

**UFCW3000**



*United Food and Commercial Workers  
Local 3000 (UFCW 3000)*

*General Teamsters  
Union Local 38*

# *Investing in Essential Grocery Store Workers*

A blueprint for workforce  
development in Washington's  
retail grocery industry

MAY 2022



**co-authors**

*Glenn Scott Davis*

*Principal, Progressive Workforce Strategies*

*Evan Woods*

*Executive Director, WeTrain Washington*

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## letter from the *UFCW 3000 president*

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UFCW 3000, a local union representing over 30,000 grocery members in Washington, Oregon, and Idaho, along with our union partners at Teamsters Local 38, sponsored this important and timely report. We are the largest private-sector union in Washington state, with over 50,000 members working in grocery, retail, healthcare, cannabis, and other industries. We are deeply committed to achieving the highest standards possible for our grocery members including living wages and good health, pension, and other benefits to support a decent standard of living, increased economic security, improved health and safety, and a better work-life balance.

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*We commissioned this report to provide a comprehensive analysis and understanding of Washington's retail grocery sector and workforce, and to provide a strategic framework for re-envisioning and transforming workforce development in the retail grocery sector to support improved job quality, economic stability, and workforce equity for all grocery workers.*

We asked the authors of this report to answer the following questions:

- Could and should the union forge partnerships with key industry stakeholders including employers, policymakers, economic and workforce development professionals, and community organizations to design, develop, implement, and evaluate education, professional development, and training in the grocery sector?
- Can the union work with employers to increase support for education and training programs in its collective bargaining agreements?
- How can such an entity serve the needs of UFCW 3000 members, community members and employers while partnering with community organizations, other labor unions and union employers to address unmet needs in the workforce system?
- Could the union create a new workforce intermediary organization to lead such an effort? How should such efforts be structured, governed, and funded for long-term success? What programs and services should such an entity develop and implement?

This report answers these questions, and we now have a plan. We are investing in the creation and success of WeTrain Washington - a new, nonprofit workforce development organization. Through its education, training, apprenticeship, employment, and career pathways programs, WeTrain will expand partnerships with employers, and community and workforce stakeholders to improve job quality, economic stability, and equity in the retail grocery sector. We invite you to join us in this effort.

*Faye Guenther*  
President, UFCW 3000

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## about *this report*

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In addition to the economic, business, and workforce research conducted for this report, the authors held a series of listening sessions with key retail grocery stakeholders: meetings, interviews, focus groups and surveys of union officers, union member-leaders, executive board members, staff, front-line grocery workers and leaders of community organizations representing Black, Indigenous, people of color, and immigrant and refugee communities. This research was supplemented by interviews with key grocery management leaders representing a cross-section of the sector to capture their perspective on the workforce and professional development needs and challenges of their respective businesses.

### **ACKNOWLEDGEMENTS**

The authors of this report extend our appreciation to the following colleagues for their insights and valuable contribution to this report

#### **PEER REVIEWERS**

- Lynne Dodson - Workforce Development Coordinator, UFCW International
- Lynn Livesley - Program and Policy Specialist, City of Seattle Office of Immigrant and Refugee Affairs
- Jason Petrait - former Director of Funding & Strategic Partnerships, The Workforce Development Council of Seattle-King County
- Faye Guenther - President, UFCW 3000
- John Marshall - Senior Capital Markets Economist, UFCW International
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## introduction

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### **Grocery workers, and the retail grocery industry, are an essential part of all Washington communities:**

Grocery workers staff stores that provide healthy, affordable meals to low-income and elderly residents, dry up food deserts, anchor neighborhoods, generate value for homeowners, provide barrier-free pathways to good jobs for underrepresented workers, and ensure food security during disasters like the COVID-19 pandemic.

### **Union grocery employers following a high-road model keep their grocery stores clean, healthy and safe:**

Motivated, experienced union grocery workers provide great customer service and take care of vulnerable community members, generating worker loyalty to the employer and customer loyalty to the brand. High-road retail grocers reward hard work and expertise with career opportunities, provide space to workers to innovate and give input without fear of reprimand, and build a culture of mutual respect between workers and managers.

### **Industry trends driven by large non-union corporations are increasingly pushing retail grocers towards a low-road model, and the industry lacks a workforce development strategy to address these challenges:**

Unfortunately, industry consolidation and aggressive cost-cutting lower wage and benefit standards, labor-replacing technology and hours-reducing staffing algorithms erode customer service, and so-called “gig” economy firms misclassify workers to avoid basic worker protections and benefits, creating a disconnected and demoralized workforce. Additionally, while Washington’s policymakers and economic and workforce development professionals have made major investments in several high-profile, high-wage, and high-profit sectors, they have fallen short in understanding the economic value of the retail grocery sector and in making investments in grocery sector jobs in which low-income, Black, Indigenous, people of color, immigrant and refugee, and women workers are concentrated.

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*This report outlines an innovative retail grocery industry workforce development strategy... to invest in this essential industry and support retail grocers in embracing a high-road model.*

### **This report outlines an innovative retail grocery industry workforce development strategy, based on a statewide and regional effort to increase public and private funding and partnerships, to invest in this essential industry and support retail grocers in embracing a high-road model:**

The report begins with a comprehensive analysis of Washington’s retail grocery sector, workforce and industry trends, identifying how many of these trends hurt Washington’s retail grocery workers, employers, customers and unions. The report then provides a strategy to re-envision workforce development in the retail grocery industry, led by UFCW 3000’s new workforce “intermediary” nonprofit organization WeTrain Washington.

### **WeTrain Washington will build equitable employment pathways into retail grocery jobs for community members and offer incumbent workers expanded skills training, leadership development and apprenticeship programs:**

We Train will advance leadership and job skills for thousands of workers across a wide array of grocery occupations, and design and expand skilled apprenticeship and pre-apprenticeship programs in the meat, seafood and produce industries. WeTrain Washington programs will improve job quality, ensure economic stability and promote workforce equity for workers throughout the industry.

# executive summary

## THE PROBLEM AND THE SOLUTION

This report, initially commissioned by UFCW 21, focuses on the retail grocery market in Washington state because it was completed before UFCW 21, which represented grocery workers in Western Washington, and UFCW 1439, which represented workers in Eastern Washington, Oregon and Idaho, merged in March 2022 to form UFCW 3000. Future reports will include detailed analysis of former UFCW 1439 retail grocery markets as well.

This report presents a comprehensive understanding of the retail grocery sector's important role in Washington's society and economy, and examines the economic and market forces shaping the future of work and the consumer experience in this sector. We have documented negative trends in the grocery sector driven by a growing low-road business model promoted by non-union corporations like WalMart, Amazon and Instacart and its impact on reducing labor standards and the

quality of jobs for grocery workers. In contrast to these negative trends, this report offers an alternative vision and high-road path to a future of work in which job quality, economic stability and workforce equity become the new normal in the retail grocery workplace. UFCW 3000, its community allies and union employer partners are committed to the sustainability and success of these grocery stores and the customers and communities they serve.

## ECONOMIC IMPACT OF THE RETAIL GROCERY SECTOR

The grocery industry is a major driver of economic output and employment across Washington state generating \$51.6 billion in direct gross business income including \$33.8 billion from warehouse clubs and supercenters,

**EXHIBIT A. Real Gross Business Income, Statewide, Retail Grocery Industry, 2010-2020**



Sources: Washington State Department of Revenue, 2020; Federal Reserve Bank of St. Louis, 2020; Community Attributes Inc., 2020.

and \$17.7 billion from supermarkets.<sup>1</sup> The retail grocery industry in Washington generates business revenue per worker comparable to some of the state's most prominent industries. The sector also generates billions more in indirect revenue for suppliers and vendors.

### VARIATIONS IN OWNERSHIP MODELS AMONG EMPLOYERS

Retail grocery establishments are spread throughout the state, contributing to every community in Washington. With more than 500 stores, the Seattle metro area is home to approximately one-third of all Washington grocery stores. Publicly traded and privately owned national corporations, regional employers, co-operatives, and employee-owned companies all own and operate stores in the state. Union employers such as Safeway, Albertsons, QFC, Fred Meyer, Metropolitan Market, PCC

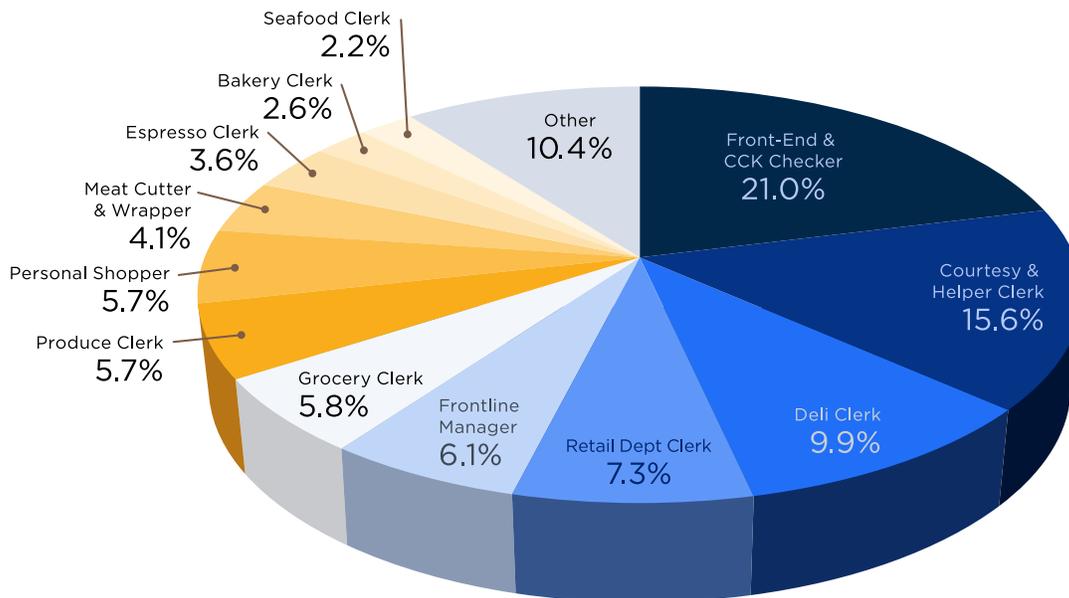
and Town & Country Markets operate with different ownership structures, store formats and business models. Large national non-union corporations like WalMart, Target and Amazon's Whole Foods also comprise a significant share of the market, while hundreds of neighborhood corner stores fill in market gaps.

### THE GROCERY WORKFORCE: OCCUPATIONS, WAGES AND BENEFITS

Retail grocery is one of the state's largest sectors, employing 105,800 workers, a workforce larger than aerospace (80,000) and software publishing (75,765). Many of these grocery jobs provide opportunities for workers without higher educational attainment to establish a foothold in stable union employment, with low barriers to entry.

EXHIBIT B.

UFCW 3000's Western Washington Grocery Membership by Occupation and Occupation Group - 2021



The retail grocery sector in Washington state employs workers in a wide variety of occupations. UFCW 3000 grocery workers work in 131 occupations, with 12 of these comprising approximately 90% of members. Checkers, courtesy and helper clerks and deli clerks compromise nearly half (47%) of all UFCW 3000 grocery members.

With collective bargaining and a legally binding contract, union grocery workers not only earn more than non-union workers, they also have greater access to health and retirement benefits. UFCW 3000 union grocery checkers in the Seattle metropolitan statistical area (MSA),<sup>2</sup> for instance, earn an average of \$18.16/hour,<sup>3</sup> compared to an estimated \$15.10/hour for all food and beverage store checkers in the Seattle MSA.<sup>4</sup> This \$3.06/hour wage premium translates into \$244,800 more in pay for union checkers over the average checker during a 40-year career.<sup>5</sup> This is in addition to significantly better health and retirement benefits that save the average UFCW 3000 member with family health insurance nearly \$3,000 per year in premiums alone.

### **MAJOR TRENDS: CONSOLIDATION, TECHNOLOGY, E-COMMERCE, AND IRREGULAR WORK**

Through acquisitions and internal growth, a few large retail grocery corporations have more than doubled their market share over the past 25 years.

- The rise of non-union giants like WalMart that prioritize cost-cutting, fight unions and lack pathways to higher wages puts downward pressure on industry standards.
- Increases in self-service and cashier-less checkout options, many driven by Amazon, are expected to displace employment in both cashier and salespeople positions, and drive down the number of hours available in the industry.
- So-called “gig” economy firms like Instacart employ low-paid workers to capture a large share of grocery e-commerce, a trend accelerated by the pandemic. These workers are often misclassified as “independent contractors” ineligible for overtime, exempt from minimum wage, and lacking health and retirement benefits.



ANGELA — SAFEWAY CHECKER IN SEATTLE

## The Impact of Negative Trends on Key Stakeholders

### WORKERS

- Bare minimum staffing creates unrealistic workloads, lowering morale and increasing worker burnout.
- Stagnating wages make it harder and harder to ascend to the middle-class.
- Erratic schedules lead to difficulties arranging childcare and family time.
- Outsourcing, sub-contracting and worker misclassification mean there are fewer and fewer good union jobs in the industry.
- Productivity quotas and in-store disciplinary measures leave workers feeling undervalued.
- Worker churn and training cuts leave new hires scrambling to learn as they work.

### EMPLOYERS

- Employers cutting costs face recruitment challenges as workers migrate to better paying industries.
- Barebones staffing has led to ever increasing workloads, causing many experienced workers to leave.
- Unpredictable scheduling and understaffing lead to worker callouts, putting an even greater burden on managers as they scramble to staff shifts.
- Understaffing hurts customer service, productivity and sales.
- Employee churn increases training costs.

### CUSTOMERS

- Self-scan machines forces customers to scan and bag their own groceries.
- Understaffing hurts customer service.
- A lack of worker training leaves many workers unable to answer customer product questions.
- Cost-cutting lowers service quality as consumers are increasingly demanding high quality local, organic, fresh products.

