BUSINESS AT AN INHUMAN SCALE

HOW AMERICA’S BIGGEST RETAILERS ARE DRIVING ITS ECONOMIC INEQUALITY CRISIS

OXFAM
I. ECONOMIC INEQUALITY IN THE US IS AT AN ALL-TIME HIGH.

As the two largest private employers and the two most dominant retailers in the US—-the combined revenues of Amazon and Walmart totaled $1.125 trillion in 2022, greater than the gross domestic product (GDP) of all but the 16 largest economies on earth, and about the same as oil-rich Saudi Arabia’s GDP—-it could be said that no two companies have a greater impact on the country’s inequality and poverty dynamics than Amazon and Walmart.

Economic inequality poses one of the greatest threats to peace, prosperity, and human rights in the world today. In the words of the Organisation for Economic Co-operation and Development (OECD), “Rising inequality is not only a threat to social cohesion, it is also an economic concern: it tends to drag down long-term economic growth and harm economic opportunities.” The pandemic and climate and inflationary crises of the past five years have only worsened economic inequality and its harmful impacts on the world’s population. Since 2020, the richest 1 percent have captured almost two-thirds of all new wealth—nearly twice as much money as the bottom 99 percent of the world’s population. And, whereas 40 years ago the richest 10 percent of people earned seven times more than the poorest 10 percent, today they earn 10 times as much.

The United States is not immune to the worldwide increase in economic inequality. According to a Pew Research Center analysis of OECD data, despite overall US income ranking as the highest of all the G-7 countries, the wealth gap between America’s richest and poorer families more than doubled from 1989 to 2016.

One of the most significant causes of this wealth inequality as demonstrated by income discrepancy is the stratified nature of the US labor market that is built on well-worn grooves of inequality, specifically along lines of race and gender. And the impact of this phenomenon is blatantly evident via indicators like the income gap between Black and white workers, which has persisted
over time, despite claims of progress from corporate leaders and elected officials alike. In fact, the Pew analysis found that “[t]he difference in median household incomes between white and black Americans has grown from about $23,800 in 1970 to roughly $33,000 in 2018 (as measured in 2018 dollars).”6 Low-wage retail jobs also tend to be disproportionately held by people of color, women, and immigrants and refugees, further perpetuating racial, gender, and economic inequality.

This inequality further entrenches poverty dynamics, keeping the country’s working poor in a never-ending cycle characterized by backbreaking overwork, wages insufficient to meet basic human needs, and suppression of efforts to organize.7

These trends are all the more troubling because the concentration of wealth and power in the hands of a few elite companies and their shareholders has translated into corporate capture by those companies of huge swaths of federal and state governments. This dynamic is tremendously problematic as it is policymakers from those branches of the US government who are responsible for keeping these few elite companies and their shareholders in line and curbing the economic inequality currently running amok. Given this situation, it is critical that (1) the private sector recognize and address its role in pursuing business models and practices that exponentially compound its wealth and power at the expense of the working poor and a healthy economy, and that (2) the government act on interventions that are so desperately needed.

This paper focuses on the two largest private employers and most dominant retailers in the US private sector: Amazon and Walmart. Together, Amazon and Walmart make up 30 percent of the revenues of the top 10 Fortune 500 companies combined, and they employ 12 percent of Fortune 500 employees.8 Given that the combined revenues of Amazon and Walmart totaled $1.125 trillion in 2022—greater than the GDP of all but the 16 largest national economies on earth, and about the same as oil-rich Saudi Arabia’s GDP9—it could be said that no two US companies have a greater impact on the country’s inequality and poverty dynamics than Amazon and Walmart.

Note on Methodology: Oxfam America reached out to Amazon and Walmart to share the findings of this briefing note and engage them in dialogue about solutions. Walmart responded with additional information that addresses issues raised in this paper, and that feedback has been incorporated within as necessary. Amazon, however, while providing input on some research findings, did not respond to the specific issues raised herein.
II. CORPORATE DRIVERS OF ECONOMIC INEQUALITY ARE HUGE, ACT IN THEIR OWN INTERESTS, AND ARE ENTIRELY UNCHECKED.

“Walmart now governs in large swaths of the country, choosing the prices consumers pay, structuring communities, and more importantly choosing the terms and prices for suppliers, farmers, and workers. ... Today, Amazon is eclipsing Walmart in importance in the political economy, using many of the same techniques (and even logistics personnel) Walmart used, and then some. Amazon is a super-chain, not just across the retail landscape, but across multiple infrastructure areas.”

—Matt Stoller, Walmart: America’s Food Government,” BIG, June 28, 2019

Retail behemoths Amazon and Walmart are each driving economic inequality in the US in disproportionately outsized and therefore unique (vis-à-vis competitor companies) ways. Based on their sheer size and profitability alone, we believe that Amazon and Walmart—more than any other companies in the retail or e-commerce sector—perpetuate and further embed the economic inequality dynamics responsible for keeping so many working Americans in poverty. They drive economic inequality in three fundamental ways: their relative market concentration, which has resulted in killing off competitors, cannibalizing suppliers, and manipulating customers—as well as depressing wages; their ability to avoid paying their fair share of taxes; and their reliance on social safety net programs to subsidize their business models.\(^\text{11}\)

CONCENTRATING CORPORATE POWER: KILLING OFF COMPETITORS, CANNIBALIZING SUPPLIERS, MANIPULATING CUSTOMERS—AND DEPRESSING WAGES

Monopolies concentrate wealth and power, amplifying corporate profits that in turn are funneled back into the hands of an already-wealthy elite few, further exacerbating existing economic inequality.\(^\text{12}\) For example, as Amazon and Walmart, already two of the largest e-commerce retailers in the US, get bigger and more powerful, they are also becoming more monopolistic. Their dominance
allows them to drive out competitors (thereby further exacerbating corporate concentration) and dictate the terms of their transactions with suppliers, customers, and employees (thereby controlling the markets in which they operate). Cyclically, this concentration allows these companies to become bigger and more powerful at a rate that outpaces competitors or would-be market entrants.

