THE PHONY PHILANTHROPY OF THE WALMART HEIRS
How the Richest Family in America Uses Their Private Foundation to Mislead the Public and Increase Their Wealth

@Walmart1Percent Walmart1Percent.Org

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WALTON FAMILY “PHILANTHROPY”: A Distraction from the Walmart Economy

Americans believe in the power of charitable giving. Eighty-eight percent of American households give to charity, contributing more than $2,000 per year on average.1 Despite their charitable inclinations, most American families, acting on their own, lack the financial resources to make a significant impact on the problems facing our society. The Walton family, majority owner of Walmart, is a notable exception. As members of the richest family in the United States, the Waltons have $140 billion at their disposal—enough wealth to make a positive mark on the world and still leave a fortune for their descendants.

The Waltons certainly wish to be seen as a force for good. Their company claims to help people “live better” and the Walton Family Foundation mission statement speaks of “creating opportunity so that individuals and communities can live better in today’s world.”2 But that mission statement seems ironic, given that many of the most acute challenges facing American families in 2014 could rightfully be viewed as symptoms of our “Walmart economy,” characterized by rising inequality and economic insecurity. Fifteen percent of Americans, more than 46 million people, now live beneath the official federal poverty line.3 Millions more are relegated to low-wage,4 part-time5 jobs and struggling to make ends meet, just one paycheck or health emergency away from crisis. Between 2009 and 2011, nearly one-third of Americans fell below the poverty line for at least two months.6

When it comes to the declining fortunes of America’s working families, the Waltons (who own a majority of Walmart shares, have three seats on the company’s board of directors, and hold the chairmanship) have not been innocent bystanders. Under their ownership, Walmart’s relentless cost-cutting has helped to fuel the offshoring craze7 and reduce retail wages here at home.8 By Walmart’s own inadvertent admission, more than half of its US employees, as many as 825,000 workers, live on less than $25,000 per year.9 The company intensified its hiring of temporary workers last year, while continuing to deny full-time hours to many employees who want them.10 Further, Walmart is so big and such an aggressive competitor that it now sets the standard for much of the service sector. The “Walmart economy” is more than just a populist slogan—the fastest growing jobs during the present economic recovery are low-wage retail jobs,11 and that trend that is projected to persist into the future.12

Walmart and the Waltons have faced persistent criticism over the negative impacts of Walmart’s business model.13 And the fact that six heirs to Walmart co-founders Sam and Bud Walton14 have as much wealth as 42% of American families combined15 has become a well-known symbol of an economy tilted toward the 1 percent. Last fall, Gawker christened the Waltons “the greediest family in the world.”16 Former Secretary of Labor Robert Reich recently called Walmart “the poster child for low wages and lousy benefits.”17

The Waltons have responded to rising criticism, in part, by seeking to present themselves as generous philanthropists, dedicated to using the Walton Family Foundation to create opportunities for the disadvantaged.18 This report will show that, if giving to the Walton Family Foundation is
their primary way of practicing charity, then the Waltons are hardly philanthropists. When we analyzed the Foundation’s tax returns, even we were surprised by three facts that would appear to completely undermine the Waltons’ claim to that designation:

■ One, the Walmart heirs have given surprisingly little of their own wealth to the foundation that bears their name—their combined contributions equal just .04% of their present net worth;

■ Two, the Waltons have used the tax-exempt Walton Family Foundation as part of a wealth management strategy to reduce or eliminate estate taxes on the inter-generational transfer of Walton family wealth; and

■ Three, the Foundation’s assets and grant-making are actually rather modest compared to the Waltons’ wealth.

Before we go into those findings in greater detail we want to take a step back in order to begin the discussion from another important fact: if they wanted to, the Waltons could be the most generous philanthropists in America, and probably the world.