### UNION

- Increased turnover and churn make it difficult to connect with new members.
- Erratic scheduling also makes it harder to meet with and serve members.
- The growth of low standard, non-union giants puts downward pressure on wages, benefits, and working conditions.
- Misclassified “gig” workers lack rights and are excluded from organizing unions.

## A PROGRESSIVE WORKFORCE DEVELOPMENT STRATEGY TO ADDRESS NEGATIVE TRENDS

While Washington’s policymakers and economic and workforce development systems make significant investments in several high-profile, high-wage, and high-profit sectors, they have fallen short when it comes to understanding the economic value of the retail grocery sector and investing in its future and its workforce. This has left a substantial gap in economic and workforce development policy in Washington.

UFCW 3000’s workforce development strategy articulated in this report focuses on addressing this gap by developing pathways into the industry, training incumbent retail grocery workers, and developing skill-building and career advancement opportunities, all with a focus on empowering low-income, BIPOC, women, youth, and immigrant and refugee workers. The programs and services envisioned in this report will include labor, management and community stakeholders in program design and implementation.

## PROGRAMS AND SERVICES

- Apprenticeship: Meatcutters, Fishmonger, Produce
- Pre-Apprenticeship & Pre-Employment: Meatcutters, Fishmonger
- Incumbent Worker & Upskilling: Floral, Deli, Personal Shopping, Cheese Monger, Health, Wine & Liquor, Frontline Manager Skills and Leadership Development Trainings
- Employment Pathways, Laid-Off and Low-Income Workers, and BIPOC and immigrant and Refugees
- Other Services: Needs Assessment, Coalition Building, Labor-Management Relationship Facilitation

## LONG-TERM FUNDING STRUCTURE AND STRATEGY

UFCW 3000's initial seed funding is intended as an investment to be supplemented by public and

private grants, income from grant management and administration services, research and facilitation services for joint labor-management committees, and administrative service agreements with joint labor-management trusts.

## FORGING A SECTORAL STRATEGY WITH WORKFORCE AND COMMUNITY PARTNERSHIPS

WeTrain Washington will seek partnerships with a range of partner organizations in the localities and regions in which UFCW 3000 members live and work including advocacy and community-based organizations, labor unions and employers, community and technical colleges, municipalities and county governments, and Washington state economic and workforce development agencies. The centerpiece of these partnerships will be a focus on job quality, economic stability and equity through innovative workforce programs.



CAIN — SEAFOOD MANAGER SEATTLE QFC 847

# PART 01

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## **retail grocery sector** *in washington state*

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LOCAL 3000 – SAFEWAY WORKER

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## the washington state *economy and workforce*

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Several sectors drive the economy in Washington state, including aerospace, agriculture and food manufacturing, clean technology, information and communication technology, forest products, life science and global health, maritime, and military and defense sectors.

High-wage sectors—all prominent in our regional economy—have seen robust wage growth in recent years: professional, scientific, and technical services; information technology (IT); financial services and insurance; and management of companies and enterprises. The IT sector has created many high-paying jobs over the past 20 years, and there are now more software programmers in the Seattle metropolitan area than fast food workers, restaurant servers, hosts, baristas, and bartenders combined.<sup>6</sup> Major firms such as Boeing and Microsoft are the most visible high-wage employers, supported by significant networks of subcontractors and contract agencies, and provide a large supply of quality, high-wage jobs.

Traditional economic and workforce development efforts have focused on these high-margin, capital-intensive, high wage sectors, but workforce policy should also prioritize and serve the millions of low-wage, service sector workers in Washington. While acknowledging the value of high-profit and high-wage sectors, workforce professionals, educators, economists, and media often neglect and

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*In this time of crisis, the ways in which private- and public-sector working-class jobs, particularly retail grocery jobs, are ‘essential’ to our economy has gained greater public attention and appreciation.*

under-value how lower-wage service jobs are essential to the functioning of our economy. These essential service jobs include retail workers, office clerks, building and maintenance workers, cooks, food and beverage servicing workers, distribution and warehouse workers, and motor vehicle operators. In this time of crisis, the ways in which private- and public-sector working-class jobs, particularly retail grocery jobs, are “essential” to our economy has gained greater public attention and appreciation.

## retail grocery sector *breadth and economic impact*

Washington's retail grocery stores represent a mix of national (publicly traded and privately owned), regional, co-operative, and employee-owned companies. These firms operate a variety of store formats and business models, from stores that specialize in specific ethnic products to barebones discounters, traditional supermarkets to big box supercenters. The industry includes dozens of union employers across all of these ownership structures, business models and store formats, including Safeway, Albertsons, QFC, Fred Meyer, Metropolitan Market, PCC and Town & Country Markets. Several large non-union employers such as WalMart, Target, and Amazon's Whole Foods also comprise a large share of Washington's grocery industry, while hundreds of smaller corner markets dot neighborhoods across the state. (Exhibit 1)

Washington's retail grocery chains operate large supercenters, such as Walmart and Target, warehouse clubs like Costco and Sam's Club, traditional supermarkets such as QFC and Safeway, specialty supermarkets like PCC and Whole Foods, ethnic grocers such as Seattle-based Uwajimaya, and discount grocers like Grocery Outlet and Saars.

While this array of ownership and business models target various segments of the retail grocery consumer market, they also share a set of common structural features including:

- Brick and mortar establishments
- A majority of sales are from grocery products,<sup>7</sup> with significant non-grocery sales
- A large majority of sales from in-store purchases, with a growing e-commerce presence
- Frequent, mostly repeat customers living close to the establishment
- A set of warehouse distribution centers
- An array of products sourced from different suppliers and vendors

In 2020, 1,504 stores<sup>8</sup> operated in Washington state's retail grocery sector, including supermarkets,<sup>9</sup> warehouse clubs and supercenters.<sup>10</sup> Most Washington establishments (1,333) are classified as supermarkets, which include traditional supermarkets, specialty supermarkets, discount stores, corner stores and ethnic markets.

**EXHIBIT 1. Grocery Store Formats and Ownership Structures**

*ownership*

	National – Public & Private	Regional – Private	Co-Op	Employee Owned
<i>store format</i>	Supercenter	WalMart <b>Fred Meyer, Target</b>		
	Warehouse Club	Costco Sam's Club		
	Traditional Supermarket	<b>QFC, Safeway Albertsons, Haggen</b>	<i>Rosauers Super 1 Foods</i>	Yoke's
	Specialty Supermarket	Whole Foods Trader Joes	<b>Met Market Town &amp; Country</b>	<b>PCC Central Co-Op</b>
	Ethnic		<i>Uwajimaya, H-Mart Fiesta Foods</i>	
	Discount	Grocery Outlet Smart Foodservice	<b>Saar's</b>	

*Firms with majority union employees bolded; Firms with some union employees italicized.*

## RETAIL GROCERY ECONOMIC OUTPUT

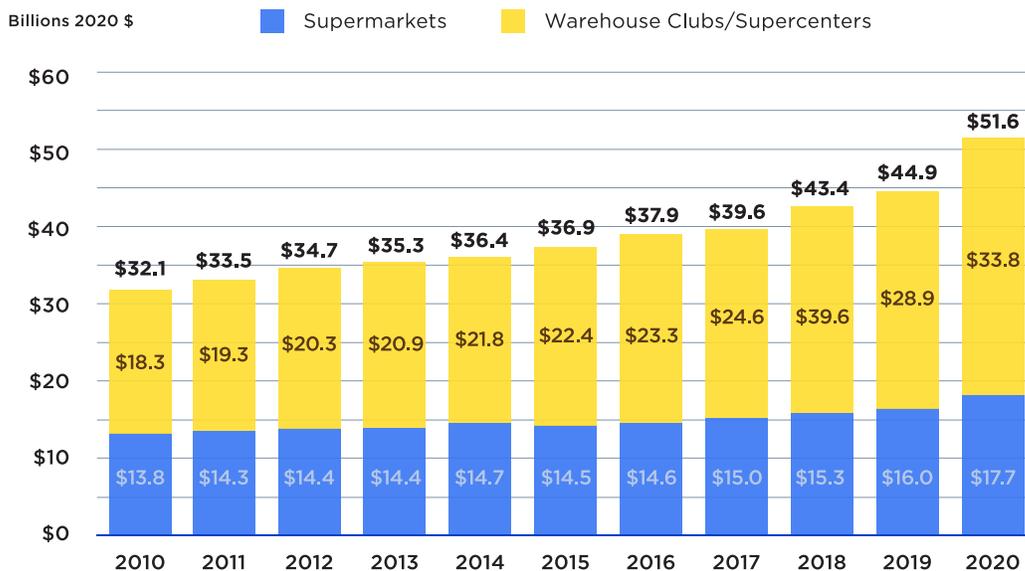
Washington state retail grocery stores generate \$51.6 billion in direct gross business income (“GBI”), roughly equal to total revenue, per year,<sup>11</sup> including \$33.8 billion from warehouse clubs and supercenters, and \$17.7 billion from supermarkets. The sector also generates billions more in indirect revenue for suppliers and vendors and is one of the state’s largest providers of jobs, employing 105,800 Washington workers. Retail grocery generates more GBI (\$51.6 billion) than other critical state industries like aerospace (\$32.5 billion), finance and insurance (\$48.1 billion), and transportation and warehousing (\$15.9 billion). Finally, rather than being concentrated in a specific city or region, retail grocery workers and establishments are spread across the state, contributing to communities throughout Washington.

The retail grocery industry experienced robust growth in real GBI between 2010 and 2020 (Exhibit 2).<sup>12</sup> Real GBI grew 4.9% per year over the decade (including 6.3% among warehouse clubs and supercenters), significantly faster than the growth in statewide real GBI across

all industries of 2.6% per year. Roughly one in every eighteen dollars of state GBI (5.8%) was generated by retail grocers in 2020.<sup>13</sup>

The grocery industry in Washington generates business revenue per worker comparable to some of the state’s most prominent industries. Statewide, retail grocery’s \$51.6 billion in GBI equates to approximately \$487,598<sup>14</sup> in gross sales per worker. By comparison, across the statewide economy, GBI per worker totals \$274,430. Across all professional, scientific, and technical services, GBI per worker totals \$347,511 while construction workers generate \$361,489 and the retail sector as a whole generates \$461,250 GBI per worker.<sup>15, 16</sup> Additionally, grocery revenue growth in Washington has outpaced employment growth, providing evidence that (assuming constant or lower hours per worker) productivity in the state is rising along with retail grocery productivity nationally.<sup>17</sup>

**EXHIBIT 2.** Real Gross Business Income, Statewide, Grocery Industry, 2010-2020



Sources: Washington State Department of Revenue, 2020; Federal Reserve Bank of St. Louis, 2020; Community Attributes Inc., 2020.

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## generating public goods: *food security, access and health*

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While retail grocery stores function as economic engines, they also generate essential public goods. Grocery stores and supermarkets have served as central meeting places for communities throughout Washington state and the world. They anchor neighborhoods and increase homeowner value. Grocery stores provide a place for seniors to avoid social isolation, for low-income residents to buy ingredients for home-cooked meals, and for SNAP recipients to access healthy food. They eliminate food deserts<sup>26</sup> and provide healthy options for under-served communities. For all these reasons, retail grocery stores have been essential long before the COVID-19 pandemic.

Markets have always been the center of city and town life. The Greeks of antiquity established agora in every city-state where traders hawked their wares.<sup>27</sup> Ancient Rome's famous Forum started off and continued for centuries as a marketplace,<sup>28</sup> and the Aztec market in Tlatelolco stretched the length of two football fields serving over 70,000 shoppers per day.<sup>29</sup>

Today, there are over 1,500 grocery stores and supercenters in Washington, anchoring communities across the state. According to the Federal Reserve, almost nine in ten households (87%) say that it's moderately or very important to have a grocery store in their neighborhood. This is more than twice the share reporting the importance of a park/playground (43%) or public transportation (37%).<sup>30</sup>

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*Nine in ten households (87%) say that it's moderately or very important to have a grocery store in their neighborhood. This is more than twice the share reporting the importance of a park/playground (43%) or public transportation (37%).*

Grocery stores and grocery shopping are an integral part of the fabric of Washingtonians day-to-day life. Estimates indicate that the average person spends 44 minutes per trip and 37 hours per year grocery shopping for their families.<sup>31</sup> For seniors without family, and socially isolated individuals, a trip to the grocery store may be the only human contact they receive in each week, a phenomenon made even more pronounced by the COVID-19 lockdowns.

Grocery stores provide food for most meals, particularly for older, low-income and public assistance dependent households. Americans prepare more than four out of five (82%) of meals at home,<sup>32</sup> a share that has likely increased

significantly with the pandemic. Older Americans in particular cook many more meals at home. Americans 75 and older average only 3.5 meals away from home per week compared to nearly 5.5 for 35 to 44-year-olds.<sup>33</sup> (Appendix 1)

Low and middle-income families are also more likely to eat food prepared at home, choosing home-cooked meals rather than more expensive restaurant or prepared food. The U.S. Department of Agriculture found that the frequency of eating out “appears to be positively correlated with income within all age groups.”<sup>34</sup> Households earning three times the poverty line, for instance, eat meals out 5.5 times per week compared to 4.2 for households at or below the poverty line.<sup>35</sup> Families participating in the Supplemental Nutrition Assistance Program (“SNAP”) spend 92% of their SNAP dollars at superstores, supermarkets, and grocery stores.<sup>36</sup>

Grocery stores also eliminate food deserts and provide healthy alternatives to fast food. This is particularly true in Washington state, where consumers spend more on food groceries than consumers nationwide. The state’s high spending on groceries reflects regional trends, as the West spends the most on food groceries, followed by the Northeast, the Midwest, and then the South. This reflects regional differences in median household income<sup>37</sup> and a preference for organic food in many Western states.<sup>38</sup> The West continues to be the strongest region in the U.S. for demand for organics.

