WALMART TO INCREASE WAGES FOR CURRENT U.S. WORKERS TO $10 AN HOUR OR HIGHER, LAUNCHES NEW SKILLS-BASED TRAINING FOR ASSOCIATES

A core driver of Sam Walton's vision was exceeding customers' expectations through an inspired, dedicated team of associates. Walmart has long been a place of opportunity, where people can start in an entry-level position and build a career. Walmart has represented a ladder of opportunity since it started and the company wants to ensure that this remains a vital part of the Walmart experience. The company is creating a series of bold initiatives to help associates in the U.S. earn higher pay and advance their careers based on the skills they learn and the customer service they provide.

While some of these programs are ready to roll out to associates, some are still in a pilot phase and will be modified based on associate feedback. The company expects to roll out most of these programs broadly over the next year.

In addition to the changes within its workforce, Walmart and the Walmart Foundation will commit $100 million over five years to strengthen the skills of the U.S. workforce and help create career paths in retail and related industries (e.g. logistics, hospitality, wholesale) and train thousands of workers outside of Walmart.

Pay

- An associate's work is valuable. Walmart is making meaningful changes to its pay structure and will raise its current U.S. associates wages to $10 an hour or higher by early next year.
    - In April 2015, Walmart will increase its starting rate to $9/hour or higher in all markets and move all current associates below that level to $9/hour.
    - Walmart is raising the floor and ceiling of its in-store pay bands (the compensation range the company pays for each position) in most stores and is providing raises to associates earning at the maximum of their pay band.
        - Approximately 500,000 associates will receive a raise from these changes in the first half of this year.
    - In Feb. 2016, current associates will earn at least $10/hour. Newly hired associates will start at a $9/hour training wage and when they successfully complete the six-month onboarding and training programs, will move to $10/hour.
- When these changes go into effect in April:
    - The average full-time hourly wage will be $13/hour (up from $12.85).
    - The average part-time hourly wage will be $10/hour (up from $9.48).
- Walmart is working to ensure in-store promotions come with more meaningful raises. Associates will hear more about this later this year.
- Associates will continue to earn quarterly bonuses based on the performance of their stores.

Opportunity

- An associate can grow a career at Walmart. The company is piloting an onboarding and training program that will create clear career paths for associates so they know what is expected of them in order to move from entry level positions to jobs with more responsibility that pay $15 an hour or more.
    - Two of these development programs will launch in our stores in 2015:
        - Leaders within our stores will receive a refresher on people leadership skills; this will help prepare our hourly supervisors as they look to potentially promote into roles with direct reports.
        - Current hourly associates will get hands-on training in areas including teamwork, merchandising, retail fundamentals and communications.
    - In 2016, new entry-level associates will start new training to be completed in the first six months of employment. Associates will demonstrate what they learned before moving to the next set of training.
    - Upon successful completion of this step, an associate will earn $10 an hour or more and can pursue one of three career paths that most interests him or her and aligns best with his or her skills:
        - Hourly supervisor
        - Specialty path (e.g. bakery, deli, wireless)
        - Grow skills in current role
    - Walmart is also acting purposefully on wages all along the opportunity ladder. For example, the company is reexamining the department manager roles and will raise the starting wage for some of them to at least $13/hour this summer and at least $15/hour early next year.
    - Walmart's goal is to work with outside experts to create industry-recognized credentials for workers so as they gain new skills, training and education, they can grow their careers either inside or outside of Walmart.

More Choice in Scheduling

- An associate's time is valuable. Walmart is a leader in the retail industry by providing its workers a transparent, accessible schedule. Now the company is working to provide associates with more control over and ownership of their schedules, including more predictability for associates who want it and flexibility for those who need it.
    - Starting in 2016, Walmart will be one of the first retailers to offer some associates fixed schedules each week. These associates who value stability and consistency will be able to choose to work the same hours each week and have a more predictable schedule and paycheck. The program is currently being piloted and is expected to expand by early next year.
    - Associates know their schedules at least two and a half weeks in advance, making it easier for them to plan their personal schedules, such as working around continuing education or a doctor's appointment.
    - Associates interested in picking up additional hours have the ability to view available shifts in their stores and select them, giving associates the control to build the schedules that best meet their needs.

Benefits

- To help ensure associates are finding the type of work experience they are looking for, Walmart wants the benefits it offers to meet their needs.
    - Health care - Walmart offers health benefits starting at $22 per pay period, roughly half the national average for single person coverage.
    - Sick leave - The company offers paid sick leave today, and is working to make it better by eliminating the one-day waiting period next year.
    - Education - Walmart offers education benefits for college credit, GED, language training and other skills building courses.
    - 401(k) - The company recently changed its 401(k) program so that associates can begin contributing on their first day. Walmart will continue to match 401(k) contributions dollar for dollar up to 6 percent after a year on the job, and will continue to give quarterly bonuses for full- and part-time associates based on store performance.

Foundation

- Walmart and the Walmart Foundation are committing $100 million over five years to support programs that help increase the economic mobility for entry-level workers by advancing their careers, in order to promote a stronger workforce.
    - Through one of the single largest investments focused on the retail sector, our aim is to create economic mobility for the U.S. workforce.
    - Walmart and the Walmart Foundation are working with other foundations, employers, community colleges and non-profit organizations to address a fundamental challenge in America—how to better train and advance workers in the retail and adjacent sectors.
    - With more than 15 million people working in the U.S. retail industry today, this commitment will help to unlock their potential by developing a system of industry-based curricula and credentials that are built for working learners and recognize on-the-job learning.
- The first round of grants will be announced within the next few weeks.

Ultimately, we believe this package of changes will benefit associates, customers and the business. When added all up, a job at Walmart comes with good wages and a clearer, merit-based path to promotions and raises. It comes with scheduling that works with an associate's life. It comes with health care benefits, bonus opportunities, a 401(k) and paid sick-leave. It includes education and training opportunities that are relevant whether a person stays at Walmart or chooses another path.