### Overview: The Phony Philanthropy of the Walmart Heirs

<table>
<thead>
<tr>
<th>Name</th>
<th>Notes</th>
<th>Net Worth (2/2014)</th>
<th>Contributions to Walton Family Foundation</th>
<th>% of Net Worth Contributed</th>
<th>% of Total Contributions to the Foundation</th>
<th>Last Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rob Walton</td>
<td>Walmart Chairman Co-owner, Arvest Bank</td>
<td>$34.2B</td>
<td>ZERO</td>
<td>ZERO</td>
<td>ZERO</td>
<td>Never</td>
</tr>
<tr>
<td>Alice Walton</td>
<td>Owner, Rocking W Ranch Former investment banker</td>
<td>$34.3B</td>
<td>ZERO</td>
<td>ZERO</td>
<td>ZERO</td>
<td>Never</td>
</tr>
<tr>
<td>Jim Walton</td>
<td>Co-owner &amp; CEO, Arvest Bank; Walmart Director</td>
<td>$34.7B</td>
<td>$3M</td>
<td>.01%</td>
<td>0.06%</td>
<td>1998</td>
</tr>
<tr>
<td>Walton Enterprises, LLC</td>
<td>Family holding company controlled by Rob, Jim, and Alice; Owns 1.6B Walmart shares</td>
<td>N/A</td>
<td>$3.4M</td>
<td>N/A</td>
<td>0.07%</td>
<td>2005</td>
</tr>
<tr>
<td>Christy Waltonc</td>
<td>Widow of John Walton (Inherited John’s interest in Walton Enterprises)</td>
<td>$36.7B</td>
<td>$ 52.02M</td>
<td>.14%</td>
<td>1.07%</td>
<td>2012</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$139.9B</strong></td>
<td><strong>$58.5 M</strong></td>
<td><strong>.04%</strong></td>
<td><strong>1.21%</strong></td>
<td><strong>N/A</strong></td>
</tr>
</tbody>
</table>

Table 1. Overview: The Phony Philanthropy of the Walmart Heirs

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* Contributions derived from Walton Family Foundation annual tax returns (IRS Form 990-PF); excludes the years 1987, 1994, and 1995, for which we were unable to obtain tax returns; activity of the Foundation in its founding year, 1987, was minimal.

* Includes contributions by Christy’s late husband, John, and her son, Lukas.
THE WALMART HEIRS: Rich Enough to Make a Difference

The four Waltons who are the focus of this report include Rob, Jim and Alice—the three surviving children of Walmart co-founder Sam Walton (d. 1992) and his wife, Helen (d. 2007) — and Christy, widow of Sam and Helen’s son, John (d. 2005). The Walmart heirs’ combined $139.9 billion fortune originates from the massive stake in Walmart that they received, partly as gifts and partly as an inheritance, from Sam and Helen Walton. Rob, Jim, and Alice Walton control their Walmart shares through the family holding company, Walton Enterprises, LLC, which also oversees other parts of the Walton family business empire, and helps to manage the Walton Family Foundation.

When their brother, John Walton, died in 2005, their sister-in-law Christy inherited his ownership interest in Walton Enterprises (but not his voting rights). The Waltons are not just passive owners of Walmart. Rob Walton has been chairman of the company’s board of directors since 1992 and Jim Walton has served as a director since 2005. Rob’s son-in-law, Greg Penner, also serves on the board.

The Waltons are the richest family in the United States, and they keep getting richer. This year, Walmart will pay Rob, Jim, Alice, and Christy Walton $3.16 billion in dividends. To put this number in perspective, the Waltons will see more than $8.6 million in dividends every single day of the year. Meanwhile, Walmart workers struggle to get by on an average wage of $8.81 per hour. Thus, Walmart offers a stark contrast between the wealth of one family and the poverty of a massive low-wage workforce.