Grocery industry firms increasingly provide families with fresh produce, fresh seafood, organic products, grass-fed meat and locally sourced food. Between 2009 and 2018, organic food sales in the U.S. more than doubled from \$21.3 billion to \$47.9 billion.<sup>39</sup> Although comprehensive numbers are not available, “most organic food is sold at mainstream grocers.”<sup>40</sup> While grocery stores serving high-income consumers like Whole Foods have a reputation for driving organic sales, Kroger (parent company of QFC and Fred Meyer) actually generated higher revenue for natural and organic foods in 2016.<sup>41</sup> Additionally, Greenpeace has found that “Safeway ranks among the top grocery stores for seafood sustainability” with “company leadership [demonstrating] an interest and energy in sustainability issues and initiatives.”<sup>42</sup>

Neighborhoods and communities that lack a supermarket, warehouse club or supercenter exist in food deserts, forced to rely on unhealthy convenience store food and fast-food outlets. According to the USDA’s definition,<sup>43</sup> in 2015 there were 160,705 low-income, low-access Washington residents living in 179 food deserts across Washington State.<sup>44</sup> In the Seattle-Tacoma-Bellevue metropolitan statistical area,<sup>45</sup> 46,728 low-income, low-access residents lived in 57 food deserts.<sup>46</sup> These tens of thousands of Washingtonians “are at an elevated risk for obesity”<sup>47</sup> and are “more likely to have hypertension or hyperlipidemia.”<sup>48</sup>

Whether addressing food deserts, providing healthy meals for vulnerable populations, or anchoring neighborhoods, retail grocery stores and retail grocery workers are a vital part of Washington communities. Tens of thousands of grocery workers live and work in every city, town, and unincorporated area in the state, allowing this essential industry to provide community and economic benefits to all Washingtonians.

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*Union grocery  
“Kroger (parent  
company of QFC and Fred  
Meyer) actually generated  
higher revenue for natural and  
organic foods in 2016” than  
Whole Foods, and unionized  
Safeway “ranks among the  
top grocery stores for  
seafood sustainability.”*



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## **business models,** *store types, and* *market segments*

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### **SUPERMARKETS**

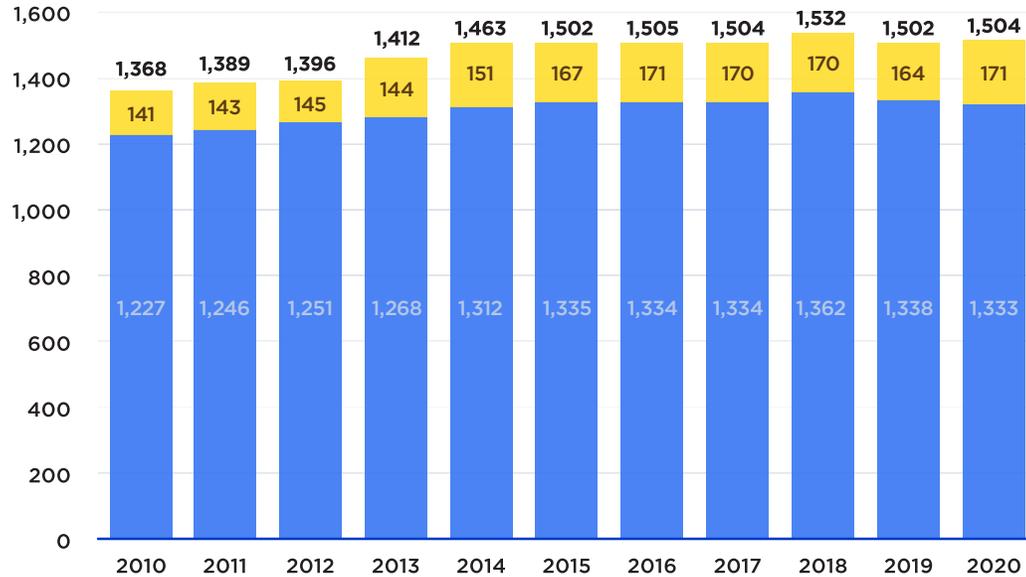
- Traditional supermarkets typically offer a full line of groceries, meat, seafood, bakery, deli and produce products, along with a smaller selection of pharmacy and non-food items.
- Specialty supermarkets have a similar range of product types as traditional supermarkets, but offer natural, organic, and locally-sourced alternatives often not available in traditional supermarkets.
- Discount stores sell a more limited array of food and consumable items at aggressive price points in a warehouse store or traditional format.
- Ethnic markets cater to consumers of products from various ethnic communities.
- “Corner” markets are small neighborhood grocery stores selling a limited range of items.

### **WAREHOUSE CLUBS AND SUPERCENTERS**

- Warehouse clubs are membership-based, large warehouse stores that sell traditional grocery items (often in bulk), in addition to a significant amount of non-grocery items.
- Supercenters are large, one-stop shop stores with whole departments dedicated to general merchandise like home goods, clothing, electronics, jewelry, and toys in addition to selling products offered by traditional supermarkets.

Of Washington’s 1,504 stores, 11.4% are warehouse clubs or supercenters and 88.6% are supermarkets. Warehouse clubs and supercenters are large stores selling a high volume of goods, with a typical footprint of 145,000 to 180,000 square feet and average Washington GBI of \$197.9 million per year.<sup>18</sup> Supermarkets take up a smaller average footprint of 38,000 square feet, with small urban formats ranging in size from 12,000 to 25,000 square feet,<sup>19</sup> and generate an average gross business income of \$13.3 million per year. Retail grocers added 136 new stores in Washington state between 2010 and 2020, including

**EXHIBIT 3.** Number of Retail Grocery Industry Stores in Washington State, 2010-2020



Source: U.S. Bureau of Labor Statistics, 2020; Community Attributes Inc., 2020.

**EXHIBIT 4.** Grocery Firms by Market Share, Seattle MSA, 2020

Trade Name	Area Stores	Market Share
Fred Meyer	38	20.8%
Safeway	91	19.3%
Quality Food Centers	52	15.8%
Costco Business Center; Costco Wholesale	18	14.2%
Walmart Supercenter	14	6.0%
Trade Joe's	18	3.5%
WinCo Foods	8	3.3%
Albertsons	14	2.7%
Whole Foods Market	10	2.5%
PCC Community Markets	12	2.2%
Smart Foodservice Warehouse Stores	13	1.4%
Target PFresh	22	1.3%
Grocery Outlet	29	1.3%
All Other Stores	163	5.7%
<b>Total</b>	<b>502</b>	<b>100.0%</b>

Source: Chain Store Guide (CSG) 2020.

30 new warehouse clubs and supercenters, and 106 new supermarkets (Exhibit 3).

This study includes warehouse clubs and supercenters in the retail grocery industry because groceries make up the majority of sales at all major Washington state warehouse clubs and supercenters besides Target. For instance, in FY 2020, Costco sold \$68.7 billion in food and sundries, and \$23.2 billion in fresh foods like meat and other products, representing 56.3% of the company's total net sales.<sup>20</sup> Meanwhile "grocery sales account for 56% of Walmart's total U.S. revenue" in 2019<sup>21</sup> and 72.9% of UFCW 3000's Fred Meyer members work in grocery rather than general retail.<sup>22</sup> Target is the only major warehouse club and supercenter company where grocery makes up a minority of revenue, with food and beverage sales in FY 2020 representing 19.7% of its \$92.4 billion in sales.<sup>23</sup>

## RETAIL GROCERY MARKET SHARE

Unionized grocery employers make up the majority of the market in most Western Washington urban areas. The largest union grocers in Washington state, Kroger (which operates the Fred Meyer and QFC banners) and Albertsons (which operates Safeway, Albertsons, and Haggen stores) together represent 59.2% of the market in the Seattle metropolitan statistical area (MSA), 51.6% on the Kitsap Peninsula, 45.1% in the Olympia MSA and 43.7% in the Bellingham MSA.<sup>24</sup>

With more than 500 stores, the Seattle MSA is home to more than one-third of all grocery stores in Washington state. The grocery industry is led by unionized grocers Kroger and Albertsons.<sup>25</sup> Kroger operates 90 Fred Meyer and QFC stores in the area and owns a 36.6% market share. Albertsons operates 111 Safeway, Albertsons and Haggen stores in the Seattle MSA and has the second highest market share at 22.5%. Unionized PCC (2.2% market share), Metropolitan Market (0.7%), Town & Country Market (0.5%) and Saar's Market Place/Super Saver Foods (0.5%) push the total share of union grocery to over 63.0% of the Seattle MSA. Non-union Costco (14.2%), Walmart (6.0%), and Trader Joes (3.5%) also hold a significant section of the Seattle market (Exhibit 4).

In Washington state's more rural counties, non-union grocery comprises a bigger share of the market and a single trade name often captures a majority of industry sales. For example, Walmart has an 85.9% market share in Adams County, 48.1% in Whitman County, and 38.7% in Grant County.



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# PART 02

**retail grocery sector**  
*employment, occupations,  
and wages*

## scope of *employment*

The retail grocery industry employed 105,800 workers across Washington state in 2020, representing 3.2% of total statewide employment (Exhibit 5). The Washington state grocery workforce is larger than aerospace (80,000 workers), agriculture, farming, forestry and hunting (99,615 workers), and software publishing (75,765 workers).<sup>49</sup> The retail grocery industry’s supermarket subsector continues to employ the majority of the industry’s workforce, but the growth of warehouse clubs and supercenters has decreased the supermarket share of total industry employment from 61.4% in 2010 to 55.2% in 2020. Overall, 44.8% of grocery industry workers are employed in warehouse and supercenter establishments, such as Costco, Walmart, and Target.

### EMPLOYMENT BY STORE FORMAT

Washington’s retail grocery industry workers work in a variety of store format settings. While an estimated<sup>50</sup> 32.9% of grocery workers work at traditional supermarkets, a significant percentage also work at discount stores (8.3%), specialty supermarkets (6.8%) and locally-owned independent stores (4.3%). A small but significant percentage of supermarket workers also work at corner markets (3.3%) and ethnic supermarkets (1.4%). (Appendix 2) An estimated 31.0% work at supercenters while 12.0% work at warehouse clubs. In fact, after years of supercenter growth, the estimated number of supercenter workers in Washington state (31,161) roughly matches the number of workers in traditional supermarkets (32,987).

**EXHIBIT 5. Employees in the Retail Grocery Industry, Statewide, 2010-2020**



Source: U.S. Bureau of Labor Statistics, 2020; Community Attributes Inc., 2020.

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## occupation and wages

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Two-thirds of grocery workers in Washington state work in five broad occupational categories.<sup>51</sup> The most common grocery industry occupation is cashiers, who check customers out at the front end, representing 26.0% of total employment. Retail salespersons, who perform cashiers' duties with an additional focus on helping customers find products, represent 17.9% of grocery workers, while stock clerks, who stock shelves, make up 13.2%. Food preparation workers, who prepare salads, sandwiches and hot meals in the deli, represent 6.8% of grocery workers. Finally, front-line supervisors, who oversee retail sales workers, make up 5.8% of industry employment. Although most workers work in these five occupations, grocery establishments have a variety of departments—such as bakeries, delis, meat shops, seafood departments, and espresso bars—in which employees work in a broad array of positions. Overall, the grocery industry employs workers in 122 total occupations. (Appendix 3)

Among occupations representing more than 1% of total employment in Washington's retail grocery industry<sup>52</sup> average hourly wages<sup>53</sup> range between a high of \$23.82 per hour for first-line supervisors of office and administrative support workers and a low of \$13.01 per hour for hand packers and packagers. The average wage across these occupations is \$16.13 per hour. On an annual basis, these wages range between \$27,100 and \$49,600.

Grocery industry workers in Washington state earned an average of \$34,011 per year in 2019, taking home a total of \$3.4 billion in wages (not including benefits).<sup>54</sup> The average annual wage was \$36,323 per worker among warehouse club and supercenter workers, and \$32,192 per worker for supermarket workers. It's important to note that average annual wages reflect a lower level of pay than that of a full-time employee working 2,080 hours per year.

Grocery worker earnings have remained relatively flat since 2010. Washington's grocery industry wages have increased 2.1% per year since 2010, barely keeping up with inflation of 1.8% per year over the same period. This translates into an annual real wage<sup>55</sup> growth rate (the growth of wages taking into account price increases) of just 0.3%.

“

*Supermarket employees in Washington earn an average of \$5,917 or 22.5% more per year than the national average.*

Annual wages in Washington's grocery industry are far higher than the national average, due in large part to Washington's 37.4% grocery unionization rate, the sixth highest in the nation.<sup>56</sup> Supermarket employees in Washington earn an average of \$5,917 or 22.5% more per year than the national average of \$26,275, while Washington's warehouse club and supercenter workers earn an average of \$6,706 or 22.6% more than the national average of \$29,617 per year. Washington state wages as a whole are 17.5% above the national average. The fact that the Washington premium for grocery workers is higher than all workers indicates that the Washington state grocery industry pays more relative to other states than other Washington industries.

### REGIONAL VARIATION IN GROCERY WORKER WAGES

Weekly wages are higher in heavily unionized Western Washington counties. The average weekly wage in the grocery industry is \$652, with workers in King County earning the highest weekly wage of \$705. Wages are significantly higher in counties with higher union density. For instance, adjusted for the cost of living, the average grocery worker in King County earns 6.9% more per week than the state average and 14.1% more per week than less unionized counties like Yakima County.<sup>57</sup> UFCW 3000 represents a significant share of grocery workers in all five of the highest paying counties in the state. See Appendix 4 for employment and real wages in the retail grocery industry by county.

