



Slavery Alert: Consumer Poll, United States¹

*Findings from research examining how
American consumers would act with regards to
products made with modern slavery.*



**WALK FREE
FOUNDATION**

Executive Summary

- The Global Slavery Index estimates that modern slavery affects some 35.8 million people around the world.² Globally, different forms of modern slavery find their way into the supply chains of many consumer products, whether fresh food, electronics or textiles and clothing.
- Walk Free Foundation undertook a survey of US consumers to understand if they would be willing to act – through switching brands or paying higher prices - to avoid modern slavery in the products they buy.
- The survey was nationally representative so that the results could be extrapolated to all US consumers.

- The survey results confirm that the majority of US consumers would switch brands or pay higher prices to avoid modern slavery in the products they buy.
 - 66% said they would switch products if they learnt their favourite product was made involving modern slavery (20% were not sure what they would do, 14% said they would continue buying the product). Of the people who knew how they would act (ie: they indicated they *would* or *would not* switch products), the majority (82%) would switch products.
 - 52% said they would pay more to ensure their favourite products are produced without modern slavery. Of the people who knew how they would act (i.e.: they indicated they *would* or *would not* pay more), the vast majority (71%) would pay more to ensure their favourite products were not made with modern slavery.

- Of the substantial proportion of American consumers who are prepared to pay more to ensure their products are free from modern slavery, some 46-48% are prepared to pay up to 10% more for this guarantee across food, tea and coffee, clothing and even electronics.
- These findings are particularly relevant as businesses consider implementation of the *Executive Order 13627 - Strengthening Protections against Trafficking in Persons in Federal Contracts*, and US law makers consider whether or not to introduce legislation requiring a focus on transparency in supply chains at the Federal level.

Are consumers prepared to push corporates to change their practices, through switching brands or paying more to ensure products are slavery free? The survey results suggest they are.

¹ Survey results are also available for the United Kingdom, Brazil and India.

² See further www.globalslaveryindex.org

Introduction

While many people think slavery is a thing of the past, unfortunately research – and recent cases including in the United States - confirm that modern forms of slavery still occur in 2015. Whether called forced labour, debt bondage, human trafficking, or slavery itself, modern forms of slavery persist in all countries, and many industries today, including construction, agriculture, textiles, hospitality, automobiles and electrical goods. Indeed the Global Slavery Index estimates that modern slavery affects some 35.8 million people. Within the United States itself, the 2014 Global Slavery Index estimates that some 60,100 people are living in modern slavery (0.019% of US population).

As a crime, modern slavery is typically well hidden, and perpetrated against individuals who tend to be vulnerable for a combination of individual and social reasons, whether related to their migration status, disability, gender or caste status. The hidden nature of modern slavery presents serious challenges for law enforcement but also for businesses. Within the supply chains that allow clothing to be manufactured or electronics to be assembled, the use of forced or enslaved labour in supply chains may be many tiers deep.

Just as many consumers do not want to buy products that involve cruelty to animals or environmental harm, it is likely that consumers do not want to buy products built off the back of cruelty to their fellow humans. Walk Free Foundation set out to test this, through running a nationally representative survey in several countries, including the United States, to understand shopping habits and factors impacting on purchasing decisions.

...consumers do not want to buy products built off the back of cruelty to their fellow humans...

The survey results, described below, are relevant as US legislators consider the introduction of measures that would compel companies to act on modern slavery and supply chains. While California has already legislated on this issue, and some responsible corporates already focus on this issue as part of doing business, many do not. Are consumers prepared to push corporates to change their practices, through switching brands or paying more to ensure products are slavery free? The survey results that follow suggest they are.