The Walton Family Foundation is a heavyweight in the world of non-profits—with nearly $2 billion in assets it is one of just 56 private foundations in the country that exceeds the $1 billion mark. Still, the Foundation’s holdings are equivalent to less than 1.5% of the Waltons’ $139.9 billion net worth. Over the course of its entire 26-year existence, the Foundation has spent about $3.56 billion on the causes it supports. During that same period, the Waltons’ wealth grew by more than $93 billion and the Walmart heirs received an estimated $17.1 billion in Walmart dividends. With this kind of wealth, the Waltons could easily afford to support good jobs for Walmart employees and give generously to the family foundation. But they don’t.
HAVING A FOUNDATION DOES NOT MAKE THE WALTONS PHILANTHROPISTS

Even die-hard critics of Walmart’s business practices tend to give the Waltons the benefit of the doubt when it comes to their philanthropic pursuits. Because the idea of Walton generosity has been widely circulated, public debate over the family’s philanthropic activities has often focused on the question of whether their charitable work in some way mitigates the negative societal impacts of Walmart’s business practices. Accordingly, a writer at Nonprofit Quarterly recently asked, “Does the philanthropic largess of the Walton family insulate them from blame for the perceived injustices their Walmart chain inflicts on society?” This question seems reasonable enough, even provocative, in a good way. Unfortunately, the premise that the activities of the Walton Family Foundation reflect the Walton family’s largess is factually incorrect. It is a myth that has been perpetuated by the Waltons themselves and accepted at face value—until now.

If a philanthropist is “a person who seeks to promote the welfare of others, especially by the generous donation of money to good causes,” then the Waltons are not philanthropists, at least not when it comes to their own family foundation, the primary philanthropic entity with which they have been publicly associated. Simply put, the Waltons do not contribute generously to their family foundation. Instead, they fund it almost entirely with income generated by special trusts—trusts that are designed to help the family avoid estate taxes on money left behind by deceased relatives. When we discuss the Waltons’ management of the Walton Family Foundation, then, we are not talking about philanthropy in the conventionally understood sense of that term; we are talking about a strategic effort by America’s richest family to preserve, increase, and pass down unearned wealth.
The central finding of this report is simple: Our analysis of 23 years’ worth of the Walton Family Foundation’s tax returns shows that Rob, Jim, Alice and Christy Walton—the second generation Walmart heirs—have contributed *almost none* of their personal fortune to the foundation which bears their family name.33

**Specifically:**

- Rob and Alice Walton made *zero* individual contributions to the Foundation during the 23 years we examined;
- Jim Walton made a single personal contribution of $3 million to the Walton Family Foundation, more than 15 years ago;34
- Rob, Jim, and Alice Walton and the family holding company they control (Walton Enterprises) have been responsible for only .13% of all contributions to the Walton Family Foundation ($6.4 million);
- Among the second generation Walton heirs, it is the in-law, Christy, who has been responsible for the largest share of contributions to the Foundation;35
- The four Walmart heirs and Walton Enterprises combined have been responsible for only 1.2% of all contributions to the Walton Family Foundation.

The combined lifetime contributions of the second generation Walmart heirs and their family holding company to the Walton Family Foundation come to $58.49 million, or:

- About .04% of the Waltons’ net worth of $139.9 billion;
- About .34% of the estimated $17.1 Billion in Walmart dividends that Rob, Jim, Alice and Christy received during the years we analyzed;
- Less than one week’s worth of the Walmart dividends the Waltons will receive this year;
- Less than the estimated value of Rob Walton’s collection of vintage sports cars.

This raises a question: “If the Waltons don’t personally fund the Foundation, who or what does?” The simple answer to this question is that the Foundation has been funded primarily by trusts established with assets provided by the late Sam, Helen, and John Walton or their estates. A careful examination of the way these trusts work further undermines the philanthropic credentials of the Walmart heirs, an issue to which we turn in the next section of this report.
The Waltons game the rules governing tax-exempt organizations by taking advantage of loopholes in the tax code to finance their foundation with special tax-avoiding trusts. Perhaps this should not be surprising, given that the Walton family previously backed failed efforts to permanently repeal the estate tax.\(^4\) Still, it seems like something is wrong with the system when the Waltons, who do not even use their own wealth to fund their private foundation, are likely to end up richer than they would otherwise be as a result of their “charitable” activities.