Amazon and concentration. Amazon, which has dominated the e-commerce market almost since its inception, has relied on an anticompetitive cheap-pricing strategy that, as the New York Times summed up in September 2023 as the US Federal Trade Commission (FTC) announced its lawsuit against the company, “enabled the company to amass market share and helped it dominate the infrastructure on which other merchants relied.”

Yet in exchange for this staggering growth and the market control it has all but guaranteed, the company’s retail arm generates relatively meager profits because it has chosen a strategy of predatory pricing—opting to price goods significantly below cost—as a means of enhancing its already exponential rate of expansion. This practice has allowed Amazon to continue to grow at the cost of competitors and potential competitors. Amazon subsidizes its predatory pricing scheme by charging exorbitant fees to the brand owners and retailers that sell as third-party merchants on its Marketplace platform, as those same
merchants have now been squeezed out of the retail market.\textsuperscript{16} As a result, Amazon is estimated to control up to 50 percent of the US e-commerce market,\textsuperscript{17} and due to that market power, Amazon is able in turn to pocket 50 percent of third-party sellers’ revenues.\textsuperscript{18}

“It’s hard to convey just how much oppression Amazon is engaged in. Amazon uses cheap capital and gatekeeping power over customers and increasingly fulfillment to exploit small businesses, merchants, big businesses, white-collar workers, logistics companies, farmers and authors. It is extracting tax concessions from local governments, procurement power over government purchasing, trade favors in the new NAFTA, and sole-source cloud computing contracts from the Pentagon.”

—Matt Stoller, “Don’t Thank Bezos for Giving Amazon Workers a Much-Needed Raise,” Opinion, Guardian, October 4, 2018\textsuperscript{19}

In fact, in September 2023, the FTC joined with 17 state attorneys general to sue Amazon for illegal anticompetitive practices designed to increase the company’s size and profits at the expense of the free market.\textsuperscript{20} The case hinges on two problematic aspects of Amazon’s business model: (1) the penalties Amazon imposes on third-party sellers who offer lower prices on other online sales platforms, and (2) the pressure the company applies to use Amazon’s delivery service provider if these third-party sellers want to avail themselves of Amazon Prime shipping, a service widely expected by Amazon customers.\textsuperscript{21} The suit also argues that Amazon manipulates searches on Amazon.com in favor of its own products and services to the detriment of competitors.\textsuperscript{22} In announcing the suit, the FTC stated: “Amazon’s illegal, exclusionary conduct makes it impossible for competitors to gain a foothold. With its amassed power across both the online superstore market and online marketplace services market, Amazon extracts enormous monopoly rents from everyone within its reach.”\textsuperscript{23}
Walmart and concentration. While Walmart may not have reached online sales parity with Amazon, it has long been a brick-and-mortar behemoth. Today Walmart controls more than 90 percent of local retail markets in some communities.²⁴ It is of course no accident that Walmart finds itself in this enviable position; it is the result of a calculated decades-long campaign to enter local markets and sell consumers goods at artificially (and unsustainably) low prices until all existing competitor stores were forced out.

Although current research on the subject is somewhat limited, one 2009 study of Walmart’s entry into urban areas found that the likelihood of going out of business “was significantly higher for establishments close to the Wal-Mart location.”²⁵ Those findings were reinforced by a more recent US Department of Agriculture (USDA) study examining data from 1994 to 2015, which “found that when one super store entered a market area, about 0.25 supermarkets and 0.05 other smaller food retailers, such as grocery stores or convenience stores, on average left over the first 3 years after entry. The estimated impact grew from about 0.20 supermarkets and no other stores from 1994 to 2004 to about 0.37 supermarkets and 0.20 other stores in the 2005–15 time period.”²⁶ Another more recent study found that “from 2015 to 2019, Walmart closed a total of 223 stores in the United States of America, creating at least 3 new food deserts and
another 31 neighborhoods in 15 states that no longer sell fresh produce and meat.”

Importantly, that same study acknowledged that providing lower prices to consumers of course benefits consumers, particularly those reliant on Supplemental Nutrition Assistance Program (SNAP) benefits. But that benefit comes at the cost of unsustainably low wages for Walmart’s workers, who themselves are in some cases forced to rely on those same SNAP benefits to supplement their wages.

In August 2023, Walmart announced “strong revenue and operating income growth,” including quarterly net sales for the US of $110.9 billion (5.4 percent growth) and operating income of $6.1 billion (7.6 percent growth). It is also quickly gaining on Amazon in the race for online sales domination. According to a Forbes analysis of a 2021 Jungle Scout report, if current rates “hold steady, Walmart’s e-commerce will overtake Amazon’s retail sales in four years.” Just this year (the second quarter of Walmart’s 2024 fiscal year), the company saw a 24 percent rise in e-commerce sales.