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## labor unions in *washington's grocery sector*

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### UNITED FOOD AND COMMERCIAL WORKERS UNIONS IN WASHINGTON STATE

Three UFCW locals represent workers across Washington state (Exhibit 6)

- UFCW 3000, the result of a merger between UFCW 21 and UFCW 1439, represents over 30,000 grocery store workers across Washington state, Northern Idaho and Northeastern Oregon
- UFCW Local 367 represents approximately 7,500 grocery and meat workers across 6 counties in the South Sound and Southwestern Washington
- UFCW Local 555 represents 25,000 members in SW Washington counties and Oregon

Nationally, the unionization rate in retail grocery stores ranks 10th among 41 industries, with 15.8% of workers belonging to unions between 2009 and 2020.<sup>58</sup> Retail grocery is far more unionized than many comparable low-wage service industries such as wholesale grocery and beverages (8.9%), hotels and accommodations (7.5%), department and discount stores (2.6%), and restaurants, food service & drinking places (1.4%).<sup>59</sup> In Washington state, unionization in retail grocery is higher than the national average with 37.4% of grocery workers belonging to or represented by a union between 2003 and 2020.<sup>60</sup>

**The percentage of unionized retail grocery workers rises to over an estimated 60.0% in the Seattle metropolitan area.<sup>61</sup>**

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*The union wage premium for checkers in the Seattle MSA translates into \$244,800 more in pay for union checkers... during a 40-year career...*

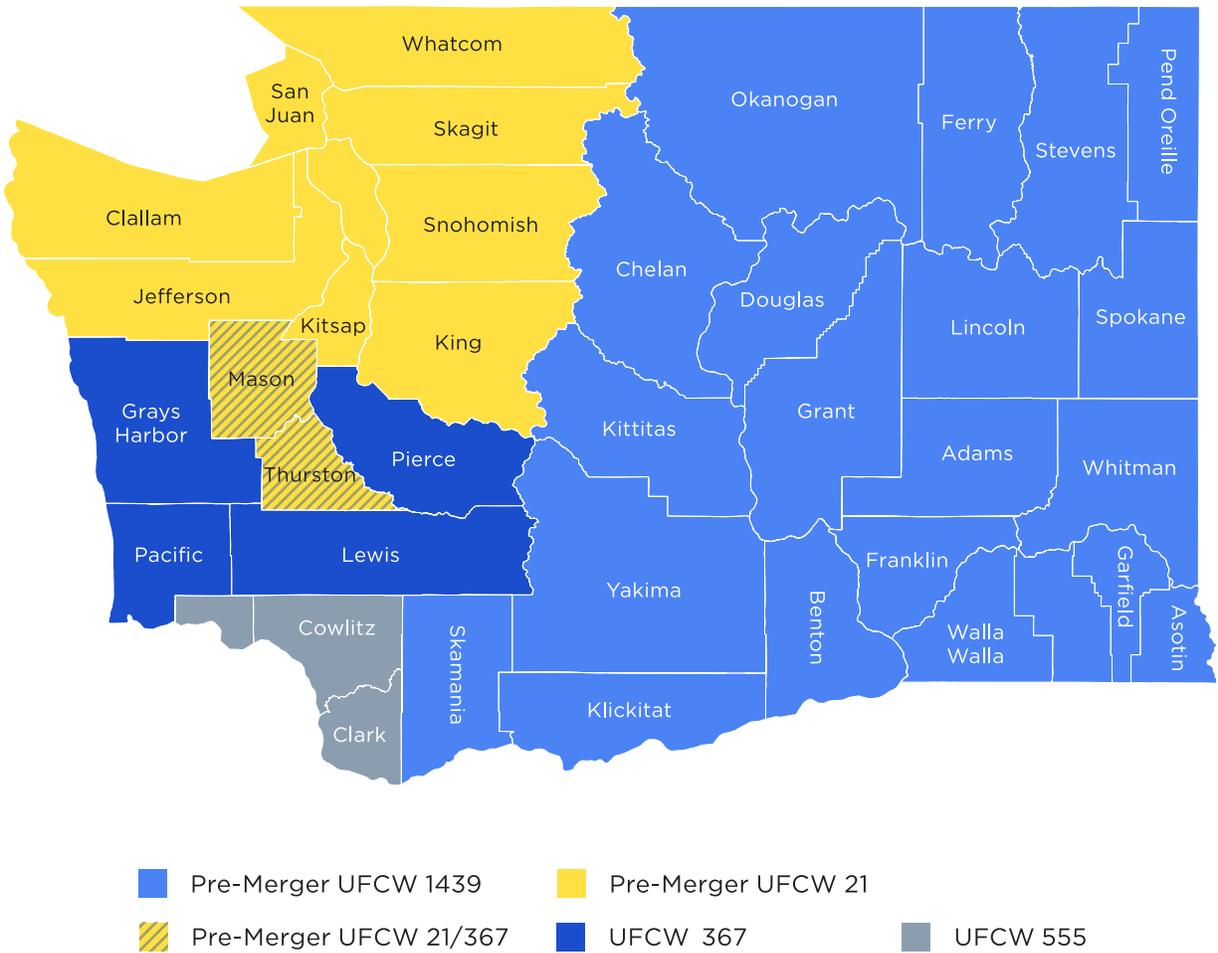
### THE UNION DIFFERENCE: WAGES, BENEFITS AND JOB TENURE

With collective bargaining and a legally binding contract, union grocery workers earn more than non-union workers and have greater access to health and retirement benefits. In 2019, UFCW 3000 union grocery checkers in the Seattle MSA earned an average of \$18.16/hour,<sup>62</sup> compared to an estimated \$15.10/hour for all food and beverage store checkers in the Seattle MSA.<sup>63</sup> This \$3.06/hour wage premium translates into \$244,800 more in pay for union checkers over the average non-union checker during a 40-year career.<sup>64</sup>

### UFCW 3000 MEMBER WAGES AND OCCUPATIONS IN WESTERN WASHINGTON

- Members are concentrated in three occupations, totaling 46.1% of the union's total membership. Similar to the grocery industry overall, these occupations include front end and central checkout (CCK) checkers, courtesy and helper clerks, and deli clerks.
- Members work in 131 unique job classifications.
- Wages range between \$11.35 and \$28.43 per hour, with an average wage of \$17.41. (Appendix 5) These wages are equivalent to annualized wages between \$23,600 and \$59,100, with an average of \$36,200 per year, excluding benefits.
- Grocery workers benefit from progressive wage scales, which ensure that workers earn more over time and are adjusted upward for both job tenure and calendar year. These wage scales are also higher for workers in Seattle stores, reflecting the higher cost of living. Seattle front-end clerks, produce clerks, and grocery clerks, for example, earn between \$16.49 and \$21.85 per hour in 2020, depending on seniority. In 2021, these wages will increase by \$0.30 per hour based on job tenure.

**EXHIBIT 6.** Washington State UFCW Grocery Locals



*Note: UFCW Local 367 represents grocery workers and UFCW Local 21 represents meat workers in Mason and Thurston counties. UFCW 21 and UFCW 1439 merged to form UFCW 3000 in March 2022.*

## UFCW 3000 GROCERY WAGES & BENEFITS IN WESTERN WASHINGTON

### UNION AND NON-UNION WAGES IN WESTERN WASHINGTON

Among comparable sector wide and UFCW 3000 grocery occupations, UFCW 3000 members overall have higher hourly wages than average grocery workers. Those occupations with the greatest wage difference include customer service clerks, in which members earn on average \$4.44 more per hour compared to the average for customer service clerks in the Seattle MSA, as well as grocery clerks (\$3.28 more per hour), and meat cutters (\$2.68 more per hour)<sup>65</sup> (Exhibit 7).

### PENSION BENEFITS

Across the U.S., union members are also more than four times as likely as non-union workers to have access to a pension (79% vs. 17%).<sup>70</sup> Union employers employing UFCW 3000 members contribute between \$1.31/hour and \$1.91/hour (\$2,725 to \$3,973 per year) towards worker pensions. For example, a full-time UFCW 3000 grocery worker retiring with 40 years' experience in 2020 would earn \$29,523 per year in pension money for the rest of their life, on top of social security and 401(k) retirement savings.<sup>71</sup>

#### EXHIBIT 7.

UFCW 3000 Average Hourly Wage and Estimated Seattle MSA Grocery Industry Average Hourly Wage by Select Occupation, 2019

Occupation	Avg. Hourly Wage UFCW 3000	Avg. Hourly Wage Seattle MSA
Meat Cutters	\$23.08	\$20.40
Pharmacy Tech As	\$20.49	\$19.81
Cust Service Clerks	\$20.46	\$16.02
Grocery Clerks	\$19.83	\$16.55
Front End / CCK Checkers	\$17.95	\$15.49

Sources: UFCW 3000, 2020; Washington State Employment Security Department, 2020.

### HEALTHCARE BENEFITS

In addition to higher wages, union grocery workers bargain for top-quality healthcare often unavailable to most low-income workers. Nationally, union members are 26 percentage points more likely to have access to health insurance (95% vs. 69%) than non-union workers.<sup>66</sup> Union health plans can also be significantly less expensive. UFCW 3000's family health insurance premiums, for instance, cost grocery members \$988/year<sup>67</sup> compared to a Washington State average of \$3,862 for family insurance.<sup>68</sup> These lower premiums are driven in part by substantial employer contributions to UFCW 3000 members' health plans. As of October 2020, employers contribute between \$4.65 and \$4.86 per hour to healthcare (\$9,672 to \$10,109 annualized).<sup>69</sup> In April 2022, these rates will increase to \$4.86 to \$5.19 per hour (\$10,109 to \$10,795 annualized).

### LOW BARRIERS TO ENTRY

Many grocery jobs provide opportunities for workers with no formal education or related experience to get a foothold in stable union employment, with low barriers to entry. Across the grocery industry in Washington, 65.7% of employment is in occupations that require no formal educational credential and a total of 95.0% of employment is in occupations that require a high school diploma or equivalent or less.<sup>72</sup> Similarly most (90.2%) of employment in the grocery industry in Washington is among occupations that do not require any prior experience in a related occupation.

## **TURNOVER AND JOB TENURE AMONG UFCW 3000 MEMBERS IN WASHINGTON STATE**

UFCW 3000 Western Washington grocery members experienced a turnover rate of 25.2% in 2019-2020, significantly lower than the industry average.<sup>73</sup> In 2019, the turnover rate for the retail trade industry as a whole was 58.4%,<sup>74</sup> while the Food Industry Association estimates a 40.0% employee turnover rate in the grocery sector.<sup>75</sup> Grocery industry turnover is driven by low wages, low company loyalty, and the lure of better opportunities.<sup>76</sup> Union espresso clerks suffer from the highest turnover rate (45.8%), while meat managers (6.9%) and receiving clerks (7.1%) have the lowest annual turnover among occupations with 100+ workers.

Across all occupations with over 100 workers, higher turnover is closely correlated with lower wages. On average, for every dollar decrease in the average wage rate for an occupation, turnover increases by 4.0 percentage points per year. For job occupations earning an average of \$20.00 per hour, for instance, expected turnover is 16.8%, while expected turnover jumps to 36.6% per year for occupations earning \$15.00 per hour on average. (Appendix 6)

Non-grocery department occupations have some of the lowest turnover rates relative to their wage level, while managerial and customer service positions have some of the highest. Apparel clerks' 21.6% turnover rate is 12.3 percentage points below their expected rate given their relatively low average wage of \$15.67/hour. Photo/electronics clerks, home clerks, and nutrition clerks also have turnover rates significantly lower than the expected rate. Espresso clerks (11.5 percentage points higher than expected), front end supervisors (11.3 percentage points higher), and lead receiving clerks (10.1 percentage points higher) all have turnover rates above their expected rate given their average wage.

Within the union sector, turnover is slightly higher for traditional supermarkets run by large national chains than for specialty supermarkets owned by regional companies. Kroger (QFC and Fred Meyer) and Albertsons (Albertsons, Safeway and Haggen) members have a turnover rate of 25.8% per year. For workers at PCC, Town & Country Markets and Metropolitan Market, the turnover rate is 20.2% per year.



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## JOB TENURE

In Western Washington, UFCW 3000 members have an average of 5.2 years of job tenure, with female members and employees at independent traditional supermarkets having the longest. Among members reporting their gender, women UFCW 3000 grocery members have an average job tenure of 6.5 years, compared to 5.5 years for male grocery members.<sup>77</sup> Workers at the Hilltop Red Apple in Seattle, The Markets stores in Anacortes and Birch Bay, Swain's General Store in Port Angeles, Payless Foods in Freeman, and Prairie Center Red Apple in Coupeville all have average job tenure above 8.0 years.

Occupational job tenure for UFCW 3000 members is correlated with higher wages and lower turnover rates. Among the ten largest UFCW 3000 occupations, the three with the highest average wage (front end checker, produce clerk and grocery clerk) also have the highest average tenure and lowest turnover rate. Meanwhile, personal shoppers and espresso clerks have the shortest average job tenure, 0.9 years and 2.3 years respectively, and also some of the lowest wages and highest turnover rates. (Exhibit 8)

For occupations with 100+ workers, job tenure increased by an average of 1.4 years for every \$1.00/hour increase in the average occupational wage. Receiving clerks (14.7 years), produce managers (13.4 years) and floral managers (12.2 years) boasted the longest average job tenure. Each of these occupations has average turnover rates below 12.0% and an average wage above \$21.00/hour. Meanwhile, none of the 16 occupations with average job

tenure below 5.0 years had hourly wages above \$20.00/hour. (Appendix 7)

Members with management responsibilities had shorter job tenures than their higher average wages would predict, while members in retail occupations and occupations away from the grocery floor had higher than expected average job tenures relative to their wages. Of the nine occupations with 100+ workers and management responsibilities, seven had shorter than expected average job tenures. Persons-in-charge (-4.4 years), meat managers (-4.1 years) and union 4th person managers (-2.8 years) were three of the five occupations with the shortest average job tenure relative to the length predicted by their average wage. This may indicate that the responsibilities of management are not being completely compensated for at the current wage level. By contrast, receiving clerks (+4.1 years), apparel clerks (+3.7 years) and photo/electronics clerks (+3.3 years) had average job tenures significantly higher than those predicted by their average wage. These retail and non-grocery floor occupations also have low turnover rates relative to their average wage, suggesting that better job quality may be incentivizing workers to remain in these positions.