The Walmart heirs have built one of the largest and most powerful private foundations in the country—at almost no cost to themselves. They have done so with the assistance of financial experts who manage the family holding company, Walton Enterprises, and the Walton Family Foundation with a keen eye toward maximizing the family’s wealth. In addition, the Waltons are exploiting complex loopholes in the tax code in order to avoid billions of dollars in estate taxes by funding their Foundation with special trusts.

**Contributions to the Walton Family Foundation**

<table>
<thead>
<tr>
<th>Source of Contributions to the Walton Family Foundation</th>
<th>$ MILLIONS</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam and Helen Walton and Trusts Established by Sam, Helen, and John or their Estates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 Trusts Designed for Estate Tax Avoidance (see Section 4)</td>
<td>3,077.64</td>
<td>63.47%</td>
</tr>
<tr>
<td>Helen Walton (d. 2007)</td>
<td>548.9</td>
<td>11.32%</td>
</tr>
<tr>
<td>Other Trusts Established by Helen Walton (d. 2007)(^{a})</td>
<td>968.84</td>
<td>19.98%</td>
</tr>
<tr>
<td>Other Trusts Established by Sam Walton (d. 1992)(^{b})</td>
<td>194.59</td>
<td>4.01%</td>
</tr>
<tr>
<td><strong>Sam, Helen and Trusts Total</strong></td>
<td><strong>4,782.97</strong></td>
<td><strong>98.79%</strong></td>
</tr>
<tr>
<td>Second Generation Walmart Heirs and Walton Enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rob Walton</td>
<td>ZERO</td>
<td>ZERO</td>
</tr>
<tr>
<td>Alice Walton</td>
<td>ZERO</td>
<td>ZERO</td>
</tr>
<tr>
<td>Jim Walton</td>
<td>3.04</td>
<td>0.06%</td>
</tr>
<tr>
<td>Walton Enterprises (Walton family holding company)</td>
<td>3.43</td>
<td>0.07%</td>
</tr>
<tr>
<td>Christy Walton (including John and Lukas)</td>
<td>52.02</td>
<td>1.07%</td>
</tr>
<tr>
<td><strong>Walmart Heirs and Walton Enterprises Total</strong></td>
<td><strong>58.49</strong></td>
<td><strong>1.21%</strong></td>
</tr>
</tbody>
</table>

\(^{a}\) Trusts active between 1989 and 2007

\(^{b}\) Trusts active between 1989 and 2003

Rather than use their own wealth to support the family's philanthropic activities, the Walmart heirs channel funds to the Walton Family Foundation through 21 Charitable Lead Annuity Trusts (or CLATs) that were established with the assets left behind by the late Helen and John Walton. As Bloomberg News reporter Zachary Mider has explained in great detail, CLATs are specifically designed to help ultra-wealthy families avoid gift and estate taxes that would otherwise be imposed on the inter-generational transfer of wealth. According to Mider, the Waltons are the largest users of CLATs. We found that these trusts have provided more than 99% of the Foundation’s contributions since 2008.

The Walton CLATs had assets of about $8.8 billion at the end of 2012—more than 4 times the Foundation itself. During the life of these trusts, a portion of the income they earn (dividends and capital gains, primarily) must go to the Walton Family Foundation. When the trusts expire, however, their underlying assets, along with any income earned above the amount required to go to the Foundation, will revert to the trusts’ non-charitable beneficiaries, presumably second or third generation Walmart heirs. The non-charitable beneficiaries of the trusts will likely receive these trust assets entirely free of estate taxes—a tax savings that Americans for Tax Fairness (ATF) estimates will come to about $3 billion. According to ATF, the Walmart heirs could use the same strategy to transfer their wealth to the next generation of Waltons, thereby avoiding “tens of billions of dollars in additional gift or estate taxes while providing a massive windfall of unearned wealth...”

