

# In Letter to Associates, Walmart CEO Doug McMillon Announces Higher Pay

By Doug McMillon | February 19, 2015



*Editor's Note: Earlier today, Walmart CEO Doug McMillon sent this letter and video to our U.S. associates, outlining a new approach to the jobs we offer.*

As many of you know, I'm really proud to have been a Walmart associate for a long time. This company has given so many of us opportunities beyond our wildest dreams. We joined Walmart because we wanted a job but found much more than that. This company is a really special place. One of the reasons we've had some success is that we've known that every person, every voice, every idea has potential. You've heard us say things like our secret to success is that we're all working together and that "our people make the

difference.” While that phrase started as a meeting theme in 1979, it became a way of thinking. It’s what we believe. It’s what I believe. Our actions must match our beliefs. So today, we’re announcing a series of important changes that demonstrate our commitment to you, our associates.

After all, we’re all associates. We have different roles at different times in our career and every one of them is important. Today’s cashiers will be tomorrow’s store or club managers. Today’s managers are tomorrow’s vice presidents. Tomorrow’s CEO will almost definitely come from inside our company. During our recent Walmart U.S. year beginning meeting, I asked all of those in the arena, more than 7,000 people, to stand if they started their Walmart career in an hourly role. It felt like almost everyone stood up. It was an emotional moment. It made the word *opportunity* real. In fact, our statistics show that about 75% of our U.S. management teams began in an hourly role.

So, how do we make sure that each one of you has the same opportunity, or better, as those that came before?

It starts by making sure we’re setting you up for success. We need great store managers and assistant managers who know what they’re doing, care about you and know how to teach effectively. We need stores with the right tools and environment for you to thrive. I think you feel the same way. When I’m out in stores today, one thing I hear from associates at all levels is that you want to be freed up and empowered to serve your customers better. You also want to know that there’s opportunity here and that your hard work will be recognized and rewarded. Our business is pretty simple when we boil it all down; sometimes we make it too complicated.

I’ve seen us change a lot over the years. We’re always trying to do the right thing and build a stronger business. We frequently get it right but sometimes we don’t. When we don’t, we adjust. In recent years we’ve had tough economic environments, a rapidly growing company, and fundamental shifts in how customers are shopping. We also made a few changes aimed at productivity and efficiency that undermined the feeling of ownership some of you have for your business. When we take a step back, it’s clear to me that one of our highest priorities must be to invest more in our people this year.

Today, we’re announcing a [package of changes](#) in Walmart U.S. that will kick off a new approach to our jobs. We’re pursuing comprehensive changes to our hiring, training, compensation, and scheduling programs, as well as to our store structure, and these changes will be sustainable over the long term.

One of the most immediate changes is that we’ll raise our starting pay, and we’ll provide opportunities for further raises based on performance. For our current associates, we’ll start by raising our entry wage to at least \$9 an hour in April, and, by February of next year, all current associates will earn at least \$10 an hour. I’m also excited about an innovative program we’re launching for future associates that will allow you to join Walmart at \$9 an hour or more next year, receive skills-based training for six months, and then be guaranteed at least \$10 an hour upon successful completion of that program. We’re also strengthening our department manager roles and will raise the starting wage for some of these positions to at least \$13 an hour this summer and at least \$15 an hour early next year. There will be no better place in retail to learn, grow, and build a career than Walmart.

Sam’s Club is also making some important changes today, specifically to starting wages. Around the world, we operate with the same set of beliefs, and we’ll continue to share what we learn across countries. Every associate matters.

As important as a starting wage is, what’s even more important is opportunity, and we’ll continue to provide that ladder that any of you can climb.

I’ve seen it. I’ve lived it. And I want nothing more than for every Walmart associate today to feel that same connection to the company that I feel and to have the same opportunities I’ve had. Let’s work together to serve our customers, grow our company, and take care of one another.

Thanks for all you do. You really do make the difference.



# NEW OPPORTUNITIES

## PAY

We're raising our starting wage to

**\$9 AN HOUR OR HIGHER**  
IN APRIL 2015

IN FEB. 2016, CURRENT U.S. ASSOCIATES WILL EARN

**\$10 AN HOUR OR MORE**



NEW U.S. ASSOCIATES WILL START AT \$9 AN HOUR AND MOVE TO \$10 AN HOUR AFTER SUCCESSFULLY COMPLETING A 6-MONTH, SKILLS-BASED TRAINING PROGRAM.