Consumer pressure in the United States has the capacity to potentially impact on the economic sustainability of many atrocities, whether this is forced labour in cotton production in Pakistan, slavery on fishing boats in Thailand or bonded labour in carpet weaving in Nepal. Home to 316 million people, the United States is a high income country with a Gross Domestic Product of US\$16.77 trillion and Gross National Income per capita of US\$53,470³. Consumer spending in the US is relatively strong and has remained stable since 2013, with individual spending in February 2015 averaging \$82 per day per consumer⁴. Towards the end of 2014, economic confidence in the US received its first positive ranking since 2008.⁵



3 <http://data.worldbank.org/country/united-states>

4 http://www.gallup.com/poll/181769/february-consumer-spending-level.aspx?utm_source=Economy&utm_medium=newsfeed&utm_campaign=tiles

5 <http://www.gallup.com/poll/180377/economic-confidence-index-highest-2008.aspx>

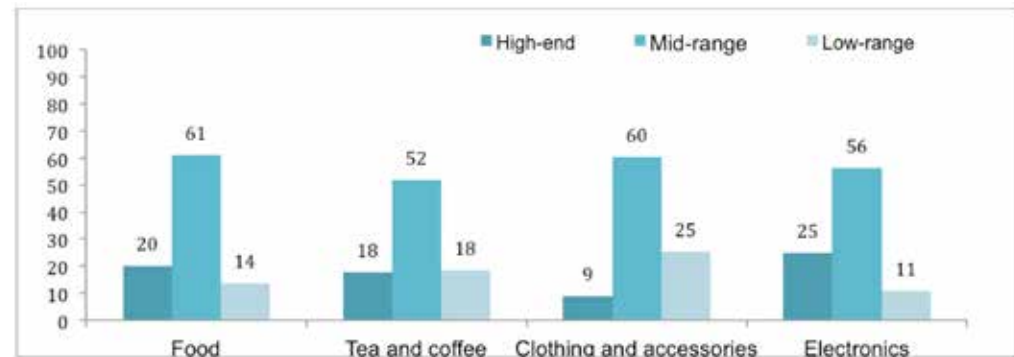
Findings

In December 2014, Walk Free Foundation surveyed almost 1000 (n=999) adults across the US, using an online survey delivered by YouGov. As the survey involved a nationally representative sample, the results can be extrapolated across all US consumers. Consumers were asked a series of questions to understand their shopping habits and purchasing decisions in relation to the freedom of the people who are making the products they buy.

First, information was sought about whether US consumers usually bought low, medium or high end products in each category. Most respondents usually purchased in the middle range, for most products tested (food, tea and coffee, clothing and accessories, and electronics, see Figure 1). This price point information is useful to compare against information sought later in the survey about purchasing decisions.

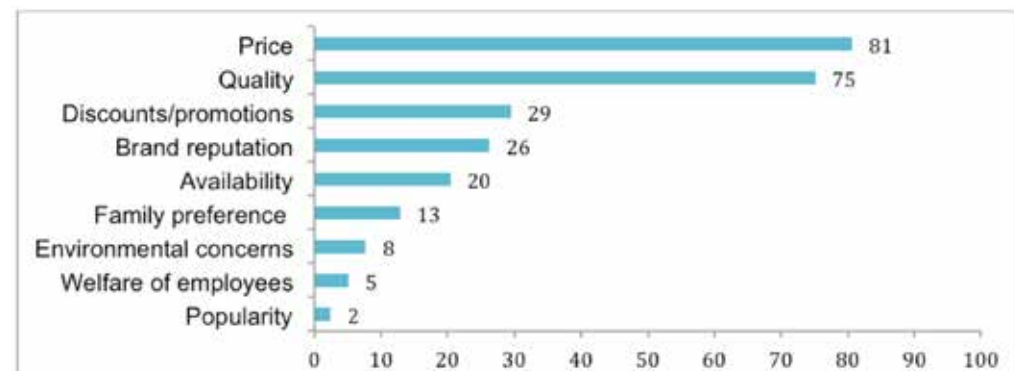


Figure 1: Purchasing break down across product categories (USA)⁶



Information was sought about what factors are important to consumers in making purchasing decisions. Of the list provided, price, quality and discounts/promotions were overwhelmingly the three most important factors. The welfare of employees was an important factor for a very small 5% of consumers (see Figure 2).