While the Walton CLATs have been responsible for almost all contributions to the Foundation since 2008, about $1 billion in contributions between 1989 and 2007 came from several other trusts that had been established by Sam and Helen Walton (generally, a variety known as Charitable Remainder Annuity Trusts, or CRATs). Although we have been unable to obtain the documents that would allow us to analyze these trusts in detail, it is likely that they, too, provided substantial tax benefits to Sam and Helen Walton and/or their heirs.

The Walton Family Foundation and the trusts that fund it are best understood as yet another outpost in the vast Walton family business empire. They are designed to secure and increase the family’s wealth and improve their public image, while taking advantage of the Foundation’s tax-exempt status to advance causes and public policies that are consistent with the family’s public relations concerns, business interests, and conservative worldview.

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**Walton Family Foundation Board of Directors**

**Children of Sam and Helen Walton**

Rob Walton  
Jim Walton  
Alice Walton

**Grandchildren of Sam and Helen Walton**

Sam R Walton  
Carrie Walton Penner  
Benjamin Walton  
Alice Walton Proietti  
Steuart Walton  
Thomas Walton  
Lukas Walton  
James Walton

Source: Walton Family Foundation, IRS Form 990 (2012)
NOT EVEN IN THE BALL PARK: Walton Philanthropy in Comparative Perspective

With respect to their own family foundation, we have seen that the Waltons’ charitable giving is negligible, relative to the Foundation’s assets and their personal wealth. But how do the Waltons stack up against their fellow Americans as philanthropists? If the Walton Family Foundation is their primary vehicle for philanthropy, the Waltons are far less generous than most Americans when it comes to charitable giving; and that’s the case whether they are compared with today’s most celebrated billionaire philanthropists, garden variety millionaires, or just ordinary, middle-class Americans.49

America’s most notable contemporary philanthropists are probably Microsoft founder Bill Gates and investing legend Warren Buffett, who are currently the #1 and #2 Americans on the Forbes billionaires list.50 Gates and Buffett collaborate in their philanthropic activities and both serve on the board of the Bill & Melinda Gates Foundation, which is their primary vehicle for charitable giving. Gates, who is worth $77 billion,51 had reportedly contributed $28 billion to his Foundation as of early 2011.52 He has indicated that he intends to leave a relatively modest $10 million inheritance to each of his children.53 Warren Buffett has pledged to give about 85% of his wealth, which currently stands at $65 billion, to charity. As of late 2012, Buffett had donated about $17.5 billion to the Gates Foundation.54

Gates’ and Buffett’s $45.5 billion in combined charitable giving to date far exceeds that of the Waltons, assuming that the bulk of the Waltons’ charitable giving is to their family foundation. They also outpace the Waltons dramatically when it comes to making grants from their respective foundations. In 2012 alone, the Gates Foundation spent $3.89 billion on charitable activities.55 That’s about $30 million more than has been spent by the Walton Family Foundation over the course of its entire existence, from 1987 to 2012.56

In addition to being prolific donors and grant-makers themselves, Gates and Buffett initiated the “Giving Pledge”—a campaign that encourages their fellow billionaires to give away more than half their wealth during their lifetime, or in their will.

If the Waltons are no match for Bill Gates and Warren Buffett, how do they compare to the founding fathers of American philanthropy, men whom they might otherwise recognize as

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Figure 2. Billionaire Philanthropy: The Walmart Heirs, Bill Gates, and Warren Buffett