Walmart counters concerns about its significant size and market share by highlighting the low prices it offers consumers, particularly those living in poverty and residing in remote locations where few similar stores exist. However, those benefits to consumers fail to speak to the manner in which the company drives inequality through its own business practices; including around wages, tax avoidance, and pay gaps discussed further throughout this note.

Amazon and Walmart and wages. Among many other adverse impacts, outsized corporate concentration also has the effect of driving down average worker wages. According to the US Department of the Treasury, lack of labor market competition means that workers earn 20 percent less than they otherwise would, proving disastrous for the average American worker.

In 2022, ... the two companies directly employed nearly two of every 100 American workers.

As noted earlier, Walmart and Amazon employ 12 percent of Fortune 500 workers in the US. In 2022, Walmart employed close to 1.6 million workers in the US, and Amazon had more than 1.1 million. That means the two companies directly employed nearly two of every 100 American workers (or 1.6 out of 100). Furthermore, Amazon claims that its purchases of goods and
services created more than 2 million additional jobs, and that sellers on Amazon.com employed another 1.5 million people.\(^{38}\)

Walmart store openings have been found to result in a likely net loss of jobs as a result of elbowing out existing stores.\(^{39}\) And a National Employment Law Project (NELP) report in September 2023 found that—whereas warehouse work is often a relatively well-paying job that pays 5 percent above average pay—warehouse workers in a county where Amazon facilities are present make 26 percent below the average income of other workers in the county.\(^{40}\)

**TAX AVOIDANCE: EXPLOITING LOOPHOLES TO AVOID PAYING THEIR FAIR SHARE**

Corporate tax avoidance results in three key negative outcomes: (1) it reduces tax liability, further stuffing company coffers and further concentrating wealth in the hands of the elite company shareholders and executives who enjoy hefty stock options and profit payouts, (2) it has the effect of depriving the federal government of much-needed revenues required to fund critical programs (like education and social safety nets) necessary to reverse economic inequality, and finally, (3) manipulation of corporate profits to artificially depress corporate tax rates further entrenches economic inequality because average US workers and small businesses lack the equivalent ability to manipulate their own income and avoid paying their fair share as easily as the biggest companies in the US do.

**Amazon and taxes.** With $35.1 billion in US earnings and paying only $2.1 billion in federal income taxes in 2021, Amazon utilized tax credits, deductions for excess stock options, and the foreign-derived intangible income (FDII) deduction to enjoy a federal effective tax rate of 6.1 percent—less than one-third of the federal corporate statutory rate.\(^{41}\) Amazon’s European unit paid no taxes on $55 billion in sales in 2021 by reporting losses and obtaining tax credits.\(^{42}\)

The average effective tax rate for US small businesses is 19.8 percent, suggesting that Amazon pays taxes at a lower rate than many of those very sellers and suppliers.

Amazon’s perceived monopolistic market manipulations also contribute to the company’s notably low effective tax rate: by pressuring its Marketplace sellers on pricing as a tactic to squeeze out retail competitors, it also enjoys the added benefit of keeping the revenues it reports low.\(^{43}\) At the same time, the
average effective tax rate for US small businesses is 19.8 percent, suggesting that Amazon pays taxes at a lower rate than many of those very sellers and suppliers.  

**Walmart and taxes.** Although Walmart’s recent effective tax rates are higher than Amazon’s (with a US rate of 21.4 percent for 2021 and 22.3 percent for 2022, according to a 2019 report), Walmart “underpaid US taxes on nearly $2 billion worth of offshore cash,” avoiding $200 million in taxes it would have otherwise owed by overstating foreign tax credits and failing to declare international routing payments.

A 2015 Americans for Tax Fairness report revealed Walmart built an undisclosed network of 78 subsidiaries and branches in 15 overseas tax havens, which may have been used to minimize foreign taxes where it has retail operations and to avoid US tax on those foreign earnings (from 2015). Walmart owns at least $76 billion in assets through shell companies domiciled in the tax havens of Luxembourg and the Netherlands (totaling 90 percent of Walmart’s international division assets) and generates about $1.5 billion worth of tax deductions in Luxembourg each year.
Walmart and Amazon both also scored a zero on responsible tax fundamentals (public tax strategy, governance, disclosure) on the World Benchmarking Alliance (WBA) social transformation benchmark, and neither company does country-by-country reporting nor has a responsible tax policy, although Amazon does publish a list of responsible tax principles.

**PAY GAPS: Relying on Government Safety Net Programs to Subsidize Unsustainable Business Models**

According to the Economic Policy Institute, worker productivity has increased by 61.8 percent since 1979, yet hourly pay for workers has increased by just 17.5 percent in that same time. The widening productivity-pay gap has also been accompanied by a widening wage gap between the nation’s top earners and the bottom 90 percent. Since 1979, the top 1.0 percent of earners have seen a 179.3 percent increase in wages and the top 0.1 percent have seen a 389.1 percent increase—while the bottom 90 percent of earners have only seen a 28.2 percent increase.

The productivity-pay gap is mirrored by the CEO-to-average worker pay gap, which has widened exponentially in recent years across industries, including retail and e-commerce. These gaping disparities drive inequality and even—some studies indicate—threaten the business performance of the very companies that continue to pay CEOs at staggering rates.

In 2021, Amazon paid its CEO Andrew Jassy $212.7 million (according to its own proxy statement), almost all of it composed of stock incentives. Albeit not as stunningly outrageous, Walmart CEO pay for the same year was still high at $25.7 million. Median annual pay for Walmart workers, however, was much lower at $25,335 than Amazon’s at $32,855 in the same period, resulting in a CEO-to-worker pay ratio of 1,013 to 1 at Walmart and a gobsmacking 6,474 to 1 at Amazon in 2021. Neither company links CEO pay to environmental, social, and governance (ESG) performance.