**Later in this report, we document the negative impacts that result from high turnover and how greater investments by labor and management in workforce development programs can improve job quality and benefit employers, unions, and workers.**

### EXHIBIT 8.

Job Tenure, Turnover and Wage Rate for Top 10 UFCW 3000 Occupations, Statewide, 2020

Occupation	Workers	Average Tenure	Turnover Rate	Wage Rate
Front End Checker	4,410	7.0	23.5%	\$17.87
Courtesy Clerk	3,180	2.1	40.1%	\$14.35
Deli Clerk	2,840	4.4	29.9%	\$16.32
Personal Shopper	1,630	0.9	31.7%	\$15.23
Produce Clerk	1,610	6.9	19.1%	\$19.23
CCK Checker	1,590	4.7	26.4%	\$18.18
Grocery Clerk	1,590	4.9	19.2%	\$19.83
Helper Clerk	1,310	3.5	29.2%	\$15.19
Home Clerk	1,170	4.2	25.6%	\$15.56
Espresso Clerk	1,050	2.3	45.8%	\$15.57
All Other Occupations	8,510	7.1	20.6%	\$18.98
<b>Total / Average</b>	<b>28,890</b>	<b>5.5</b>	<b>25.2%</b>	<b>\$17.41</b>

Sources: UFCW 3000, 2020; Washington State Employment Security Department, 2020.

# PART 03

**retail grocery sector**  
*the workforce*

## residence and work locations

### RESIDENCE AND WORK LOCATIONS

UFCW 3000 grocery workers live throughout Western Washington, with the largest concentrations centered in King County. Overall, 22.8% (6,600) of UFCW 3000 grocery members live in Seattle, 5.0% in Renton, 4.3% in Kent, and 4.0% in Bellingham. These are also the cities where the greatest concentrations of UFCW 3000 grocery members work. Grocery members are especially concentrated in urban and suburban areas, particularly northwestern and southern King County and around Bellingham (Exhibit 9).

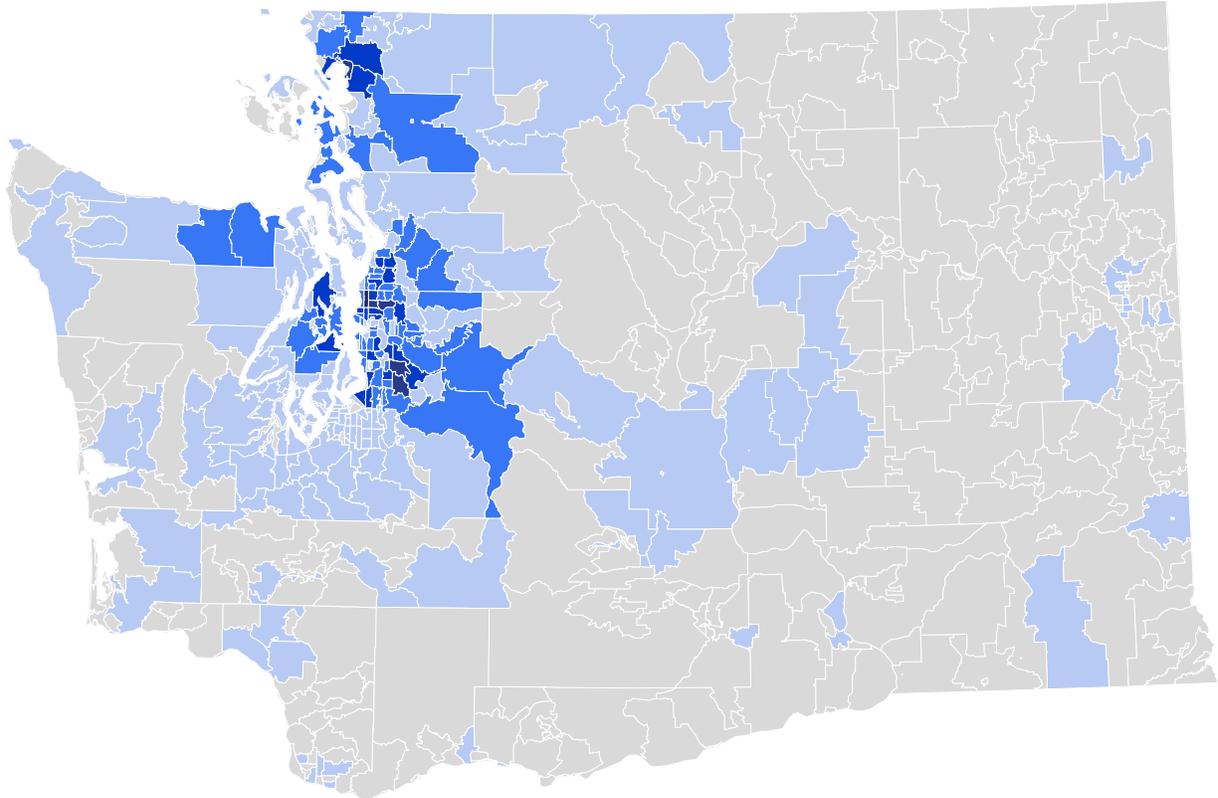
The majority of grocery members work in the same city in which they live. In total, 58.5% of members work and live in the same city, and 32.5% live and work in the same zip code. Among the cities with the greatest concentration of grocery workers, 72.9% of members working in Seattle also reside in Seattle, 60.0% of Renton workers also live in Renton, 48.1% of workers both live and work in Kent, and 73.6% of workers in Bellingham also live in Bellingham.

**EXHIBIT 9.** UFCW 3000 Cities of Residence and Work Comprising 2.0% or More of Total Membership, 2020

City of Residence	UFCW 3000 Workers	Share	City of Work	UFCW 3000 Workers	Share
Seattle	6,600	22.8%	Seattle	8,120	28.1%
Renton	1,440	5.0%	Renton	1,480	5.1%
Kent	1,230	4.3%	Kent	1,470	5.1%
Bellingham	1,150	4.0%	Bellingham	1,370	4.7%
Everett	960	3.3%	Everett	1,220	4.2%
Bellevue	880	3.0%	Bellevue	1,170	4.0%
Lynnwood	790	2.7%	Lynnwood	990	3.4%
Kirkland	780	2.7%	Kirkland	880	3.0%
Bothell	750	2.6%	Bothell	740	2.6%
Auburn	680	2.4%	Auburn	690	2.4%
Federal Way	680	2.4%	Federal Way	650	2.2%
Bremerton	630	2.2%	Bremerton	640	2.2%
			Port Orchard	570	2.0%
<i>All Other Cities</i>	<i>12,320</i>	<i>42.6%</i>	<i>All Other Cities</i>	<i>8,900</i>	<i>30.8%</i>
<b>Total / Average</b>	<b>5.5</b>	<b>28,890</b>	<b>5.5</b>	<b>25.2%</b>	<b>\$17.41</b>

*Sources: UFCW 3000, 2020; Washington State Employment Security Department, 2020.*

**EXHIBIT 10.** UFCW 3000 Grocery Workers by Place of Residence (ZIP Code)



**UFCW 3000 Workers by ZIP Code of Residence**

Number of Workers



Source: UFCW 3000; US Census Bureau, 2020; Community Attributes Inc., 2020

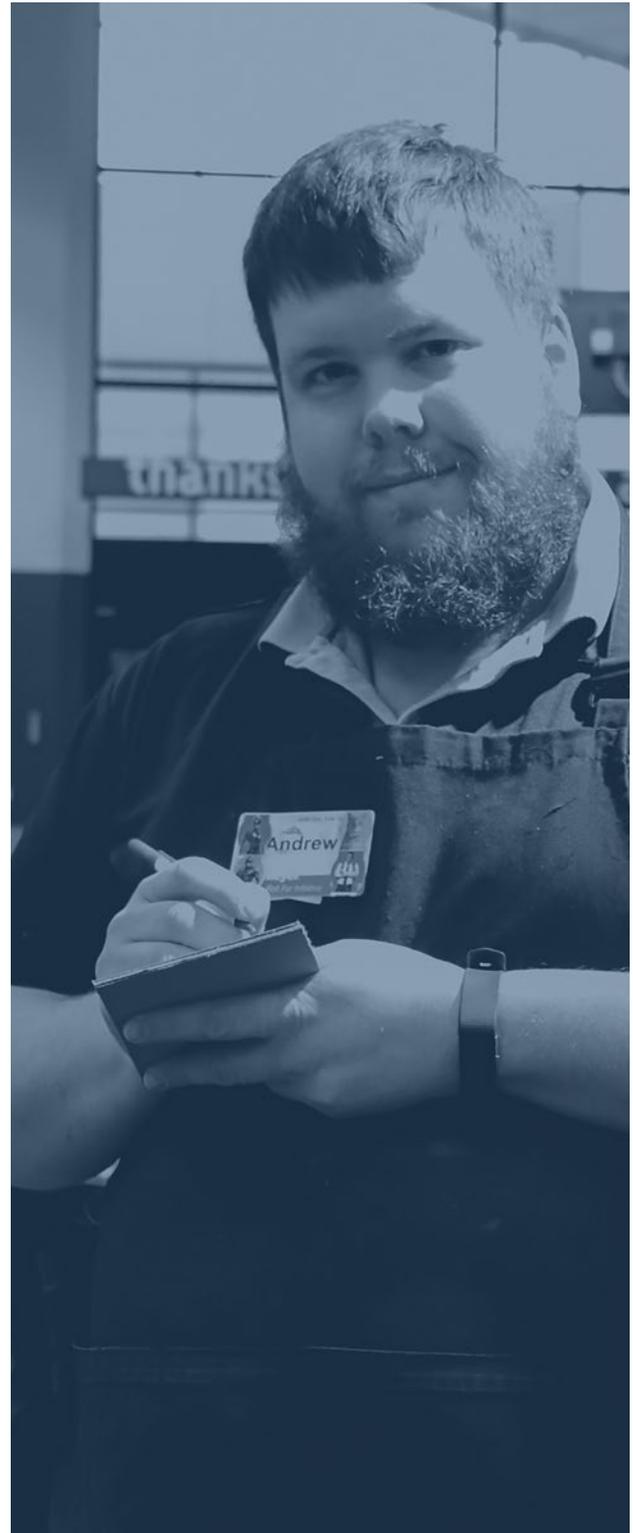
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*UFCW 3000 members in Western Washington earn more than typical grocery workers, but often earn less than average workers in the communities in which they live.*

UFCW 3000 grocery workers in Washington earn roughly \$36,200 on average annually, which is higher than \$34,000 earned by all Washington grocery workers each year. The gap is likely much larger for total compensation, with UFCW 3000 union workers having access to better health and retirement benefits than non-union grocery workers. Both UFCW 3000 and all grocery worker wages are slightly lower than wages for all Washingtonians over 16 years of age, for whom the median income is \$37,960 per year. The greatest wage disparities between grocery workers and average workers occur in King County zip codes with higher-than-average annual earnings. (Appendix 8)

## EDUCATIONAL ATTAINMENT

Educational attainment for Washington state grocery workers reflects the low barriers to entry of many retail grocery occupations. In 2019, nearly six in ten Washington grocery workers had a high school diploma (50.5%) or less (8.8%).<sup>78</sup> Roughly three of ten had either one (20.3%) or two (8.4%) years of college. Finally, only approximately one in ten had a four-year degree (9.7%) or five+ years of college (1.7%).



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## race and *ethnicity*

Workers of color comprise a slightly higher percentage of the grocery workforce (31.5%) than Washington's workforce (29.5%). Asian workers make up a share of grocery workers that is 1.9 percentage points higher, and mixed-race workers 2.2 percentage points higher, than their respective share of the Washington workforce. The share of White, Latino and Black grocery workers, meanwhile, is slightly below their share of the overall Washington workforce. (Exhibit 11)

Although UFCW 3000 does not systematically collect data on the race of grocery members, some employers have provided data in response to information requests from the union. At Safeway and Albertsons, for instance, 36.0% of members are workers of color. Asian members represent 12.9% of Safeway and Albertsons workers, Black members 8.3%, Latino members 7.6%, Native Hawaiian and Pacific Islander members 1.4%, Native American members 1.2% and Mixed-Race members 4.7%.