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Billionaire Philanthropy

<table>
<thead>
<tr>
<th></th>
<th>% of net worth contributed to related charitable foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walmart Heirs</td>
<td>0.04%</td>
</tr>
<tr>
<td>Bill Gates</td>
<td>36.2%</td>
</tr>
<tr>
<td>Warren Buffett</td>
<td>26.9%</td>
</tr>
</tbody>
</table>
kindred spirits? Like the Waltons today, John D. Rockefeller (d. 1937) and Andrew Carnegie (d. 1919) were known as single-mindedly profit-oriented capitalists, with little regard for their own workers. When it came to charity, however, their estimated combined giving equaled more than 2,000 times the Walmart heirs’ personal contributions to the Walton Family Foundation. Oil tycoon John D. Rockefeller was America’s first billionaire. He accumulated a fortune that would have been the equivalent of $192 billion in 2007, and reportedly gave away about one-third of it between 1855 and 1934. Carnegie sold his steel company in 1901, retired from business, and gave away most of his wealth by the time he died in 1919; it is estimated that his fortune would have been equivalent to $75 billion in 2007.

One last measure of the Waltons’ relative generosity is the share of their income that they contribute to charity. While it is possible that the some or all of the Waltons give to charitable entities other than the Walton Family Foundation, we did not find evidence of major, sustained, giving by the Waltons to other charitable organizations (see Notes on Data and Methodology, at the conclusion of this report). If the Walton Family Foundation is their primary mechanism for giving, the Waltons give much less generously than both their wealthy peers and more typical American households.

According to The Chronicle of Philanthropy, middle-income earners (earning $50K to $99K) contribute six percent of their discretionary income to charity. During the 23 years for which we have data, the Walmart heirs contributed $58.49 million to the Walton Family Foundation—just .34% of the estimated $17.1 billion in Walmart dividend income they received in the same period (and the Waltons likely had substantial investment income from other sources as well).

A recent study of households with at least $1 million in assets found that they give an average of 8.7% of their annual income to charity. If the Waltons had given to the Walton Family Foundation at this rate, they would have contributed $1.49 billion over the period we analyzed—almost 26 times

**Contributions to related charitable foundation**
*Bill & Melinda Gates Foundation | **Walton Family Foundation

Figure 3. Lifetime Giving: Bill Gates, Warren Buffett, Walmart Heirs

**Percent of income contributed to charity**
*Contributions to Walton Family Foundation only

Figure 4. Percent of Income Contributed to Charity
their actual giving. Another recent study found that families worth $100 million or more give 57% of their income to charity. To match that rate, the Waltons would have had to donate $9.7 billion during the years we analyzed—166 times more than their actual giving.

The Waltons seem to consider themselves philanthropists, but it is not at all clear why they should—unless having their name on a foundation is sufficient to qualify for that title. When it comes to their own family foundation, the Waltons fail miserably as philanthropists, compared to the standard set by their billionaire peers and middle class Americans—and relative to their almost unlimited means.

**Figure 5.** Walmart Heirs: Walmart Dividends vs. Contributions to the Walton Family Foundation (excluding 1994-1995)
Rob, Jim, Alice and Christy Walton inherited, or were gifted, control of Walmart and a fortune that is now worth $140 billion. They have enough wealth and power to literally change the world. And they need never worry about their financial well-being or that of their descendants. Yet, these Walmart heirs have so far chosen to use their enormous wealth and power primarily in order to accumulate more wealth and power. Whether we are talking about the way they run Walmart or the way they run the Walton Family Foundation, their shortsightedness and greed are remarkable.

The Waltons have used their foundation as a wealth management strategy and as a shield against public criticism over their role as owners of Walmart—the largest low-wage employer in the United States. We believe this report is an important step in helping Americans to see through the Waltons’ phony philanthropy.

While the Waltons sit on the greatest family fortune in America and collect $8.6 million per day in Walmart dividends, Walmart workers struggle to get by on average pay of $8.81 per hour. Many of them are forced to rely on public assistance to care for their families. Through the Organization United for Respect at Walmart (OUR Walmart) some of these workers have been calling on Walmart to publicly commit to very modest improvements, such as a $25,000 annual wage, more full-time jobs for those who want them, and respect for workers’ dignity and legal rights.

