

## **Wal-Mart's latest marketing strategy: philanthropy**

By Paul Demko in [Economy](#) Wednesday, Oct. 5 2005

The [National Committee for Responsive Philanthropy](#) released an interesting report yesterday scrutinizing the philanthropic practices of Wal-Mart and the Walton family. The report, "The Waltons and Wal-Mart: Self-Interested Philanthropy," focuses on three main organizations through which their giving is directed: the Wal-Mart Foundation, the Walton Family Foundation, and the Wal-Mart Stores Inc. Political Action Committee for Responsive Government. In recent years, as Wal-Mart has come under increasing fire for its [shoddy labor and business practices](#), all three non-profit groups have grown astronomically.

The Wal-Mart Foundation is the corporation's philanthropic arm. It is now thought to be the largest corporate grantmaker in the country, dispensing some \$170 million in 2004, up from \$110 million the previous year. "This nearly 70 percent increase in its cash donations could reflect the increasing generosity of Wal-Mart," the report observes, "or it could instead reflect an attempt by the world's largest retailer to deflect the increasingly harsh criticism it now faces at home and abroad."

The chief hallmark of the Wal-Mart Foundation is that it doles out dozens of small gifts to local organizations in every town where the company operates a store. In all, the foundation gives out more than 100,000 grants annually, but the average contribution is just \$1,000. "By giving directly to communities," the report notes, "Wal-Mart creates the perception that it is part of the community, rather than a large, impersonal corporation that could be doing more harm than good."

The NCRP report further highlights the fact that the Wal-Mart Foundation prohibits making grants outside of the U.S.--"mostly ignoring the communities and people that produce the majority of its products, and concentrating on those communities that purchase them."

The Walton Family Foundation is an even more intriguing philanthropic organization. In 2003 it was the 25th largest grantmaker in the country in terms of dollars distributed, doling out \$107-million. In addition, when the matriarch of the Walton family, Helen, dies, she is expected to leave nearly all of her wealth--roughly \$20 billion--to the foundation. This will instantly make it the largest grantmaker in the world.

The Walton Family Foundation's main emphasis is on education reform. Of course this means advocating for charter schools and leading the "school choice" movement. "Some critics argue that it is the beginning of the 'Wal-Martization' of education," the NCRP report notes, "and a move to for-profit schooling, from which the family could potentially financially benefit."

Most interestingly, in 2000 the Walton Family Foundation provided almost the entire \$900,000 start-up budget for an organization dubbed the Black Alliance for Educational Options. Along with the conservative [Lynde and Harry Bradley Foundation](#), the Waltons have been among the BAEO's chief supporters. "The WFF and Bradley have been criticized for funding the BAEO, whose works creates the image of a genuine black grassroots voucher movement," the NCRP report notes, "when in reality it is a movement supported by some of the richest white men in the country."

As for the Wal-Mart PAC, the overwhelming majority of its support goes to Republican candidates. Last year it contributed \$2.1 million to campaigns, roughly quadruple the amount it gave out in 2000. Of those donations, just under 80 percent went to Republican office seekers.

All in all the NCRP takes a less than, um, charitable view of Wal-Mart's charitable and political contributions. "In point of fact, behind the Wal-Mart facade, the goals of the company and family have nothing to do with promoting the community's or the public's or even their customers' interest," it states. "Instead, there is one goal, and that is to make one of the wealthiest families in the country even richer."