

National Black Church Initiative

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The National Black Church Initiative believes that Wal-Mart lied about their health plan to cover workers

This is Morally Shameful

Washington DC – The National Black Church Initiative (NBCI), a faith-based coalition of 34,000 churches comprised of 15 denominations and 15.7 million African Americans dedicated to the eradication of racial disparities around the world, is urging all religious communities to stand together in solidarity against Wal-Mart’s exploitative labor practices. Most recently, after promising to do otherwise, Wal-Mart has reduced its health care benefits to its already underpaid workforce. Our Black Church leadership partners - 66,000 churches nationwide – are called upon to use the full force of our combined 100,000 churches to draw attention to the imperative of reforming Wal-Mart’s mistreatment of its workers and the need for good wages and good health benefits for all Americans. We intend to use the full weight of our collective wealth and political might both domestically and globally to bring attention to this problem.

After a period of trying to convince the American public that it had changed regarding its treatment of its workers, Wal-Mart has returned to its old ways. Specifically, it has informed its 1.4 million workers that all future part-time employees who work less than 24 hours a week will no longer qualify for any of the company’s health insurance plans. Furthermore, any new employees who average 24 to 33 hours per week will no longer be able to include a spouse as part of their health coverage but children will be eligible for coverage. Following a nationwide trend, premiums for those eligible for coverage will also rise by as much as 40% which will make the health plan too expensive for many employees who already pay high deductibles that exceed 20% of their annual pay.

The company argues that these health benefit reductions are necessary due to rising costs but in this time of profound economic distress, this is devastating for Wal-Mart's employees only half of whom currently qualify for any health benefits. Surely a company that made \$15.3 billion in profits last year and whose founding family ranks amongst the wealthiest in America, can afford to provide its employees with decent health care. Moreover, since Wal-Mart is a bellwether employer whose employment practices are emulated by other corporations, the significance of this decision to slash health coverage should not be underestimated.

In the past, as reflected in a previous press release—"National Black Church Initiative Calls For All Businesses to Cover Their Full and Part Time Workers with Health Insurance"--we have supported Wal-Mart's efforts to reform its employment practices. We lauded Wal-Mart for agreeing to offer part-time employees including those working less than 24 hours per week, health insurance after a year of employment at a cost of \$250 per year for family coverage. We thought that Wal-Mart intended to set a good example for other corporations to follow.

However, as Wal-Mart has changed, so too has our position. Rev. Anthony Evans, the President of the NBCI declares: "It is a shameful, immoral act when a corporation continues to lie about the benefits that it gives to its employees. The NBCI supported Wal-Mart in our previous press releases but we now know that we were misled to believe that Wal-Mart is an honorable company. But now we have seen the truth and the truth is that they do not care about any of their employees, especially African-American women and poor women that they continue to exploit."

Indeed, many others were misled as the New York Times has noted that over the last few years Wal-Mart has been engaged in a deliberate and apparently fraudulent campaign to mollify critics of its employment practices by offering ostensibly better health care benefits to its employees. What makes matters worse for American society as a whole is that Wal-Mart's refusal to pay good wages and provide decent health benefits is tantamount to cost shifting as the burden for the health and wellbeing of Wal-Mart's workers must be absorbed by local communities since these workers inevitably must rely upon public assistance to have their basic needs met. This is corporate irresponsibility at its worst.

However, in the wake of the Supreme Court's recent decision that makes it much harder for employees to launch class action lawsuits and in period of high unemployment that undermines the power of labor, Wal-Mart has dropped the façade of civility and has returned to its blatantly exploitative labor practices. We supported the class action lawsuit that was brought by the company's female employees as part of their effort to address gender discrimination at Wal-Mart. Likewise; we will support efforts to hold Wal-Mart to account for its regressive labor practices and lack of commitment to fairness in dealing with its employees.

About NBCI

The National Black Church Initiative (NBCI) is a coalition of 34,000 churches working to eradicate racial disparities in healthcare, technology, education, housing, and the environment. NBCI's mission is to provide critical wellness information to all of its members, congregants, churches and the public. NBCI offers faith-based, out-of-the box and cutting edge solutions to stubborn economic and social issues. NBCI's programs are governed by credible statistical

analysis, science based strategies and techniques, and methods that work. Visit our website at www.naltblackchurch.com.