MINIMUM STARTING WAGE IN 2015 WILL BE

**\$9**  
PER HR

AVERAGE PART-TIME HOURLY WAGE WILL BE

**\$10**  
PER HR BY APRIL 2015

AVERAGE FULL-TIME HOURLY WAGE WILL BE

**\$13**  
PER HR BY APRIL 2015

We're creating clear pathways for associates to understand how to earn more & advance from entry-level jobs to positions that pay \$15 an hour or more.

# OPPORTUNITY

**2** NEW DEVELOPMENT PROGRAMS ARE LAUNCHING IN STORES IN 2015.

IN 2016, NEW ENTRY-LEVEL ASSOCIATES WILL START NEW

## TRAINING

TO BE COMPLETED IN THE FIRST 6 MONTHS OF EMPLOYMENT.

AFTER SUCCESSFUL TRAINING, ASSOCIATES WILL EARN

**\$10 AN HOUR OR MORE AND CAN PURSUE A CAREER PATH**

BASED ON INTEREST AND SKILL:



HOURLY SUPERVISOR

SPECIALTY PATH

bakery, deli, wireless, etc.

grow skills in CURRENT ROLE

# SCHEDULING



# SCHEDULING

We're providing associates a more transparent, accessible schedule – working to give associates **control, predictability and flexibility.**



STARTING IN 2016, WALMART WILL BE ONE OF THE FIRST RETAILERS TO OFFER SOME ASSOCIATES

**FIXED SCHEDULES**  
EACH WEEK

ASSOCIATES WILL KNOW SCHEDULES AT LEAST

**2.5 WEEKS**  
IN ADVANCE



ASSOCIATES WHO WANT MORE HOURS CAN

**VIEW OPEN SHIFTS**

IN THEIR STORE TO BUILD A SCHEDULE THAT MEETS THEIR NEEDS

We want our benefits **to meet our associates' needs** and provide the type of work experience they're looking for.

# BENEFITS

## HEALTH CARE

BENEFITS START AT \$22 PER PAY PERIOD FOR QUALIFIED ASSOCIATES



## PAID SICK LEAVE

WE OFFER PAID SICK LEAVE TODAY, AND WE'RE WORKING TO MAKE IT BETTER BY ELIMINATING THE 1-DAY WAITING PERIOD NEXT YEAR.

WALMART OFFERS EDUCATION BENEFITS FOR COLLEGE CREDIT, GED, LANGUAGE TRAINING AND OTHER

**SKILLS BUILDING COURSES**



WE RECENTLY CHANGED OUR

## 401(K) PROGRAM



50 ASSOCIATES CAN BEGIN CONTRIBUTING ON THEIR 1ST DAY. WALMART WILL CONTINUE MATCHING 401(K) CONTRIBUTIONS **UP TO 6%** AFTER 1 YEAR ON THE JOB

WE WILL CONTINUE GIVING

## QUARTERLY BONUSES

TO FULL- AND PART-TIME ASSOCIATES BASED ON STORE PERFORMANCE

# SOCIAL INNOVATION

Walmart and the Walmart Foundation are committing

**\$100 MILLION**

over the next 5 years to increase the



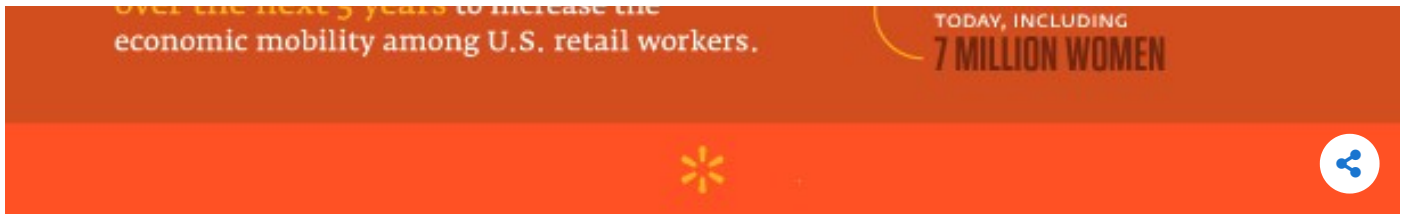
## INVESTMENTS

IN STRATEGIC NONPROFIT PARTNERS

RETAIL TRAINING TO MORE THAN **50,000 WORKERS**

AND HELP **30,000 WORKERS** MOVE FROM ENTRY- TO MIDDLE-SKILLS JOBS

HELP CREATE CAREER PATHWAYS FOR THE **15 MILLION** PEOPLE IN RETAIL



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