Figure 2: Factors that influence purchasing decisions (USA)

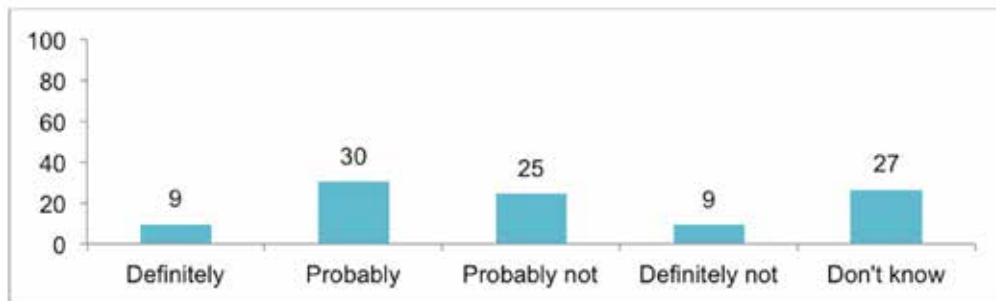


⁶ Figure 1 does not include the percentage of people who said they “don’t know”, so totals are less than 100%.

Findings

After these initial questions, respondents were provided with information about the concept of “modern slavery”. It was explained that the term “modern slavery” does not mean low paid workers but instead refers to “forced labour in factories, or farms, where people are forced to work against their will, and they cannot leave”. Following this explanation, information was sought about whether consumers think the products they buy are affected by modern slavery. Some 39% of consumers believe that the products they buy are, or are likely to be, affected by modern slavery. A further 34% did not believe this to be the case, and 27% were not sure if their products were affected by modern slavery (see Figure 3).

Figure 3: Do you think the goods that you buy are affected by modern slavery? (USA)

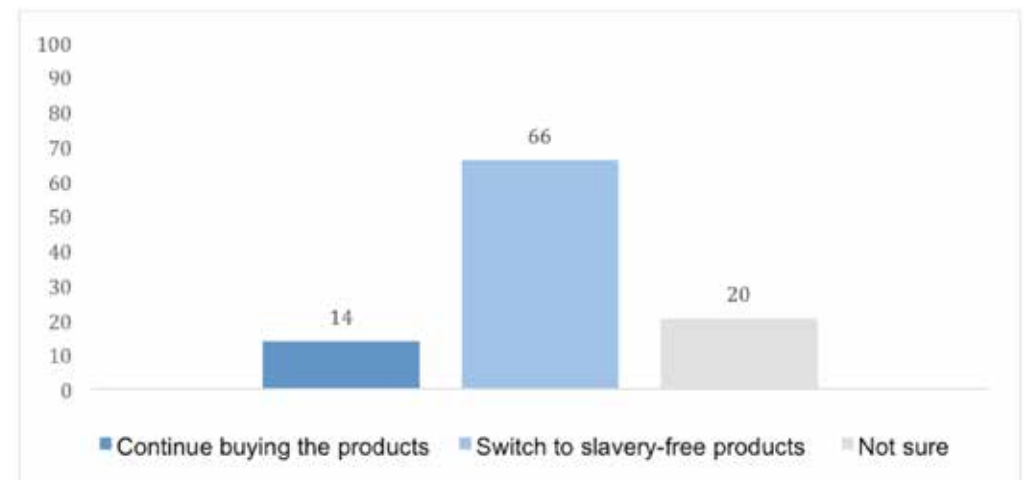


Consumers were asked what they would do if they learnt that their favourite product was made involving modern slavery:

- 66% said they would switch products if they learnt their favourite product was made involving modern slavery;
- 20% were not sure what they would do;
- 14% said they would continue buying the product (see Figure 4).

Of the people who knew how they would act (i.e.: excluding those who said they were not sure what they would do), the vast majority (82%) would switch products. Within this same group, only 18% thought price and quality were more important than modern slavery considerations when buying a product.