More recently, media reports and the company’s own proxy statement have drawn attention to Jassy’s significant pay cut, with the CEO raking in only $1.3 million in compensation that year (fiscal year 2022). However, these reports neglected to mention that Jassy’s 2021 compensation package included a huge stock award that will vest over the course of 10 years and “is intended to represent most of Mr. Jassy’s compensation for the coming years.” As a result, his paltry $1.3 million in 2022 was supplemented by the stock that vested that year worth $31.9 million, as well as the $203 million in total shares of Amazon stock that Jassy owns.
As staggering as the CEO-to-hourly worker pay gap is, it still doesn’t tell the whole story. Across a number of otherwise thriving industries, US hourly worker pay has become so low that full-time workers are forced to rely on government programs like food stamps and Medicaid to subsidize the paltry compensation offered by their Fortune 500 employers. A 2020 US Government Accounting Office (GAO) report found that millions of full-time workers rely on federal health care and food assistance programs like Medicaid and SNAP, and that the number of full-time workers relying on these programs to subsidize their wages were concentrated in the restaurant and retail industries.  

![Walmart Distribution Center](https://iStock.com/sanfel)

Despite their seemingly incomparable size and market share, Amazon and Walmart continue to offer their employees wages so low that those workers are forced to rely on government subsidies to support themselves and their families.  

Both Walmart and Amazon are among the leading employers whose full-time workers depend on these programs to supplement income and health benefits that they receive from their jobs, with a higher number and percentage of
Walmart workers relying on the programs than Amazon workers. For example, in Arkansas, where Walmart has its headquarters, it is the employer of the largest number (over 1,300 workers) and the biggest share (3 percent) of the full-time workers who receive SNAP benefits in the state—and that doesn’t even capture the 31 percent of Walmart’s US workforce that is part time. More than 4,000 Amazon warehouse workers rely on food stamps to subsidize their hourly wages, according to a Fox Business report of GAO data. This means that despite their seemingly incomparable size and market share, Amazon and Walmart continue to offer their employees wages so low that those workers are forced to rely on government subsidies to support themselves and their families.

III. GROWING MEGACORPORATIONS HAVE SHIFTED THE BALANCE OF POWER AND LEFT WORKERS STRUGGLING.

“They’re running a prison, basically. I’ve been to prison. ... It’s the same similarities of running a prison. You’ve got a 30-minute break. You’ve got to stuff your food down your face. Bathroom break, you’ve got to hurry up and go use the bathroom and run back so you can get to your station. It gives me the whole feeling of prison again.”

—Amazon worker

In the ways and for the reasons laid out above, Amazon and Walmart arguably now have as much or more power over the US economy and over the daily life of many Americans than any other companies in the world. But how are they as employers? Despite Amazon’s claim to be “Earth’s best employer and safest place to work” and Walmart’s assertion that it offers “a great front-line work environment,” reports and allegations of worker mistreatment abound. From failure to pay a living wage (as noted earlier in this paper) to union intimidation and resisting the rights of workers to unionize and collectively bargain, these two companies appear to use their disproportionate market power to set the standards of work abysmally low, all but guaranteeing the exploitation of their lowest-paid workforces. Cyclically, the poor conditions of work in which the
companies’ low-wage workers find themselves are further driving economic inequality.

While this paper offers numbers that reveal the size and inequities of the two companies, the reality is that numbers alone do not reflect the true cost of what is happening to workers as they struggle to support their families with insufficient wages, are stymied in their efforts to organize, and suffer indignities across racial and gender lines.

SUPPRESSION OF UNIONIZATION EFFORTS

“While Amazon likes to boast about its competitive starting pay, its generous benefits, and its support for select progressive policy items, this ‘pro-worker’ sentiment fades away the moment its own workers state they want to exercise their legal right to collectively bargain.”

—Senator Bernie Sanders and Senator Kirsten Gillibrand in a letter to Amazon CEO Andy Jassy, June 10, 2022

It’s no accident that unionization rates have declined steadily in the US over the past few decades; large corporations have waged a relentless campaign to weaken rights to organize at the state and federal levels and to discourage people from organizing in the workplace.

The collective power from unionization makes a huge difference. Unionized workers earn 10.2 percent more than their nonunion peers; are 18.3 percent more likely to have employer-sponsored health insurance; and have more control over working schedules. Unions also play a huge role in narrowing racial and gender economic disparities. Unionization increases wages by 17.3 percent for Black workers and by 23.1 percent for Latino workers. Overall, female union workers earn 4.7 percent more than their nonunion peers; in female-dominated service industries, union workers make 52.1 percent more than their nonunion peers.

Both Amazon and Walmart have extensive histories of efforts to prevent unionizing, and most recently, Amazon has proven its determination to stonewall even after workers vote to form a union (as at the warehouse in New York City, still without a contract a year and a half after workers voted to form a union). In 2022, Amazon spent more than $14.2 million on antiunion consultants—nearly
$10 million more than the previous year. In 2023, a judge who hears cases for the National Labor Relations Board (NLRB) ruled that Amazon supervisors had illegally threatened to withhold wages and benefits if workers voted to unionize. The company summoned workers to dozens of antiunion meetings at the warehouse in New York ahead of the union election there.