**EXHIBIT 11.** Grocery Workers and All Washington Workers by Race, Average 2015 – 2019

Race / Ethnicity	Grocery Workers	Washington Workers	Difference
White	68.5%	70.5%	-2.1%
Latino	9.7%	11.3%	-1.6%
Black	3.3%	3.7%	-0.4%
Native American	0.9%	0.9%	0.0%
Asian	11.3%	9.5%	1.9%
Mixed Race	6.2%	4.1%	2.2%
<i>Subtotal, People of Color</i>	31.5%	29.5%	2.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	

*Source: University of Minnesota IPUMS, 2020.  
Includes both supermarkets and convenience stores for 2015 – 2017 due to lack of specific data availability.*

## immigrants and refugees

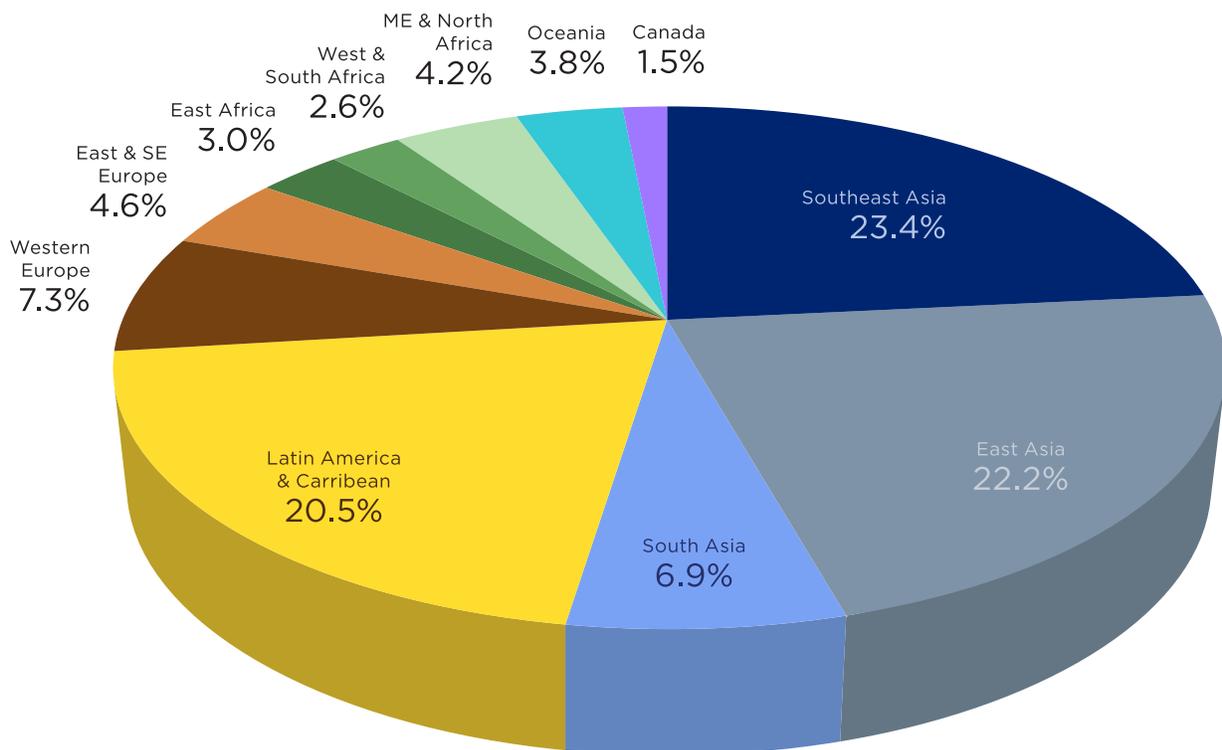
Immigrants and refugees, particularly workers from Southeast Asia, East Asia and Latin America and the Caribbean, comprise a significant portion of the grocery workforce. An average of 15.8% of the Washington workforce and 17.3% of grocery workers<sup>79</sup> were immigrants and refugees between 2015 and 2019. Southeast Asian, East Asian, and Latin American and Caribbean workers make up two-thirds of immigrant and refugees grocery workers (Exhibit 12). The immigrant and

refugee communities representing the largest percentage of immigrant and refugee grocery workers include Mexican (16.5%), Filipino (12.7%), Korean (10.8%), Chinese (6.8%), Vietnamese (6.6%) and Indian (5.2%) workers.

Even though immigrant and refugee workers make up a substantial share of UFCW 3000's Washington membership, precise data on country of origin and percentage of workers is currently unavailable.

### EXHIBIT 12.

Washington Immigrant and Refugee Grocery Workers by Region, Average 2015 - 2019



Source: University of Minnesota IPUMS, 2020.  
Includes both supermarkets and convenience stores for 2015 - 2017 due to lack of specific data availability.

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## gender representation, *disparities, and age*

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### **GENDER**

In Western Washington, a majority of grocery workers are women, and the grocery industry as a whole has a higher share of female workers than the broader Washington workforce. Between 2015 and 2019, the grocery workforce was 53.1% female versus just 47.3% of the Washington workforce over the same period.<sup>80</sup> Additionally, the share of female workers of color in the grocery industry is 15% higher than in the overall workforce (16.0% vs. 13.9%).<sup>81</sup>

While UFCW 3000 grocery members are also majority female, individual occupations display different levels of gender concentration. Of 28,890 total UFCW 3000 grocery members, 51.8% are female and 48.1% are male. However, women and men make up disproportionate shares of several of the occupations with more than 1,000 workers. For example, 79.7% of espresso clerks, 71.4% of CCK checkers, and 61.2% of deli clerks are female, while 71.7% of produce clerks and 63.1% of grocery clerks are male. UFCW 3000 occupations have similar gender ratios to all Washington grocery industry occupations. UFCW 3000 women are more likely to be grocery, deli, and bakery clerks, and slightly less likely to be checkers and meat cutters, than Washington grocery workers as a whole. (Exhibit 13)

Union wage scales ensure that workers in the same occupation, department and seniority level earn the same wages, but female-dominated occupations and departments tend to earn lower wages overall than male-dominated occupations and departments. For instance, the average wage for the two most female-dominated occupations espresso clerk and bakery clerk, are \$15.57/hour and \$15.97/hour, respectively. This is significantly

less than the average pay in male-majority occupations like grocery clerk (\$19.83/hour) and produce clerk (\$19.23/hour). The difference in pay also corresponds to the difference in pay scales, with espresso, bakery and other perimeter department workers paid on a lower Appendix C scale, and grocery and produce paid on a higher Appendix A scale. Despite these differences, male and female UFCW 3000 grocery members make about the same average wage overall: \$17.95 and \$17.61 per hour, respectively. (Appendix 9)

### **AGE**

In Western Washington, the average age of UFCW 3000 grocery members is 38.5 years, and median age 35.0 years, with high concentrations of both younger and older workers. UFCW 3000 grocery members fall into two broad age groups, one representing younger workers under 30 years old (40.5%) and the other representing older workers over 45 years old (35.6%). (Exhibit 14) This is roughly in line with the grocery industry, where the median age is 34.1 years and 52.0% of workers are under 34.<sup>82</sup>

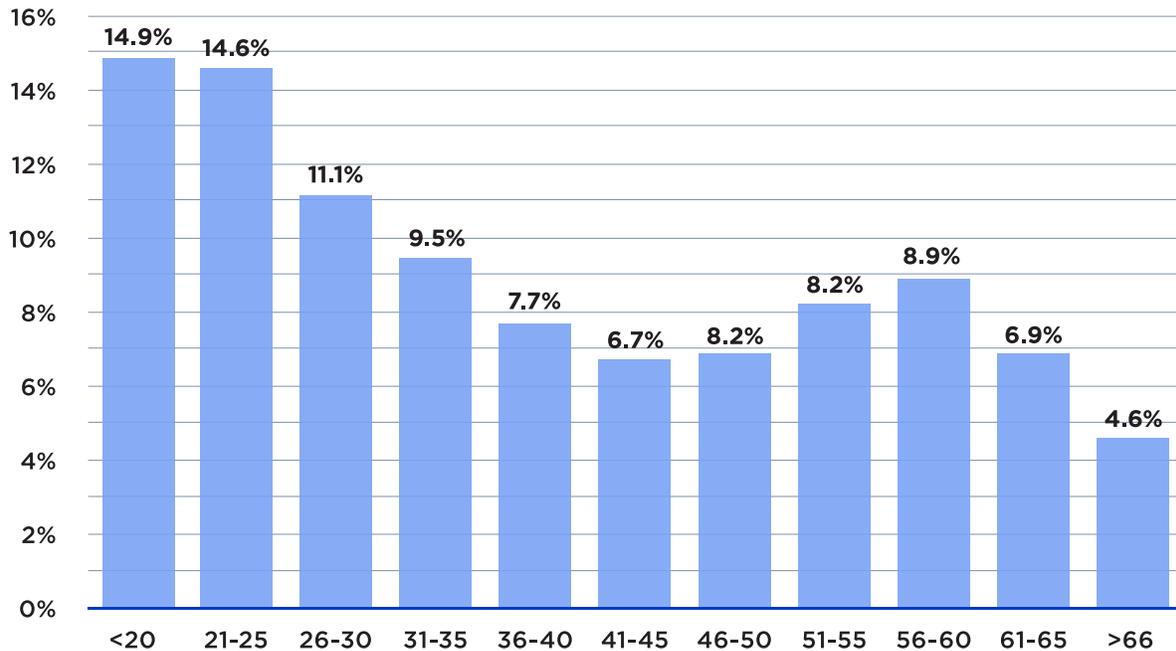
Member age is correlated with increasing and then decreasing average hourly wages. Average hourly wages rise for younger members, plateau for members aged 46 (\$19.56/hour) and begin declining for members over the age of 60. This reflects the nature of the union wage scale for younger workers (which provides wages based on seniority), and potentially the entrance of retirees or second career older workers starting lower on the wage scale. (Appendix 10)

**EXHIBIT 13.** Comparison Between Percent of Women in UFCW 3000 Occupations and Statewide Occupations, Washington State, 2019

Occupation	UFCW 3000 & Female	Washington % Female
Front End / CCK Checker	62.0%	66.8%
Deli Clerk	61.2%	53.4%
Grocery Clerk	36.7%	21.0%
Meat Cutter	11.9%	13.4%
Bakery Clerk	80.0%	59.7%

Source: UFCW Local 3000, 2020; U.S. Bureau of Labor Statistics, 2019.

**EXHIBIT 14.** Percent of UFCW 3000 Members by Age Group, Statewide, 2019



Source: UFCW 3000, 2020.

# PART 04

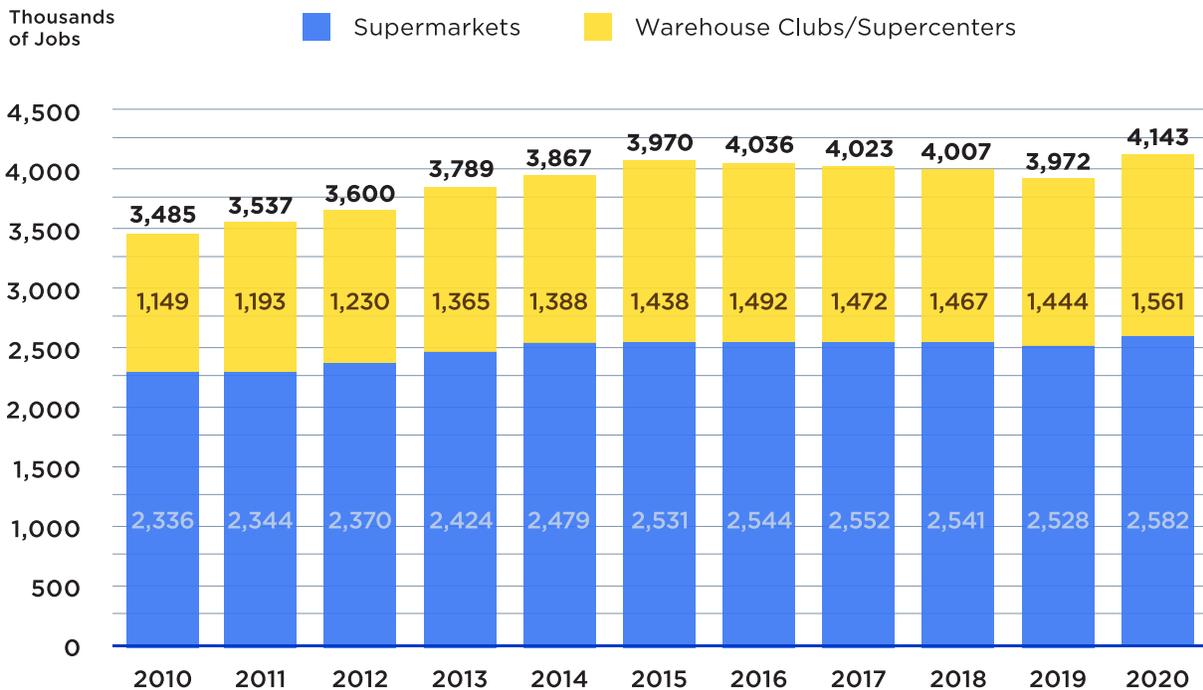
**retail grocery sector**  
*trends, impacts, and  
the future of work*

## national grocery employment *and industry trends*

From 2010 through 2020, the first year of the pandemic, the national retail grocery industry grew at a slightly slower pace than Washington's, with warehouse clubs and supercenters expanding at a faster rate than supermarkets. Retail grocery industry employment across the United States grew by 1.7% per year between 2010 and 2020,<sup>83</sup> compared to 2.5% annual growth in Washington's retail grocery industry over the same period. National employment grew faster at warehouse clubs and supercenters (3.1%) than at supermarkets (1.0%) over the same period (Exhibit 15), reflecting similar trends in Washington. Overall, the retail industry supports more than 4,143,000 jobs across the country, representing 3.0% of total national employment.

Warehouse clubs and supercenters have been growing faster since at least the 1990s, reflecting a shift in consumer preferences away from grocery and department stores towards the "one-stop-shop" model.<sup>84</sup> In 1996, supermarkets represented 80.1% of industry-wide employment. By 2020, this share had decreased to 62.3% of total grocery industry employment. There has been a "shift of traditional grocery store items away from food stores and toward supercenters." Warehouse clubs and supercenters have also diverted demand from general merchandise stores, including department stores and discount stores, reflecting the popularity of the "one-stop, low-price shop" model.<sup>85</sup>

**EXHIBIT 15.** Grocery Industry Employment, United States, 2010-2020



Source: Bureau of Labor Statistics, 2020.



