing how retail can create opportunity
- Building effective approaches to retail training and advancement
- Engaging retail employers to improve the workforce development system

We believe that while frontline retail workers develop important job skills, too often those skills are underrecognized and undervalued, hampering the ability of workers to advance.
Showing how retail can create opportunity

Hiring managers, potential workers and even people already working in the retail sector often underestimate the potential for acquiring skills through frontline retail jobs. As part of the Retail Opportunity Initiative, we are working to reset assumptions about what is possible, and by doing so, increase interest in retail jobs, quality of job training and opportunities for advancement. Our goal is to reframe the thinking on frontline retail jobs so that the sector truly becomes a launching pad to earn and learn. Examples of our work in this area include:

- **Core job skills.** The Walmart Foundation invested in the human development nonprofit FHI 360 to launch a campaign in Baltimore and Chicago promoting the value of the core job skills frontline retail workers hone—skills like teamwork, customer service and problem solving. The program is aimed at employers in retail and beyond, as well as the workers themselves and is designed to increase the mobility of workers who have developed core job skills.

- **Impact of retail employment.** The Walmart Foundation also funded a report by Opportunity Nation that shows there is a correlation between increases in a state’s economic prosperity, a composite measure based on factors including rates of poverty, crime and income equality.

- **Retention of entry-level employees.** In FY2017, Walmart made a grant to FSG to research and identify strategies and best practices for retaining young, entry-level employees, especially those who are out of school and not working. With additional Walmart funding, FSG will publish a report and conduct additional research on pre-hire interventions that could improve retention of entry-level employees. FSG’s research is now being applied by the 100,000 Opportunities Initiative, as that project seeks to increase hiring and support of opportunity youth.

Retail’s Opportunity

For many young workers, frontline retail jobs represent their first chance to earn a paycheck.

- **15 million Americans** work in retail in the U.S.
- **25%** of workers in the study were under the age of 25
- **40%** of workers were completing their education or supplementing it

*According to Retail’s Opportunity: Exploring the Industry’s impact on people and places, 2016.*
Building effective approaches to retail training and advancement

We believe that entry-level retail jobs, which are widely accessible, can be a first step up the career ladder—but only if they are accompanied by effective training and credentials that are recognized throughout the sector and beyond.

- **Innovate new approaches to training.** To date, Walmart and the Walmart Foundation have provided funding for the training of over 8,000 prospective and current retail workers—supporting innovative and new approaches to training that we believe are crucial for enhancing economic mobility of workers. For example, according to a report from Brookings Institution, one in 10 working-age adults in the U.S. is held back from advancing to better-paid jobs by limited language skills. In FY2017, the Walmart Foundation made a grant of more than $1.8 million to the National Immigration Forum (NIF) to support the development of a scalable English-language learning program that can be used throughout the sector for frontline workers. To date, 17 percent of participants have been promoted after just 12 weeks of training, and 80 percent have improved their English proficiency—compared to the 2007 national average of 39 percent for adults enrolled in ESL courses.

- **Support workforce investment boards.** We are also encouraging workforce development organizations that have strong track records of placing and advancing workers to focus more deliberately on the retail sector. For example, the Walmart Foundation’s $10.9 million grant to the Chicago Cook Workforce Partnership, one of the nation’s largest Workforce Investment Boards (WIBs), distributed 10 re-grants to leading WIBs across the U.S. to design career pathways for retail. To date, the participating WIBs have provided retail training and support services to over 28,000 prospective and current retail workers. The Northwest Indiana WIB even opened a Retail Training Lab in a local mall so that job seekers can take classes that cover the interpersonal and technical skills necessary to create an overall outstanding customer experience.

Retail training beyond the U.S.

**Supporting talented graduates in South Africa.**
Massmart, our South Africa business unit, runs two programs aimed at preparing young people for careers in retail. The year-long Graduate Development Programme (GDP) provides young, talented graduates with both classroom training and practical, on-the-job experience. Our program graduates earn an accredited post-graduate diploma in Business Management, which further aids them in their retail careers. Massmart also runs a Store Operations Development Programme (SODP) aimed at providing practical and theoretical training for future store managers. Both programs are focused on providing development opportunities to women and previously disadvantaged young people. Since its inception in 2007, these programs have supported a total of 404 graduates across our various divisions within Massmart. In FY2017, 64 percent of graduates found permanent jobs within Massmart.

**Seiyu**
Seiyu supports Sodateage.net, a certified nonprofit organization with a strong track record in employment support for young people who are unemployed, and not in education or vocational training. In an effort to promote social inclusion and economic empowerment for these youths, Sodateage.net and Seiyu created a program called “Seiyu Pack”, providing young people job training and in-store training at Seiyu stores. In FY2017, 25 youths were trained.
Walmart believes that workforce development can happen faster when organizations and employers have a way to learn from one another. Walmart is a founding member of 100,000 Opportunities Corporate Coalition.

Engaging retail employers to improve the workforce development system

Walmart believes a stronger, more highly skilled workforce benefits the entire retail sector. We’re working with other retail employers to improve the system overall by designing jobs, practices and programs that support stability and mobility for the workforce. We believe these improvements will lead to greater opportunity for workers and stronger communities, as well as driving positive returns for the sector. Our work in this area includes the following:

- **Develop and share best practices.** We believe that workforce development can happen faster when organizations and employers have a way to learn from one another. Walmart is a founding member of 100,000 Opportunities Corporate Coalition, a group of more than 40 employers committed to developing and spreading hiring practices that lead to better outcomes for youth who are out of school and seeking to enter the workforce. Building on this experience, Walmart and Rockefeller Foundation funded FSG to create a community of companies interested in identifying best practices and proving the business case for hiring and developing individuals who may face barriers to economic opportunity.

- **Improve worker assessment, training and evaluation.** In Dallas, Walmart has funded Innovate+Educate (I+E), an initiative aimed at helping employers improve the way they assess, train, and evaluate workers. Specifically, I+E is working with Workforce Solutions Greater Dallas (the Workforce Investment Board for Dallas County), community colleges, NGOs and employers to assess front-line workers and provide training that increases the opportunities for advancement. Participating employers will track candidates to measure the effectiveness of the program.

“I+E’s efforts with the Dallas Regional Chamber and the Dallas WIB have led to the development of a retail sector strategy for Dallas that is co-led by I+E and the DFW Regional Workforce Leadership Council—which has received funding from the Workforce Solutions Greater Dallas Board to bolster retail workforce development efforts.”

Laurie Bouillion Larrea, President, Workforce Solutions Greater Dallas