In 2020 and 2021, several media outlets reported that Amazon ramped up its antiunion efforts with antiunion propaganda, firing key organizers, surveilling employees, and hiring Pinkertons to gather intelligence on warehouse workers. In 2020, at least 37 charges were filed with the NLRB that accused the company of interfering with workers’ rights to organize.

As a result of Amazon and Walmart’s extreme attempts to discourage unionization among their employees, not one of their more than 1 million direct employees is covered by a collective bargaining agreement. As a consequence, all of their workers are denied access to the protections, higher pay, and decreased gender and racial pay gaps that unionization affords to workers.
Walmart is not much different. An investigative report by the Center for Popular Democracy in 2015 noted that Walmart maintains a “steady drumbeat” of antiunion information at its stores, “requiring new hires—there are hundreds of thousands each year—to watch a video that derides organized labor.” [Walmart currently claims that new hires in Walmart stores do not watch videos that in any way mention organized labor, nor do they receive information related to organized labor in some other format. The only exceptions are statutory supervisors who are trained to respect the rights of associates and on how to comply with labor laws in accordance with the NLRA.]

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WAGES/WORKING POVERTY

“I have no kids, no car; I live in a tiny room in a shared apartment, and I just barely get by.”
—Donald, Amazon worker

“You’re one of the wealthiest corporations in the world. You have workers who are robbing Peter to pay Paul. You have workers who literally work two and three jobs and they still are not getting by. ... There’s nothing competitive about that wage, and it’s really an insult.”
—Reverend Ryan Brown, Amazon worker
“I shouldn’t have to choose between paying rent or paying my light bill.”
—Walmart worker

While both companies pay above the federal minimum wage ($7.25 an hour), neither pays what would be considered a living wage to most workers. Amazon pays a minimum of $15; after years of paying very low wages, Walmart stepped up to increase its minimum wage to $14 in 2023.

Amazon reports that the average wage of its employees is $19 an hour. After the latest wage bump, it’s estimated the average Walmart worker will bring in about $17.50 an hour. In both cases, thousands of workers earn lower wages.

These average wages are barely adequate to sustain a reasonable standard of living; costs of housing, food, and childcare have escalated rapidly in recent years. The experts at Living Wage for US estimate the living wage in the US is $22.20 an hour; however, it varies dramatically in counties across the country, reaching $60 an hour in some locations.
RACISM AT WORK

“The conditions there are absolutely horrific. I likened it to slavery, because they care more about quotas and meeting production rates than actually caring about us as human beings inside there. I feel more like a number. I feel as if I’m replaceable and that they actually do not care about my well-being and the well-being of my co-workers.”

—Amazon worker

Workers of color concentrated in low-wage jobs

In the US, workers of color (primarily Black and Latino, but not exclusively) are disproportionately represented in lower-paying jobs, and underrepresented in higher-paying industries and jobs. This is shown very clearly at both Amazon and Walmart, where the percentage of workers of color is highest in the lowest-paying jobs and declines as you move toward higher-paying jobs. At Amazon, more than two-thirds of all employees are people of color (Black 26 percent, Latino 23.5 percent, Asian 16.6 percent, Native American 1.8 percent), and while Black women make up the largest group of “laborers and helpers,” they represent only 2 percent of executives and senior officials. As you go up the ladder of job levels, the percentage of white employees increases dramatically: overall at 31 percent, Levels 1–3 at 27.8 percent, Levels 4–7 at 43.6 percent, people managers at 51.3 percent, and senior leaders at 63.7 percent.

At Walmart, the workforce overall is 50 percent white, and this percentage increases as you go up the ladder of job levels. While white workers account for 42 percent of lower-paying jobs (laborers and helpers), they account for 64 percent of first/mid officials and managers, and 73 percent of executives, senior officials, and managers, according to EEO-1 data. Higher rates of workers of color in lower-level positions alongside higher rates of white workers in management positions contribute to an imbalance of power along racial lines that can lead to the types of discriminatory behavior detailed in the next section.

Even within the same job categories, there is evidence that workers of color on average are paid less, work fewer hours, have less access to benefits, and have more unpredictable work schedules than white workers. United for
Respect notes that the retail industry has deep problems with the racial pay gap, with Black cashiers and salespersons earning less than white counterparts.\textsuperscript{89}

**Racism in everyday employment practices**

On the floor, workers of color report that they are treated differently than white workers. They are denied opportunity and fired more frequently: at Amazon, records show that Black warehouse workers are almost 50 percent more likely to be fired than their white peers,\textsuperscript{90} while at Walmart, a survey by United for Respect found that four out of five part-time Black, Latino, and Asian workers described themselves as involuntary part-time associates who would prefer to work full time.\textsuperscript{91}

In their recent research, Tamara Lee and Maite Tapia find that Amazon has “militarized” its HR functions at facilities located in communities of color.\textsuperscript{92} The company uses public and private policing to provide robust security, and routine HR matters are often met with threats of police involvement. Furthermore, Amazon implements what one worker has called “plantation-style” management, and the company has been known to intentionally target and tokenize racial and ethnic groups via workplace policies and programming.\textsuperscript{93}

