



Written by [Steve Byas](#) on November 17, 2014

Black Friday Protests Planned at Walmart

“Black Friday” is the day many retailers go from losing money (being in the “red”) to making a profit for the year, or getting into the “black.” It is the day after Thanksgiving — for years the biggest sales day of the year for retailers — marking the start of the Christmas shopping season.

That is the day in which a group claiming to be Walmart associates is planning to launch a strike against the world’s largest retailer, in an effort to pressure the company to change its pregnancy policy, provide access to more hours, and increase hourly wages. Specifically, this disaffected group wishes to see Walmart phase out its minimum-wage jobs.



Last year, police arrested 23 protesters in the Crenshaw neighborhood of Los Angeles who had defiantly blocked an intersection and disobeyed police orders to disperse. A group calling itself “Our Wal-Mart” claimed this was one of many protests across the country, affecting somewhere between 1,200 and 1,400 stores. On its website, Walmart counters that “the majority of the participants were assorted union front groups,” and that only about 100 associates joined the demonstrations in 2012, and less than 20 participated in 2013.

Brooke Buchanan, speaking for Walmart, told reporters that the company does not retaliate against employees who strike or protest, but added, “The reality is that few Walmart associates participate in these labor-organized protests.”

While the national minimum wage is \$7.25 per hour, the average full-time hourly wage at Walmart is \$12.92 per hour. Only about 6,000 of 1.3 million employees of Walmart presently make minimum wage. Douglas McMillon, Walmart chief executive, has said that the company plans to phase out these minimum-wage jobs “over time.”

The dispute at Walmart involves at least two issues. Organized labor has long salivated at the prospect of unionizing such a large number of workers, so we can expect to see such agitation continue beyond this Black Friday. In addition, publicity around the protests keeps attention focused on the issue of the minimum wage.

Interestingly, McMillon did not say that the wages of the very few Walmart employees who make the minimum wage will be increased, but only that their jobs will be eliminated. It is open to speculation whether these workers will then find jobs elsewhere with any higher wages than they are presently paid by Walmart. It is logical that these employees are very low-skilled individuals, most of whom the company can simply opt to do without. In some communities this will mean these individuals will just not have any job.

Persons who make minimum wage are a very tiny minority of the nation’s work force, and are largely



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made up of those with few or no job skills, youths, or individuals employed in very low-profit businesses. In fact, many businesses simply are unable to pay any wages higher than the present minimum wage. What is probably not understood by the majority of those who have never owned a small business is that it costs considerably *more* than the minimum wage to put an additional person on the payroll. Even one hourly wage employee hired by a small business creates expenses for social security, unemployment insurance, worker's compensation insurance, and various accounting costs associated with the payment of federal and state income taxes.

With this grim scenario, many businesses simply choose to get by without the additional employee, or even to reduce the number of employees they already have. If prospective employees cannot make more for a business than the \$10 or so an hour it would cost to bring them in, it makes little sense to hire them.

To be blunt, Walmart probably employed 6,000 minimum-wage workers for reasons other than adding profits to the company. In contrast, a small mom and pop store does not have the luxury to make such hires. These small businesses, faced with increased minimum-wage requirements, often have the difficult choice of either raising prices (and taking the risk of losing customers the business cannot afford to lose) or laying off at least one employee. In many cases, businesses cannot realistically do either one, and are forced to close.

Back in the early days of the Clinton administration, when Hillary Clinton was leading the charge for government-controlled healthcare, the issue was raised as to whether many small businesses could absorb these additional costs. Clinton curtly dismissed such worries, saying that she could not be concerned with every "undercapitalized" small business in America. In comments related to the creation of the National Recovery Administration (NRA), President Franklin Roosevelt expressed similar callous sentiments: "No business which depends for existence on paying less than living wages to its workers has any right to continue in this country."

Roosevelt's NRA, which attempted to cartelize American industry, was largely based on the theory that high wages and high prices led to prosperity. Under the Roosevelt regime, a tailor was jailed because he had pressed a suit for only 35 cents. The NRA required that those in the tailor industry charge a minimum of 40 cents for pressing a suit. Such thinking is what led to the passage of 1938 Fair Labor Standards Act, which enacted the first national minimum-wage law, set at 25 cents an hour. The act's stated purpose was to maintain a "minimum standard of living necessary for health, efficiency, and general well-being *without substantially curtailing employment.*" (Emphasis added.)

This illustrates the true effect of the minimum wage. If it is lower than the market wage for the job, the law has no effect. But, if the government raises the minimum wage *higher* than the market wage, then the effect is to drive marginal employees out of the work force. This keeps these unfortunate individuals from gaining valuable work experience that will usually lead to a higher-paying job in the future. Without such work experience, they are then left at the mercy of either private or public charity.

The Fair Labor Standards Act also prohibited "child labor," which further reveals the actual purpose of the law. Labor unions pushed for this prohibition, as well as for the minimum wage, not so much out of concern for children or low-skilled persons, but to reduce the competition to unionized labor.

And that explains the union dislike of Walmart, and why more such protests can be expected in the future.



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