DOWNTOWN KIRKLAND QFC ORGANIZED 2019

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## impact of the covid-19 pandemic *and economic crisis*

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The COVID-19 pandemic has fundamentally altered how people consume, work, and interact. Social distancing policies adversely impacted many forms of retailing and encouraged greater use of e-commerce for various forms of purchases (including dry goods more commonly purchased from physical stores under normal circumstances).<sup>86</sup> At the same time, grocery served as an essential industry that Americans relied on as other food industry businesses shuttered, driving a spike in prices and sales. According to data published by Opportunity Insights, purchases of goods from grocery and food stores in Washington state peaked at 66.6% above January 2020 numbers in the early stages of the pandemic.<sup>87</sup> Sales remained elevated throughout the pandemic, with January 2021 sales 18.9% higher and May 2021 sales 24.9% higher than January 2020 sales.<sup>88</sup>

Although the grocery industry has enjoyed increased consumer spending, the food retail industry has not been immune to the sharp rise in unemployment. While workers in other industries are more impacted by the economic effects of the pandemic, grocery employees work in close contact with the public, which puts them at particular risk

of COVID-19 infection. Additionally, more shoppers are buying groceries than in pre-COVID-19 circumstances. Busier and more crowded stores have made it difficult for grocery workers to take health precautions, such as social distancing.<sup>89</sup> Some workers with vulnerable immune systems have opted to quit their jobs and apply for unemployment benefits, rather than take these risks, contributing to the rise in unemployment.<sup>90</sup>

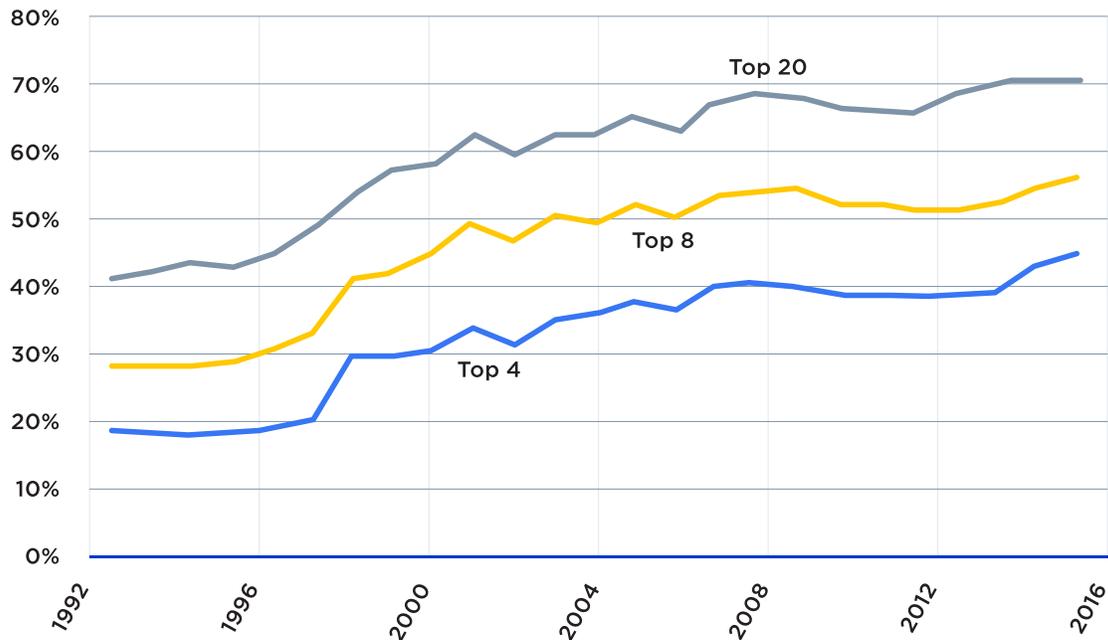
Despite the number of unemployed workers, grocery establishments in Western Washington are struggling to maintain staffing levels after years of cost-cutting and wage stagnation. There are several contributing factors to this trend. One reason is the health concerns of workers in consumer-facing roles. Some workers have sought jobs close to their home to avoid commuting on public transit. Others are delaying returning to work because they lack childcare options while school campuses are closed.<sup>91</sup> While trends such as higher grocery sales, pandemic-driven unemployment, periodic hiring shortages, increases in personal shopping and spikes in e-commerce may continue after the COVID-19 pandemic, their long-term impacts are uncertain.

## market consolidation and cost reduction

Through acquisitions and internal growth, a few large grocery corporations have gained a greater market share over the past 25 years.<sup>92</sup> In 1996, the 20 largest grocery chains represented approximately 42.2% of grocery industry sales.<sup>93</sup> By 2019, the market share of the 20 largest companies had grown to 65.1% of grocery industry sales. Market share for the four largest grocery chains more than doubled over 20 years, from 17.5% in 1996 to 42.4% in 2016 (Exhibit 16.)<sup>94</sup> In 2019, the four largest U.S. grocery chains were Walmart, (owner of Walmart and Sam's Club), Kroger, (owner of Fred Meyer, QFC, Ralphs, King Soopers, Harris Teeter, Food 4 Less and other banners), Albertsons, (owner of Albertsons, Safeway and Haggen), and Target.<sup>95</sup>

A rise in grocery industry mergers and acquisitions has driven part of this market consolidation, kicking off in the late 1990s and continuing in waves through the present day. There were 813 mergers and acquisitions in the greater food industry in 1999 alone,<sup>96</sup> contributing to a significant uptick in the market share of top grocery chains. Merger activity continued at a lower level over the period and accelerated in recent years. In 2016, there were more than 500 mergers and acquisitions—the highest in 15 years.<sup>97</sup> Recent consolidation activity includes the merger of Albertsons and Safeway in 2015, the merger of Ahold and Delhaize in 2016, and the acquisition of Whole Foods by Amazon in 2017.<sup>98</sup> Walmart has recently acquired several e-commerce brands, including Jet.com in 2016,

**EXHIBIT 16.** Market Share of Top Grocery Chains, United States, 1992 – 2016



Source: U.S. Bureau of Labor Statistics, 2019.

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*The retail grocery industry is consolidating; union density is falling; increasingly dominant non-union players like Walmart are aggressively eroding wage, benefit, and hours standards; a gap is opening between increasing productivity and stagnant compensation; new entrants like Amazon are accelerating the use of labor-replacing technology; Instacart is attempting to turn regular employment into gig work; consumers are increasingly exploring e-commerce and personal shopping options; and grocers are expanding perimeter departments that supply fresh and organic products. Many of these trends have a negative impact on the lives and livelihoods of union grocery workers, staffing and bottom line of union employers, customer experience of shoppers, and participation of workers in unions.*

as well as two major international online grocery firms: China's Yihaodian in 2015 and India's Flipkart in 2018.<sup>99</sup>

Walmart's continued growth also contributed substantially to grocery market consolidation. Between FY 2010 and FY 2019, net grocery sales at Walmart's U.S. and Sam's Club stores increased from \$165.7 billion to \$225.9 billion, reflecting a compound annual growth rate of 3.5%.<sup>100</sup> The company opened 664 new supercenters over the period, while the number of Walmart Neighborhood Markets and small format stores increased more than four-fold from 180 in FY 2010 to 809 in FY 2019.<sup>101</sup> By 2018, the company held a dominant position in the grocery market with approximately 23% of total U.S. grocery sales, 2.5 times higher than the next largest retailer, Kroger.<sup>102</sup>

The COVID-19 pandemic may accelerate this trend toward industry consolidation, with large corporations able to invest in e-commerce systems and technology to outcompete smaller firms. Walmart, Amazon, Albertsons, and Kroger have all bolstered grocery delivery and personal shopping options, relying on an online infrastructure that may be too costly for smaller chains.<sup>103</sup>

## THE GROWTH OF DISCOUNT STORES

The rapid growth of U.S. discount stores such as Aldi, Lidl, Dollar General, Dollar Tree and Family Dollar has also put downward pressure on prices and pushed traditional grocers to make operational changes that include cost reductions.<sup>104</sup> While the number of traditional supermarkets in the U.S. shrank by an estimated 3% between 2010 and 2020, the number of discount supermarkets increased 61% and the number of dollar stores jumped 62%.<sup>105</sup> The pace of store openings and market growth for these discounters isn't slowing down. "Dollar General plans to add over 1,000 new stores [in 2021] and eventually double its storebase from over 17,000 to over 34,000 stores."<sup>106</sup> Dollar General and Family Dollar/Dollar Tree together have an estimated \$41 billion in grocery sales, which would make them the 9th largest grocer in the country.<sup>107</sup>



LOCAL 3000 — SAFEWAY WORKER



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## supply chain crunching *and cost-cutting*

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Market consolidation within the industry provides the largest chains with increased bargaining power over their supply chains. In 2015, when Walmart accounted for more than 10% of the overall retail market in the United States,<sup>108</sup> the company used its market dominance to require suppliers to reduce their prices.<sup>109</sup> A company with sales as large as Walmart has an enhanced ability to set prices with suppliers because the potential for lost sales poses a significant risk to suppliers. In turn, this bargaining power allows large corporations like Walmart to continue the practice of competing across the industry with reduced pricing.<sup>110</sup>

Beyond increased bargaining power, large corporations can also bypass traditional players in the grocery industry supply chain. Walmart's size, for example, allows for direct engagement with manufacturers, rather than working through brokers to source products.<sup>111</sup> Working directly with manufacturers not only reduces supply chain costs, but also allows Walmart to negotiate manufacturing costs directly.<sup>112</sup>

In 2017 as a part of a strategy to compete with Amazon, Walmart announced new cost-cutting efforts in order to increase available capital for e-commerce and other improvements.<sup>113</sup> Cost-cutting measures included eliminating both corporate and store jobs, increasing fees for suppliers to deliver goods to stores, and demanding lower prices from suppliers.<sup>114</sup> Walmart has imposed a "zero-based budgeting" strategy, which requires every expense to be justified.<sup>115</sup> One such cost-cutting measure includes using smaller paper for receipts, for example.<sup>116</sup> In 2020, Walmart announced further cost-cutting measures across its stores, including changes to shopping bag purchase adjustments and more efficient equipment maintenance.<sup>117</sup> The company also introduced scanning and sorting technology to unload packages as they come off trucks. According to Walmart, this technology has the potential to save a third of the time required for the same process with human labor.<sup>118</sup>

## declining union membership

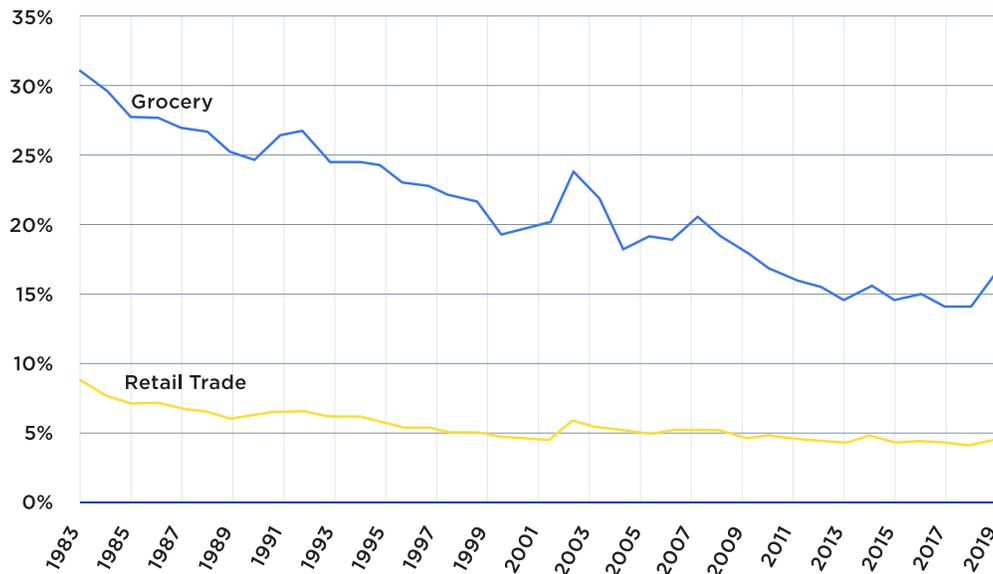
Grocery industry consolidation has also given employers greater market power over their employees, helping drive a reduction in union density. In 1983, 31.1% of workers in supermarkets were union members. By 2020, membership rates had fallen to 16.5% of supermarket workers.<sup>119</sup> (Exhibit 17). Despite this decline, grocery continues to be one of only two industries in the retail trade sector with a unionization rate over 10.0%<sup>120</sup> and has a unionization rate more than 3x that of the sector as a whole.<sup>121</sup>

This decline in density has also been driven by the rising market share of large anti-union grocers such as Walmart with its long history of opposing organized labor within their employee base, closing stores where workers unionize and laying off whole classes of employees following efforts to organize. In 2004, Walmart closed a store in Quebec, claiming “unprofitability” shortly after it became the first Walmart store in North America to vote to unionize.<sup>122</sup> In 2000, after a meat department at a Texas Walmart voted to unionize, Walmart announced

plans to use prepackaged meat and eliminate butchers at that store and 179 others, asserting that the timing was coincidental.<sup>123</sup> In 2015, Walmart closed five stores with worker participation in OUR Walmart<sup>124</sup> for 6 months.<sup>125</sup> According to the company, these closures were related to “ongoing plumbing issues.” However, some workers viewed them as an anti-union message.<sup>126</sup>

As grocery firms expanded from regional to national operations, they gained the size necessary to close individual stores, layoff large groups of employees, or withstand regional worker efforts to improve working conditions. As a result, the threat of potential closure and layoffs discourages future union activities.<sup>127</sup> Additionally, the competitive threat of low standard non-union employers pressures other grocers to lower standards. For instance, research from California suggests that conventional supermarkets work to reduce wages and benefits prior to the arrival of proposed Walmart supercenters.<sup>128</sup>

**EXHIBIT 17.** Union Representation and Membership in the Grocery and Retail Trade Industries, United States, 1983 – 2020



Source: Unionstats.com; U.S. Bureau of Labor Statistics, 2020

Note: Part of the substantial increase in grocery industry union membership in 2020 resulted from the removal of (less unionized) convenience stores from the Current Population Survey’s category for grocery stores.

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## impacts of cost reduction on business operations, job quality, and compensation

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As their market power grows and price competition escalates, employers can reduce labor costs by cutting back on hours, relying on on-call work and varying shift schedules to match customer demand. While grocery payroll and employee benefits account for only 11.2% and 3.6%, respectively, of total sales on average<sup>129</sup> they comprise a larger share of total operating expenses and are one of the factors grocery employers have the greatest amount of control over, particularly at the store level.