**GENDER INEQUITIES**

Gender segregation of the US workforce has resulted in the concentration of women in jobs with lower wages and unequal benefits, while those same women statistically face an increased burden of care work and the risk of gender-based violence and harassment in the workplace. Women have greater difficulty landing higher-paying jobs even if they have the same skills and education as men, and they receive less pay, support, and opportunities with the same qualifications as their male counterparts. Women are overrepresented in lower-paid retail work, often making up a large percentage of the workforce but a small percentage of leadership and management positions. They often also face more negative working conditions, worsened by harassment, violence, a lack of pregnancy accommodations, and other factors. As economic and wealth inequality increases, working women are disproportionately feeling the impacts. Particularly, women of color and those who have diverse gender identities experience intense gender discrimination and inequality in workplaces across the US.\textsuperscript{94}
Because Amazon and Walmart enjoy exceptional size and power relative to other companies, they have an increased responsibility to set a precedent of gender justice and gender-responsive policies, which they could do by providing more transparency and disclosure across gender. Walmart for its part has some relevant policies in place in the form of its Code of Conduct and Global Discrimination and Harassment Prevention Policy, but it is unclear what the company is doing to ensure robust implementation of those policies (or even how robust the policy itself is in the case of the Discrimination and Harassment Prevention Policy given that it is not publicly available). In addition, neither Walmart nor Amazon discloses unadjusted (or median) pay equity data, and both companies have been involved in gender-related lawsuits:

- In 2019, nearly 100 women filed two legal complaints against Walmart in the US District Court for the Southern District of Florida, saying they were funneled into lower-paying jobs in some instances because of overt sexism from managers. One woman was told she “was not cut out” for a promotion because she had children and they were “her priority.” Another woman said she was told her store needed “a man to do this job if we want it done right.” One worker said she was supervising men who were being paid more than she was, while several other women in the lawsuit said they were hired at minimum-wage levels while men in the same positions were making higher wages. The lawsuit alleged that Walmart was aware of these issues but dragged its feet in implementing antidiscrimination measures.

- In 2021, five women filed discrimination lawsuits against Amazon, saying that they were retaliated against by white managers for complaining internally about race or gender discrimination or sexual harassment. One of the plaintiffs said she was placed on a performance improvement plan after complaining about her boss; he used the “n-word” in reference to her and told her “You don’t want to be an angry Black woman.” A Latina warehouse manager said a white male boss said to her, “Latins suck,” “How is a Latin like you working here?,” and “You are a Latina woman; I need to be careful every time I talk to you.”

As Amazon and Walmart both employ a significant portion of women working in US retail and other sectors, they have a responsibility to work toward equalizing the workforce in terms of pay, benefits, conditions, and protections from gender-based harassment and violence.
IV. SOLVING EXPLODING ECONOMIC INEQUALITY REQUIRES DECISIVE ACTION BY AMAZON, WALMART, AND THE US GOVERNMENT.

WALMART AND AMAZON HAVE THE POWER AND RESPONSIBILITY TO BECOME PART OF THE SOLUTION TO—RATHER THAN THE PROBLEM OF—ECONOMIC INEQUALITY.

“Consumers need to understand that not only is there a really exploited worker behind those packages that are coming to your door—but that it doesn’t have to be that way. The job can be better, like we can make this a good job. And that’s what we really want. We don’t want the end of Amazon—we want Amazon workers to be treated like people and to have control over their own jobs and to be able to make a good life out of them and have a family and all that.”

—Donald, Amazon worker

“We’re living through a Gilded Age where these people are getting so wealthy and consuming so much wealth, and what you’re seeing is that none of that wealth is trickling down to the people who made it happen.”

—Reverend Ryan Brown, Amazon worker

Amazon and Walmart can and must change course and capitalize on their extreme size, market share, and innovative ingenuity to help solve the problem of economic inequality that threatens the prosperity and livelihoods of all Americans. We urge these two companies to take the following four steps toward realizing that objective today:

• Pay your fair share of taxes and be transparent about the tax liability you are actively working to avoid and how. Companies must produce country-by-country reports to transparently disclose how much they are paying in taxes in each jurisdiction in which they operate. “Public reporting on tax
increases transparency and promotes trust and credibility in the tax practices of organizations and in the tax systems. It enables stakeholders to make informed judgments about an organization’s tax positions. Where they haven’t already, companies should also adopt and commit to implementation of a corporate responsible tax policy, in line with relevant stakeholder advice and consultation.

- Stop concentrating record corporate profits in the hands of a few executives and shareholders by reducing unchecked executive compensation (including in the form of stock incentives) and raising wages for all hourly employees. Companies should pay workers a fair wage that enables them to support their families without relying on federal assistance or charity. They should also improve the benefits available to their workers, including but not limited to paid family leave, paid sick leave, disability payments, and humane pregnancy accommodations.

- Respect freedom of association and workers’ collective bargaining rights in order to provide better, more dignified jobs. Amplifying worker voice makes economies both more accountable and inclusive by helping to secure more fair and equitable working conditions, like ensuring a living wage and a healthy and safe work environment (to help workers avoid the trap of high rates of injury that in turn force them to take time off a job that fails to provide them due compensation in the form of paid sick leave). Companies must recognize duly elected unions, negotiate worker contracts with them in good faith, and refrain from union busting or intimidation in any form.

- Meet the corporate commitments already made to combat inequality and respect workers’ human rights. Both companies are members of organizations that seek to improve working and environmental conditions and to address inequality: Walmart is on the board of the Human Rights Coalition of the Consumer Goods Forum (CGF), which calls on its members to adopt and implement comprehensive human rights due diligence across global supply chains, as well as in their own operations and workforces; and Amazon is a working group member of the Business Commission to Tackle Inequality (BCTI), which calls on members of industry to:

  1. Recognize rising inequality as an urgent risk that companies must address.

  2. Escalate efforts to ensure corporate respect for human rights in order to combat inequality.
3. Prioritize and set business targets geared toward your business’s unique opportunities and abilities to drive meaningful reductions in inequality.

