

Walmart to offer employees a college education for \$1 a day

by [Abha Bhattarai](#) May 30 at 2:38 PM



Walmart will subsidize associate's and bachelor's degrees for 1.4 million U.S. employees. (Timothy Fadek/Bloomberg News)

Walmart, the country's largest private employer, announced Wednesday that it will pay for its workers to go back to school — as long as they get degrees in business or supply-chain management.

The retailer is partnering with three universities to offer associate's and bachelor's degrees to 1.4 million part-time, full-time and salaried Walmart and Sam's Club employees — a pitch to improve employee retention rates and engagement at work, while also drawing new workers. Walmart will cover the costs of tuition, books and fees, while employees will be required to pay \$1 a

day for the duration of their studies.

“We know there [are] a lot of benefits from a business perspective,” Drew Holler, vice president of people innovation for Walmart U.S., said on a call with reporters. “We know we’re going to see an influx of applications.”

Degrees will be offered by the University of Florida in Gainesville, Brandman University in Irvine, Calif., and Bellevue University in Bellevue, Neb., all nonprofit institutions with online programs for working adults. Rachel Carlson, chief executive of Guild Education, a Denver-based company that will oversee the program, pointed out that the program allows employees to earn a degree without amassing college debt.

Walmart’s announcement comes as retailers struggle to attract and retain workers in an increasingly competitive labor market. The unemployment rate is at a 17-year low, and the number of open jobs in retail — [723,000 as of March](#) — has continued to grow, according to government data.

Earlier this year, Walmart raised its starting hourly wage from \$9 to \$11 and began offering paid parental leave and adoption benefits to full-time employees. Other companies have also taken similar measures in recent months, with Target pledging to raise its minimum wage to \$15 an hour by 2020 and Starbucks offering paid sick leave and stock grants to its baristas.

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Walmart, based in Bentonville, Ark., joins a growing number of employers in offering subsidized college educations. Chipotle Mexican Grill provides its workers as much as \$5,250 in annual tuition assistance, while Starbucks gives employees [a full ride](#) to Arizona State University for undergraduate degrees in more than 60 subjects.

For now, Walmart will pay only for degrees in business and supply-chain management because those areas of study “will be relevant across the

industry and for future work opportunities,” according to spokeswoman Erica Jones.

Employees can sign up for the program after working at Walmart for 90 days. Executives said there are no other requirements or fees, and participating employees are not obligated to remain with the company for any period of time. (Employees who leave Walmart before completing their degrees are no longer eligible for company subsidies but can continue on their own.)

And unlike the tuition-reimbursement programs offered by many other companies, Walmart does not require employees to foot any costs upfront, making it more accessible for low-wage workers, said Jeffrey Pfeffer, a professor of organizational behavior at Stanford University’s Graduate School of Business.

“Most Walmart workers are not making a lot of money, so paying anything out of pocket, even for a relatively short period of time, can be difficult,” he said. “Walmart seems to have realized that if you have happier employees, you’ll have lower turnover.”

But some said workers could face new challenges because they already struggle to plan around unpredictable work schedules. Walmart employees have long complained that they don’t receive as many shifts as they’d like, particularly if they need to schedule around other commitments, like schoolwork or childcare. Nearly 70 percent of part-time Walmart workers say they’d like to be full-time, according to a recent survey by OUR Walmart, an employee group that advocates for workers’ rights.

“Because of Walmart’s erratic scheduling system, many people who work at Walmart are unable to plan to take college classes or even pick up their children from school,” said Cynthia Murray, who has been working at a Walmart store in Laurel, Md., for 18 years.

Walmart executives said they did not know how much the program would

cost the company, which last year had \$486 billion in revenue, but said they expected as many as 68,000 employees to sign up in the first five years. Annual tuition and fees at the three schools ranged from \$7,365 at Bellevue University to \$28,658 for out-of-state students at the University of Florida, according to U.S. News & World Report.

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