In response, the company illegally threatened, disciplined, and fired workers who spoke out, according to a complaint issued by the National Labor Relations Board General Counsel.

The Waltons are unquestionably the decision-makers at Walmart. They could snap their fingers tomorrow and bring change to the company. They could take actions that would begin to give the phrase the “Walmart Economy” a whole new meaning. While the Waltons are at it, they could choose to give up on the tax-dodging trusts and begin to actually practice philanthropy. If the Waltons took such bold steps we believe they would find that it’s a lot easier to improve their image by actually doing good in the world than by trying to fake it.
NOTES ON DATA AND METHODOLOGY

Data sources
The findings in this report are based on publicly-available information, reported on the annual tax returns of the tax-exempt Walton Family Foundation (IRS Form 990-PF) and certain trusts controlled by members of the Walton family (IRS Form 5227), as well as forms filed with the Securities and Exchange Commission by Wal-Mart Stores, Inc. (including the 10-K or Annual Report, and the DEF 14A or Proxy Statement). As a private foundation, the Walton Family Foundation is required by law to report the names of its donors and the amount contributed. With the information obtained from these publicly available sources we have been able to construct a near complete picture of Walton family members’ giving to the Walton Family Foundation as well as an estimate of the Waltons’ income from Walmart dividends.

Limitations due to missing data
The Walton Family Foundation was founded in 1987. We were able to obtain tax returns (IRS Form 990-PF) for the Foundation for 23 out of 26 years: 1988 through 1993, and 1996 through 2012. The Foundation did very little business in 1987 (according to its 1988 tax return, the Foundation spent only $30 on charitable purposes in 1987, and had only $970 in assets at the beginning of 1988). Similarly, it does not appear likely, based on a review of the Foundation’s 1993 and 1996 tax returns, that the organization received contributions in the intervening years that would have been large enough to alter the basic findings of this report, had those contributions come from one or more of the four Walmart heirs. However, because we are missing tax returns for 1987, 1994, and 1995, it is possible that our analysis fails to capture every contribution made by one of the Walmart heirs to the Foundation.

Limitations due to possible understatement of charitable contributions
Throughout this report, we focus on the Walton Family Foundation as the primary vehicle for charitable giving by Rob, Jim, Alice and Christy Walton. However, some or all of the Waltons may make charitable contributions to other entities. To the extent that that is so, the findings in this report will underestimate their total charitable giving. Unlike private foundations such as the Walton Family Foundation, public foundations are not required to publicly report the names of all their donors. It is therefore impossible to quantify the extent of giving by the Waltons to such entities.

We consulted the best available sources in order to assess whether outside charitable giving by the Waltons might rise to a level sufficient to contradict our findings. We did not find evidence of major, sustained, giving by the Waltons to other charitable organizations. We reviewed the list of top 50 American contributors to charitable organizations compiled annually by The Chronicle of Philanthropy since 2000. None of the Walmart heirs who are the focus of this report appeared on the “Philanthropy 50” list during any year from 2000 to 2013. We also queried The Chronicle of Philanthropy’s online database of “America’s Top Donors,” which lists reported charitable contributions of $1 million or more from 2005 to the present. In this database, we found a single $4 million contribution from Christy Walton and the estate of her late husband, John, to the International Community Foundation (ICF) in 2007. It has been reported elsewhere that Christy contributed her former home and garden in National City, California to the ICF. She has reportedly also contributed to the San Diego Zoological Society and the Mingei International Museum. Alice Walton has given $2.6 million to the Crystal Bridges Museum of American Art, which is primarily funded by the Walton Family Foundation.