4. Meaningfully engage with affected stakeholder groups to design effective anti-inequality strategies.

5. Collaborate with policymakers, nongovernmental organizations, and investors to dismantle systemic barriers to equality.\(^\text{101}\)

**GOVERNMENT MUST ALSO DO ITS JOB:** **PUBLIC POLICY AND LAW ENABLED CORPORATE AMERICA TO DRIVE SUCH EXTREME INEQUALITY—AND NOW GOVERNMENT MUST REVERSE THAT TREND.**

That megacorporations—as exemplified by Amazon and Walmart—have reached meteoric new heights of power and profit is not an inevitable occurrence, but rather the result of decades of intentional public policy.

Corporations have a duty to make better choices, but incentives and the regulatory environment must also change. Above all, government must rein in monopolistic power and regulate large corporations in the public interest, as the US has done before. Reshaping the market is a job for government—democratic, responsive, accountable government—and only government. Policymakers must:

- **Break up private monopolies and prevent corporations from becoming too large.** Breaking up monopolies and thus preventing corporations from becoming too large is vital to addressing extreme inequality. Prominent past breakups have led to explosions of innovation and growth,\(^\text{102}\) and antimonopoly enforcement generally has been shown to reverse many of the harms of monopoly by raising wages, increasing employment, and lowering prices.\(^\text{103}\) Federal policymakers must take the following steps:
  - Break up existing private monopolies.
  - Block monopolistic mergers.
  - Support reformed merger rules to prevent monopoly power from accruing in the first place.

Policymakers should enforce existing policy limiting anticompetitive behavior while simultaneously identifying opportunities to elaborate on current anticompetitive policy to better reflect new market realities. That
Amazon is facing antitrust action by the Federal Trade Commission is an important example of government acting to reduce inequality.104

• **Ensure workers are paid enough to support themselves and their families.** Adequate pay is fundamental to a labor policy landscape that values and cares for workers. The failure of Congress to raise the minimum wage and ensure that it keeps up with the cost of living has trapped low-wage workers—especially women, Black, indigenous, and people of color (BIPOC) communities, and single parents—in poverty. Federal policymakers must:

  ▪ Raise the federal minimum wage.
  ▪ Eliminate all exclusions from federal minimum wage standards, including tipped workers, youth, agricultural workers, domestic workers, and workers with disabilities.
  ▪ Require annual updates to the minimum wage, indexed to inflation.

Congress should pass the Raise the Wage Act, which would raise the federal minimum wage from $7.25 to $17 by 2028; gradually eliminate subminimum wages for tipped workers, disabled workers, and youth; and begin automatic, indexed wage increases in 2029.

• **Enshrine the rights of workers to build power collectively.** Federal policymakers must guarantee the rights of workers to build power collectively. They must:

  ▪ Eliminate all exclusions from the right to organize, including for agricultural workers, domestic workers, and independent contractors.
  ▪ Pass the Richard L. Trumka Protecting the Right to Organize Act (the PRO Act),105 a bill that expands the protections around workers’ rights to bargain and organize as a collective. It strengthens the remedies for workers and the punishments for employers that violate workers’ rights; prevents employers from interfering in union elections; bolsters workers’ rights to support boycotts and strikes; facilitates initial collective bargaining agreements; and closes loopholes exploited by employers to deny workers their fair share of pay, rights, and benefits.

• **Address the collapse in corporate taxation.** Addressing corporate taxation is essential to tackle the accumulation of extreme wealth and to support inequality-busting services and programs. Federal policymakers should:
- Ensure corporations pay their fair share of taxes.
- Enact higher tax rates on corporate income.
- Consider one-off, sector-wide windfall profit taxes on corporations that profit during periods of crisis.
- Enact measures that close loopholes and ensure that corporations are paying their fair share where economic activity takes place by passing measures such as the No Tax Breaks for Outsourcing Act, currently before Congress, which would eliminate harmful incentives to shift corporate profits.

4 OECD, “Inequality and Poverty,” also from video.
7 Christensen et al., “Survival of the Richest.”
9 World Bank, “Gross Domestic Product 2022.”
11 Although this paper focuses on Amazon and Walmart, we also draw on critical research recently undertaken by Oxfam’s teams and utilizing a methodology Oxfam developed to assess how US corporations are actively contributing to economic inequality simply by performing their core business functions as they have come to design them.
13 Zephyr Teachout, Break ‘Em Up: Recovering Our Freedom from Big Ag, Big Tech, and Big Money (All Points Books, 2020).


21 Selyukh, “US Sues Amazon.”

22 FTC, “FTC Sues Amazon.”

23 FTC, “FTC Sues Amazon.”


28 Ollinger, “New Super Stores.”


32 Walmart, “Walmart Releases Q2 FY24 Earnings.”


34 Fortune, “Fortune 500.”

Notably, albeit somewhat inexplicably, the average hourly rate of pay for Walmart’s US supply chain associates (those who fulfill online/e-commerce orders) is $25.50, significantly higher than the average hourly rate of pay for all Walmart’s US associates, including those who work in-store for notoriously low pay. In addition, 99 percent of Walmart’s supply chain associates are part-time, whereas that number is only 68 percent for hourly associates company-wide. See: Amazon.com, “About Amazon: Investing in the US,” https://www.aboutamazon.com/investing-in-the-u-s, updated September 2023; and BLS, “Table A-1: Employment Status.”