Figure 4: What consumers would do if they found out that their favourite products were made using modern slavery (USA)



Findings

When asked if they would be willing to pay more for their favourite products if this ensured they were produced without the use of modern slavery:

- 52% of American consumers said they would pay more to ensure products were produced without modern slavery;
- 27% were not sure;
- 21% said they would not pay more.

Of the people who knew how they would act (i.e.: excluding those who said they were not sure), the vast majority (71%) would pay more to ensure their favourite products were not made with modern slavery. The remaining 29% said they would not pay more.

Contrary to expectations, price was not a barrier to action, even for those consumers who had indicated that price was a key consideration in purchasing decisions. Of the 52% of consumers who would pay more to ensure their purchases were free of modern slavery, 78% of these had also selected price as one of the three most important factors determining purchasing decisions.

When information about usual price points (low, medium, high end) for products is compared with information about behaviour, it becomes clear that the majority of consumers across all price points, and across all consumer categories tested would take action of some form response to modern slavery.

Specifically:

- 67% of consumers who buy mainly low-price products would take action involving switching brands or paying more in response to modern slavery
- 75% of consumers who buy mainly mid-price products would take action involving switching brands or paying more in response to modern slavery
- 70% of consumers who buy mainly high-priced products would take action involving switching brands or paying more in response to modern slavery



Findings

Of the group who said they would be willing to pay more, information was sought about *how much more* they would be willing to pay, across food, tea and coffee, clothing and electronics.



Within this group, for food:

- 48% said they would be willing to pay *up to 10% more* to ensure their food is produced without use of modern slavery;
- 42% said they would be willing to pay *over 10% more*;
- 11% didn't know.⁷



For clothing:

- 46% said they would be willing to pay *up to 10% more* to ensure their favourite clothing was produced without use of modern slavery
- 42% said they would be willing to pay *over 10% more*;
- 12% said they didn't know.



For tea and coffee:

- 47% said they would be willing to pay *up to 10% more* to ensure their favourite tea and coffee is produced without use of modern slavery;
- 37% said they would be willing to pay *over 10% more*;
- 16% said they didn't know.



For electronics:

- 46% said they would be willing to pay *up to 10% more* to ensure their favourite electronics were produced without use of modern slavery
- 41% said they would be willing to pay *over 10% more*;
- 13% said they didn't know.

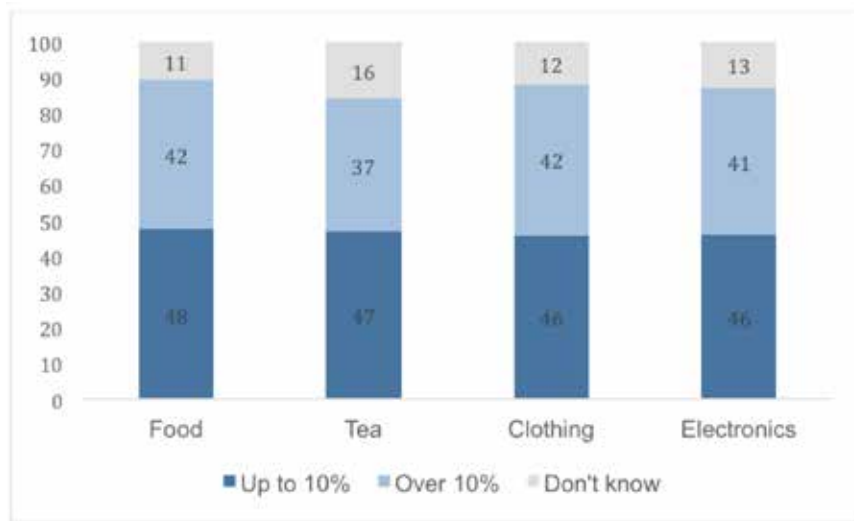
In summary, of the substantial group of American consumers who are prepared to pay more to ensure their products are free from modern slavery, some 46-48% are prepared to pay up to 10% more for this guarantee, across food, tea and coffee, clothing and even electronics. A further 37-42% are willing to pay over 10% more. (See Figure 5 - page 8)



⁷ Due to rounding, not all totals add up to 100%.

