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## **New Research Reveals Strong Local Economic Benefit of Walmart Supercenters**

*Regions throughout California Experienced Growth in Additional Businesses and Local Sales after Walmart Opening*

LOS ANGELES – The local business climate in communities throughout California benefits significantly from the presence of Walmart Supercenters, according to a new study released today by the international consulting firm Navigant Consulting, Inc. (NYSE: NCI).

“The presence of Walmart Supercenters in any California community enhances as it relates to local revenues and business development,” said Lon Hatamiya, a Director at Navigant Consulting and former Secretary of California’s Technology, Trade and Commerce Agency. “According to the study, Walmart’s benefits are not limited to metropolitan or suburban communities, but also help economically challenged rural areas such as the Central Valley and Imperial Valley.”

The report found:

- In every city where Walmart has opened a supercenter in California, the city-wide *taxable retail sales* (including apparel stores, general merchandise stores, grocery stores, home furnishing and appliance stores, and other retail stores) have increased in the year following the opening of the supercenter as compared to the *taxable retail sales* of the year prior to the opening. Moreover, the city-wide *taxable retail sales* have continued to increase in each subsequent year in all communities that have had a Walmart Supercenter for multiple years.
- Increases of city-wide *taxable retail sales* one year after the opening of the Walmart Supercenter averaged over \$79 million compared to the year prior to the opening for all communities (21 supercenters). *Taxable retail sales* increases averaged 15 percent for all cities.
- Increases of city-wide *taxable retail sales* two years after the opening of the Walmart Supercenter averaged nearly \$123.9 million compared to the year prior to the opening for all locations opened more than one year (10 supercenters). *Taxable retail sales* increases after two years averaged over 25.9 percent for the ten cities.

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- Increases of city-wide *taxable retail sales* three years after the opening of the Walmart Supercenter averaged over \$206.2 million compared to the year prior to the opening for all locations opened for more than two years (three supercenters). *Taxable retail sales* increases after three years averaged over 39.6 percent for three cities.
- Taxable sales for *other retail outlets* (including restaurants and bars, building materials and farm implements, auto dealers and supply, and service stations) also increased in each community following the opening of Walmart Supercenters. These increases averaged over \$72 million compared to the year prior to the opening for all locations with available date (15 supercenters). This was an average increase of 10.5 percent for each city.
- Increases of *taxable retail sales* for *other retail outlets* two years after the opening of the Walmart Supercenter averaged over \$124.1 million compared to the year prior to the opening for all locations (with available date) opened more than one year (seven supercenters). This was an average increase of 16.8 percent for each city. Increases of taxable retail sales for *other retail outlets* three years after opening averaged over \$204 million (three locations), with an average increase of 30.4 percent per city.
- When combined, city-wide *taxable retail sales* and *other retail outlets* (“total taxable retail sales”) one year after the opening of the Walmart Supercenter increased by an average of \$157 million when compared to the year prior to the opening (15 supercenter locations). The *total taxable retail sales* increased even more dramatically after two years to an average of \$271.6 million per city (seven supercenter locations). After three years, *total taxable retail sales* increased even further to an average of \$410.3 million per city (three locations).
- In 18 of the 21 communities, the number of *retail business permits* increased in the year following the opening of the Walmart Supercenter when compared with the year prior to the opening. The average increase in the number of *retail business permits* was 32.7 per community. Slight declines occurred in Gilroy (from 516 to 508), Palm Desert (from 1446 to 1388) and Palm Springs (from 881 to 803). However, these were offset in those communities by sizeable gains in *retail business permits* two years following the opening of the Walmart Supercenter – Gilroy (up to 517) and Palm Springs (up to 840).
- In nine out of 10 communities, the number of *retail business permits* increased two years following the opening of the Walmart Supercenter when compared with the year prior to the opening. The average increase was 65.8 *retail business permits* per city. This is double the increase after only one year and reflects a total increase of 658 new *retail business permits* across 10 cities and an average increase of 8.2 percent per city. Additionally, the number of *retail business permits* increased three years following the opening in all three communities, nearly doubling again to an average of 130.3 *retail business permits* per city or a 15.7 percent increase.

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- Regardless of the population, all California communities which opened a Walmart Supercenter also enjoyed sizeable gains in city-wide *taxable retail sales*. Cities with populations over 50,000 had an average increase of \$91 million; cities with populations under 50,000 had an average increase of more than \$64.2 million; and cities with populations under 25,000 had an average increase of more than \$34.4 million.
- Central Valley and Imperial Valley communities, where economic growth is historically the slowest in the state, experiences strong city-wide *taxable retail sales* gains after the opening of Walmart Supercenters. From the north to the south through the Central Valley, Anderson has seen an increase of \$51.2 million or 37 percent; Marysville—\$8.9 million or 6.6 percent; Yuba City—\$35.2 million or 7.9 percent; Dixon—\$27.8 million or 17.4 percent; Stockton—\$122.3 million or 21.4 percent; Dinuba—\$49.9 million or 12.8 percent and Hanford—\$32.4 million or 10 percent. In addition, the Imperial Valley cities of Calexico and El Centro have seen increases of \$38.5 million or 18.4 percent and \$61.8 million or 16.1 percent respectively. Just as impressive, all of the aforementioned communities also experienced a gain in the number of *retail business permits* over the same period.

The study, commissioned by Wal-Mart, reviewed the 21 California Walmart Supercenters in operation between 2003 and 2007. The Walmart Supercenters are based throughout the state from Shasta to Imperial County. To access the full report, please visit <http://walmartstores.com/FactsNews>.

#### **About Wal-Mart Stores, Inc. (NYSE: WMT)**

Wal-Mart Stores, Inc. operates Walmart discount stores, supercenters, Neighborhood Markets and Sam's Club locations in the United States. The Company operates in Argentina, Brazil, Canada, China, Costa Rica, El Salvador, Guatemala, Honduras, Japan, Mexico, Nicaragua, Puerto Rico and the United Kingdom and, through a joint venture, in India. The Company's common stock is listed on the New York Stock Exchange under the symbol WMT. More information about Wal-Mart can be found by visiting [www.walmartstores.com](http://www.walmartstores.com). Online merchandise sales are available at [www.walmart.com](http://www.walmart.com) and [www.samsclub.com](http://www.samsclub.com).

#### **About Lon Hatamiya**

Lon Hatamiya provides international, national and regional economic analysis and expert testimony as a Director at Navigant Consulting. He has testified over a hundred times before the WTO, U.S. Congress, California Legislature, and all levels of courts, boards and commissions on a wide variety of issues. He served as Secretary of the California Technology, Trade and Commerce Agency, as well as Administrator of the Foreign Agricultural Service at USDA. He serves as a lecturer at the UC Davis School of Law, and at the University of Denver International Studies Program. Mr. Hatamiya previously served as an adjunct professor at the UC Davis Graduate School of Management.

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