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Calculations based on data from the WBA Social Transformation benchmark assessment. Data available here: https://www.worldbenchmarkingalliance.org/research/2022-
social-transformation-baseline-assessment/.

Profit distribution is also a significant contributor to economic inequality, but a thorough analysis of that phenomenon is outside the scope of this paper.


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47 Clemente and Auerbach, “The Walmart Web.”

48 Calculations based on data from the WBA Social Transformation benchmark assessment. Data available here: https://www.worldbenchmarkingalliance.org/research/2022-
social-transformation-baseline-assessment/.

49 Profit distribution is also a significant contributor to economic inequality, but a thorough analysis of that phenomenon is outside the scope of this paper.


51 Maliak Kalasho, “Rising Economic Inequality in the US: Key Statistics and Root Causes,” Michigan Journal of Economics, February 8, 2022, https://sites.lsa.umich.edu/mje/2022/02/08/rising-economic-inequality-in-the-us-key-statistics-
and-root-causes/.

d7e3837779d6.pdf.


54 Notably, albeit somewhat inexplicably, the average hourly rate of pay for Walmart’s US supply chain associates (those who fulfill online/e-commerce orders) is $25.50, significantly higher than the average hourly rate of pay for all Walmart’s US associates, including those who work in-store for notoriously low pay. In addition, 99 percent of Walmart’s supply chain associates are part-time, whereas that number is only 68 percent for hourly associates company-wide. See:
Median pay is self-reported by companies, which gives them great flexibility in defining and measuring it.


Pichee, “Amazon CEO Pay.”


GAO, “Low-Income Workers.”

Julia Musto, “Billionaire Bezos’ Amazon Warehouse Employees Depend on Food Stamps in 9 States,” Fox Business, December 17, 2020, https://www.foxbusiness.com/technology/4k-bezos-amazon-warehouse-employees-food-stamps-in-9-states. Both Amazon and Walmart increased their profits significantly between 2019 and 2021, both before and after the pandemic hit the US in 2020. Amazon grew its profit by an impressive 213 percent, while Walmart’s profit grew by 36 percent. In 2021, Amazon’s net profit was $33.4 billion and Walmart’s was $13.7 billion. In 2022, Amazon reported a $2.7 billion loss while Walmart’s profits only marginally decreased to $11.7 billion. Amazon’s profit decline in 2022 was largely driven by the company’s investment in Rivian (in other words, not by declining sales). However, as a result, the company cut costs, including layoffs. Also, Amazon profits were already back up at $10 billion through the first and second quarters of 2023. A key difference of course is that Amazon doesn’t pay dividends or do buybacks. It relies on growth to reward shareholders (Jeff Bezos owns 10 percent of Amazon). Walmart had a payout ratio of 68 percent in 2022, which means that approximately $9 billion were distributed to shareholders (the Walton family owns around 50 percent of Walmart).

This Amazon worker was interviewed as part of a research project conducted by Rutgers University Professor Tamara Lee and Michigan State University Professor Maite Tapia that led to the following report: Tamara Lee, Maite Tapia, Sanjay Pinto, Carla Lima Aranzaes, and Spencer Shimke, “Amazon’s Policing Power: A Snapshot from Bessemer” (Rutgers School of Management and Labor Relations/Michigan State University School of Human Resources and Labor Relations, 2022), https://smlr.rutgers.edu/sites/default/files/Documents/News/Amazon_Policing_Power_Report.pdf.


JECO, “Unions Provide Major Economic Benefits.”

JECO, “Unions Provide Major Economic Benefits.”


71 Steven Greenhouse, ""Old-School Union Busting": How US Corporations Are Quashing the New Wave of Organizing,"  


73 Lauren Kaori Gurley, "Secret Amazon Reports Expose the Company’s Surveillance of Labor and Environmental Groups,"  

74 Olivia Solon and April Blaser, "Fired, Interrogated, Disciplined: Amazon Warehouse Organizers Alleged Year of Retaliation,"  


76 Donald, interview with Oxfam. If requested, to protect workers interviewed for this report from possible retaliation, we have given them pseudonyms and removed identifying information about their jobs and where they work and live.


78 It was revealed in July 2023 that Walmart removed an additional $1 an hour pay bump it had offered some employees in certain jobs (stocking shelves, preparing online orders). Nearly at the same time, shares of Walmart touched a 52-week high as of September 2023, stock was up about 15 percent. See: https://www.cnbc.com/2023/09/07/walmart-cuts-starting-pay-for-new-hires-who-prepare-online-orders-stock-shelves.html.


81 The Social Security Administration’s latest national average wage index is $60,575; at 40 hours/week, 52 weeks/year, that’s roughly $29 an hour.


83 Lee et al., “Amazon’s Policing Power.”


87 Jessica Guynn, "Amazon Diversity Struggles: 2 Key Black Executives Leave as White Workers Still Dominate Top Jobs,"  


89 United for Respect, “How America’s Biggest Retail Corporations Perpetuate Inequity,” February 2023  
https://united4respect.org/racism-retail/.


BCTI, “Tackling Inequality.”


FTC, “FTC Sues Amazon.”


Oxfam is a global organization that fights inequality to end poverty and injustice. We offer lifesaving support in times of crisis and advocate for economic justice, gender equality, and climate action. We demand equal rights and equal treatment so that everyone can thrive, not just survive. The future is equal.