Findings

Figure 5: How much more would consumers be willing to pay to ensure products are made without slavery? (USA)



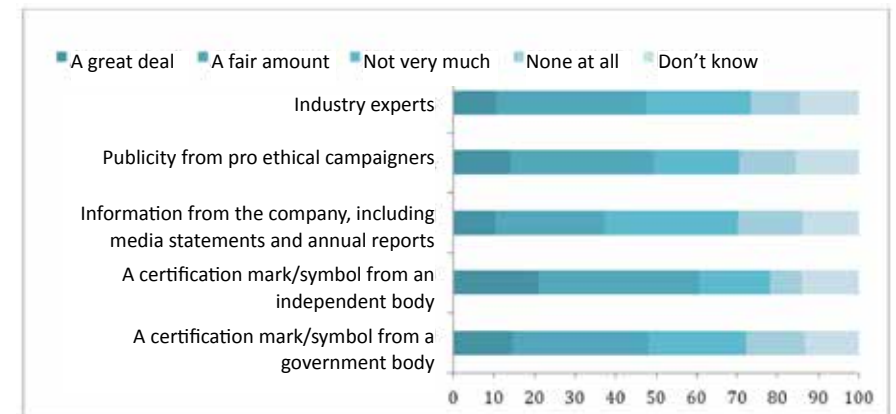
Of the group who would take action, the majority are female (54%) with fewer males (46%). Also within the group that would take action, the largest group are consumers aged over 55 years of age (37%), followed by 35-54 year olds (33%).

Do people who say they will switch products or pay more actually do so in practice? For the purposes of this survey, it was assumed that past behaviour is some indication of likely future behaviour. Accordingly, the survey asked whether consumers had previously stopped buying products after learning they did not meet their ethical expectations. Over half of American consumers indicated they had previously stopped buying from a brand/company after learning that the goods did not meet their ethical

expectations. Of this group, 85% also indicated they would act in some way to ensure they did not buy products using modern slavery (7% would not and 8% weren't sure). Among the 38% of consumers who had not previously acted on ethical standards, 66% would take some form of action to avoid goods made using modern slavery (26% would not take any action and 9% were unsure).

Consumers were asked about what sources of information they would trust to identify and guarantee products are made without modern slavery. The findings confirm that a certification mark from an independent body would be trusted more than other sources of information (Figure 6).

Figure 6: Which sources of information would consumers trust to identify and guarantee a product was made without modern slavery? (USA)



Implications

Walk Free Foundation's survey results indicate that the majority of United States consumers across all price points, and across all consumer categories tested **would take action of some form (either through switching brands and/or paying more) to prevent or respond to concerns about modern slavery. A large proportion of US consumers are willing to pay up to 10% more to be assured that their purchases are slavery free. Consumers feel that a certification mark from an independent body would be the most trusted source of verification that products are slavery free.**

These findings are particularly relevant as law makers consider whether or not to introduce legislation requiring a focus on transparency in supply chains at the Federal level. The US President has already introduced requirements for companies wanting to sell goods or services to the Federal Government (*Executive Order 13627 - Strengthening Protections against Trafficking in Persons in Federal Contracts*). While an incredibly powerful initiative, the Executive Order does not apply to businesses not contracting with the Government. At the

State level, the California *Transparency in Supply Chains Act* (SB 657) goes some way to increasing transparency by requiring companies over a certain size to report what they are doing (or not doing) on modern slavery in their supply chains. However, even the California legislation does not compel or require companies to take action to tackle this abhorrent crime, beyond reporting.

To be truly effective, such legislation needs to be national in coverage, and require companies to undertake due diligence verifiable by an independent monitor.

As legislators consider the need for such measures, it is important for political representatives to be aware of these high levels of consumer willingness to change purchasing decisions in response to concerns about modern slavery in supply chains, and to not sell US consumers short.