Limitations due to possible understatement of Walton income
This report uses an estimate of Walmart dividends paid to Walton Enterprises as a proxy for income received by the Rob, Jim, Alice and Christy Walton. This figure underestimates their income because the Waltons are known to own other income-producing assets.
REFERENCES


16 This includes dividends paid to Rob, Jim, Alice and Christy individually, and through their interest in the family holding company, Walton Enterprises, LLC. Our calculation is based on Walton family share ownership reported on Walmart’s 2014 Proxy Statement (SEC Form DEF 14A) available from: http://www.sec.gov/Archives/edgar/data/104168/000104168719400196/lwmt2014_def14a.htm, and Walmart’s declared FY 2015 dividend of $1.29 per share. For the dividend declaration, see: Wal-Mart Stores, Inc., “Wal-Mart raises annual dividend to $1.29 per share, representing the 41st consecutive year of dividend increases” (February 20, 2014). http://invest.walmartstores.com/ archive/2014/02/20/walmart-raises-annual-dividend-to-1-29-per-share-repre senting-the-41st-consecutive-year-of-dividend-increases.


18 See Endnote 19

19 Walton Family Foundation, IRS Form 990 (Various Years). The figure for distributions includes all years from 1987 through 2012.

20 “Forbes 400 List” (1987). Available from: http://articles.latimes.com/1987-10 12/business/hi-13869_1_realestate. In 1987, the Walton’s wealth was held by Wal-Mart founder Sam Walton and his brother, Walton co-founder James “Bud” Walton. Sam’s net worth was $3.5 billion and Bud’s was $400 million.

21 We calculated this dividend figure from Walmart Enterprises share ownership data reported in Walmart Proxy Statements and dividend payments reported in Walmart’s Annual Reports. During this period, the Walton’s family stake in Walmart has ranged from 38% to 51%. We calculated dividend payments to the Walton heirs’ (second generation) by multiplying share own- ership by the total dividend payment for each year. For years 1988 through 2007 (the year in which Helen Walton died), we assigned 80% of Walton Enterprises dividends to the second generation; after 2007, we assigned 100% of Walton Enterprises dividend payments to the Second Generation. Because some members of the family own Walmart shares individually, in addition to the shares owned through Walmart Enterprises, our calculations slightly underestimate those paid to our calculations. Additionally, because some members considerably understate total Walmart family income because the Waltons certainly own considerable income-generating assets other than Walmart. Walmart dividend payments are reported on the company’s Proxy Statement, SEC Form DEF 14A. Proxy Statements for years 1995 to present are available at: http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000104168&type=DEF+14A&dateb=&owner=exclude&count=40

22 Because some members considerably underestimate total Walmart family income because the Waltons certainly own considerable income-generating assets other than Walmart. Walmart dividend payments are reported on the company’s Annual Report, SEC Form 10-K. Annual reports for years 1995 to present are available at: http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000104168&type=DEF+14A&dateb=&owner=exclude&count=40


34 NCES Data Web.

Walmart1Percent.Org
33 See Notes on Data and Methodology at the conclusion of this report. The findings presented in this report are derived from an original analysis of 23 out of 26 years’ worth of tax returns filed by the Walton Family Foundation between 1987 and 2012. Although we were unable to obtain returns for 1987, 1994 and 1995, we do not believe the data for those years would alter the basic picture which emerges from this analysis. The Foundation was established in 1987 and had $5,000 in assets at the end of 1988.

34 Jim Walton’s contribution was in 1998.

35 If we include contributions by her son, Lukas, and her late husband, Christy has contributed about $52.2 million to the Foundation.

36 See Endnote 19

37 See Endnote 28

38 See Endnote 23


41 We See Endnote 32.

42 In order to calculate the trusts’ asset levels, we analyzed their most recent annual tax returns (IRS Form 5227), which are subject to public inspection upon request to the Internal Revenue Service.

43 CLATs are typically structured to last from 15 to 25 years.


46 Ibid


49 We offer a caveat here: Because we do not know the extent to which the Waltons give to charitable causes other than their own Foundations, these numbers likely underestimate their charitable giving to some extent. However, we believe it is reasonable to assume that the Walton Family Foundation is the primary vehicle through which the Waltons contribute to charity, and we have no reason to believe otherwise.


51 Ibid

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