Labor hours have fallen since 2000, a decline driven primarily by fewer hours per week per worker, while output has increased (Exhibit 18). Total labor hours in supermarkets declined almost 15% between 2000 and 2010, with total employment falling 5.4% and hours per non-production employee decreasing 9.5% over the period.<sup>130</sup> Output and productivity among grocery workers, meanwhile grew slightly from 2000 to 2010.<sup>131</sup> From 2010 to 2018, total hours increased 6.9%, driven by a 7.7% increase in total grocery employment and 0.7% decrease in hours per production and non-supervisory employee, while output shot up 17.7%.

Overall, the introduction of scanning technology, changes to scheduling practices, rise of part-time work, and market power driven by consolidation have allowed large grocery chains to increase productivity while reducing or maintaining labor hours.<sup>132</sup>

### **WORK HOURS, SCHEDULING, AND UNDERSTAFFING**

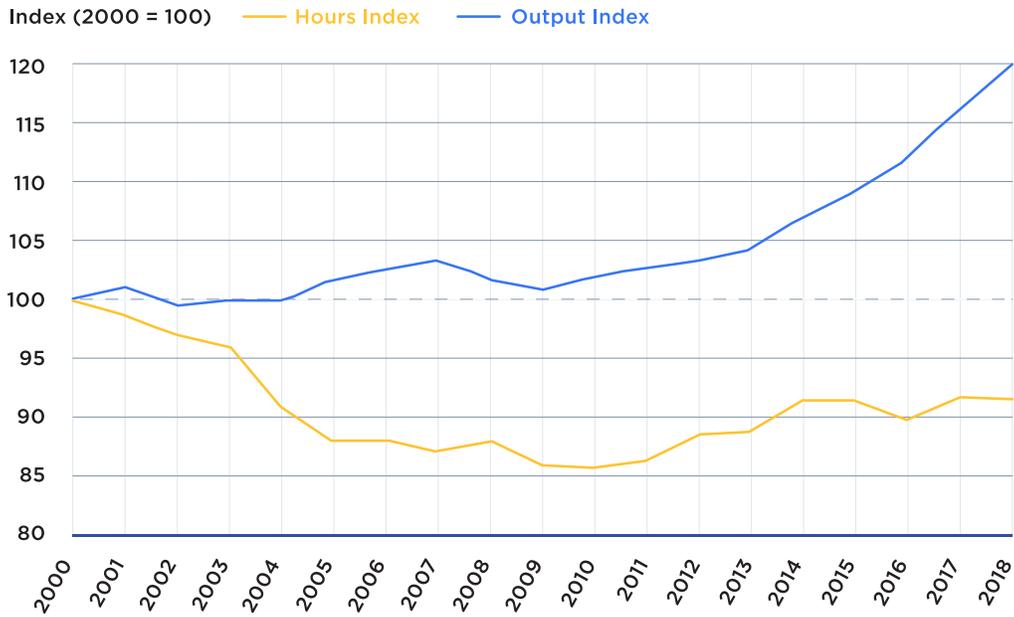
With schedule management and customer tracking technologies, grocery employers attempt to minimize employee hours while maintaining customer service coverage. These cost cutting strategies result in less predictable work schedules<sup>133</sup> and lower job quality.<sup>134</sup> Employee shifts are determined by a scheduling algorithm, often based on prior sales, which generates unpredictable hours and shifts. Some employers also ask their employees to be available on-call to meet last-minute demand. The erratic nature of schedules and inconsistent number of hours affects workers' personal lives by creating challenges in planning childcare, difficulty in maintaining outside of work commitments,

threats to benefit eligibility, and decreases in quality of life at work.<sup>135</sup>

Inconsistent and erratic scheduling also take a psychological toll on grocery workers. Consistent with findings from research in other sectors, a study by researchers at the University of California - Berkeley and University of California - San Francisco revealed that workers receiving variable hours week-to-week, working variable or rotating schedules, and receiving fewer than six days' notice of their schedule all "have a higher likelihood of experiencing psychological distress," and are more likely to report poor sleep, than workers with set hours, schedules and at least one week notice.<sup>136</sup> The study also found that "workers exposed to canceled shifts, on-call work, and clopening<sup>137</sup> shifts are significantly more likely to experience psychological distress" and uncovered "strong relationships between happiness and exposure to canceled shifts, on-call work, clopening, limited schedule control, and multiple exposures to unstable and unpredictable scheduling practices."<sup>138</sup>

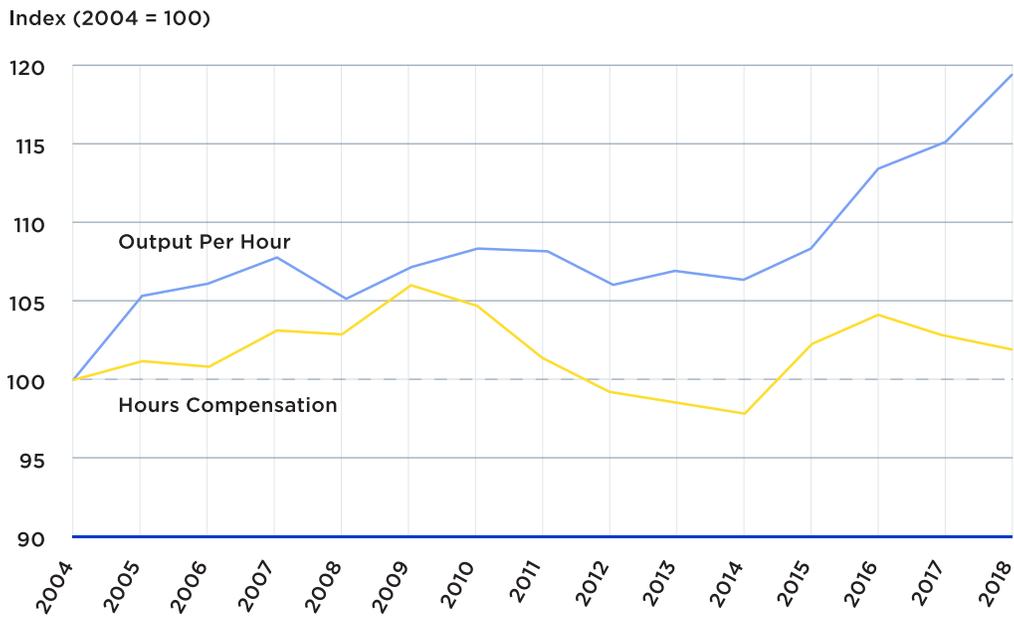
Erratic scheduling and understaffing not only hurt workers, it also hurts long-term sales growth and profitability. Harvard researcher Zeynep Ton found that in a grocery environment, where a typical store might carry 39,000 products, serve 2,500 daily customers and receive and shelf deliveries multiple times per day, poorly paid and motivated employees are less effective at monitoring inventory, putting up promotional items, answering customer questions and prioritizing tasks, ultimately hurting the bottom line.<sup>139</sup> A 2014 Study of 41 stores of a large retail chain "estimate[d] the impact of understaffing on lost sales to be 6.15% and that on profitability to be 5.74%."<sup>140</sup> Citing potential declines in customer satisfaction and loyalty driven by understaffing and deteriorating service quality over extended periods, the authors suggested that "the impact of understaffing on total [long-term] profitability could be much higher."<sup>141</sup> Scheduling stability matters as well. A 2018 Study based on a pilot program at 19 Gap stores that introduced two-week notice, a shift-swapping app and commitments by management to pursue more consistent shift times "estimate[d] that shifting to more stable scheduling yielded \$2.9 million in increased revenues for Gap."<sup>142</sup>

**EXHIBIT 18.** Grocery Worker Output and Total Hours Worked Indexed (2000=100), United States, 2000-2018



Source: Bureau of Labor Statistics, 2019

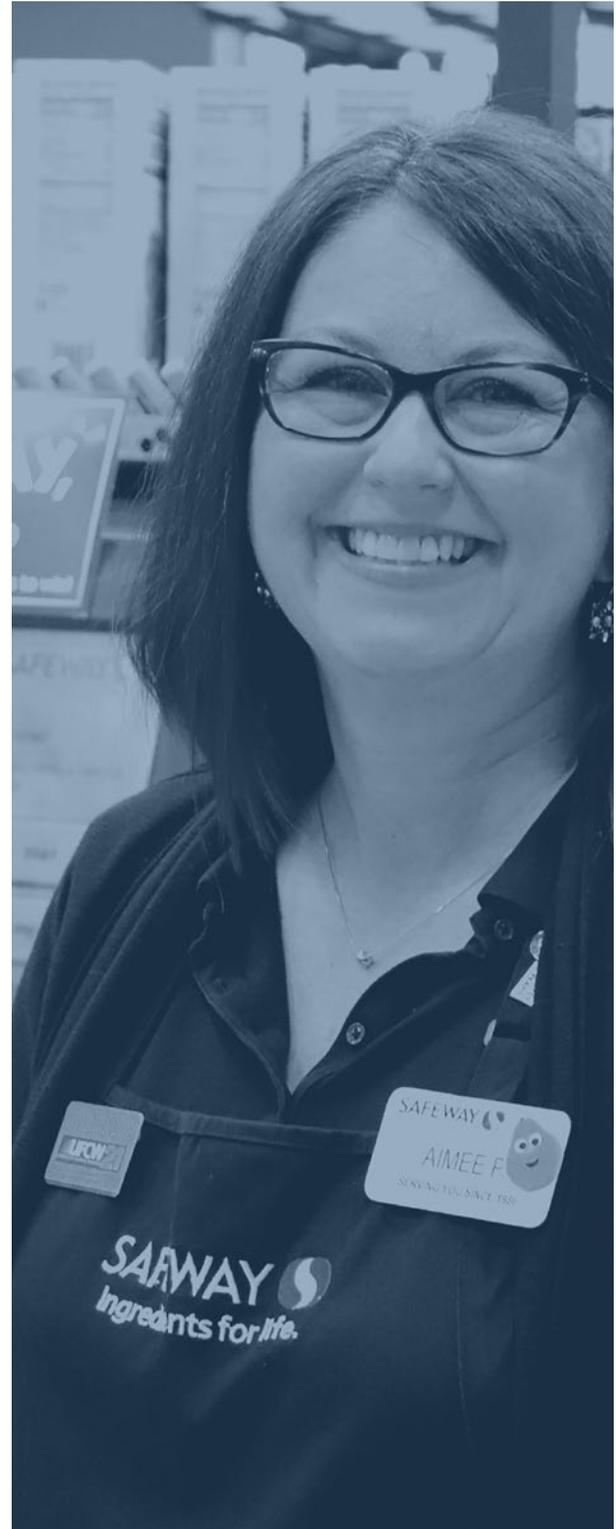
**EXHIBIT 19.** Grocery Worker Output per Hour and Hourly Compensation, Indexed (2004 =100), United States, 2004-2018



Source: Bureau of Labor Statistics, 2019

## INCREASING WORKER PRODUCTIVITY AND STAGNATING WAGES

Since 2004 the productivity of grocery workers has increased while hourly compensation has stagnated, driven by deskilling of labor, wage and benefit pressure from large non-union firms like Walmart, understaffing, and the lowering of standards at union firms in response to the Southern California grocery strike. Between 1987 and 2003, growth in hourly compensation for grocery workers slightly exceeded the growth in hourly output or productivity. However, between 2004 and 2018, average hourly output increased 19.1% while average hourly compensation only rose 1.6% (Exhibit 19). After 2003, grocers began replacing more labor intensive in-store services (like in-house meat cutting, baking, and seafood processing) with more prepackaged products, and customer service staff with an increasingly self-service environment.<sup>143</sup> Additionally, employers were able to win a two-tier contract structure after the 2003 Southern California grocery strike that lengthened the time it took for new employees to climb the wage scale and decreased Sunday and holiday pay for new employees. Versions of this contract then rolled out across the country, contributing to stagnating standards at all union grocers.



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## impacts of new technologies (e-commerce and self-service)

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*The grocery sector is adopting new technology and automation in varying degrees with some employers advancing quickly in this area, and others not at all.*

### SELF-SERVICE CHECK-OUT

Self-service checkouts first gained popularity in the 1990s, replacing human cashiers with checkout machines that customers are required to operate themselves. By 2013, there were more than 200,000 self-service checkouts worldwide, and this number is expected to grow.<sup>144</sup> These technologies allow retailers to reduce labor required for check-out while shifting some of the work of grocery shopping to the customer.<sup>145</sup> However, most U.S. adults continue to prefer checking out with a cashier.<sup>146</sup>

Self-service check-outs have contributed to a decrease in the number of employee hours worked and hours per person across the grocery industry, impacts spread unevenly over the employee base. Increases in self-service and cashier-less checkout options are expected to displace employment in both cashier and salespeople positions within the grocery industry.<sup>147</sup> Women and people of color are overrepresented in these roles, so the negative impacts of this technology are likely to fall disproportionately on these underrepresented communities.<sup>148</sup>

Amazon Go is accelerating this trend with a completely cashier-less model. In 2018, Amazon launched a first of its kind cashier-less convenience store in Seattle under the Amazon Go banner.<sup>149</sup> In early 2020, Amazon opened the first cashier-less Amazon Go branded grocery store, in addition to 25 other Amazon Go stores nationwide.<sup>150</sup> In June 2021, Amazon opened a 25,000 square foot location in Bellevue, WA, utilizing their 'Just Walk Out' cashier-less technology at a full size store for the first time.<sup>151</sup> The Amazon Go model uses cameras and computer vision to track customers and items throughout the store. This technology allows the Amazon Go system to identify

which customer has selected each item, eliminating the entire cashier check-out process.<sup>152</sup>

Beyond the Go model, Amazon is developing more technology for use in the brick-and-mortar retail industry. The Amazon Dash Cart combines the standard grocery cart with smart technologies and a touchscreen, enabling the cart to determine the items placed in it.<sup>153</sup> When the shopper is finished shopping, they can take the cart through a specified lane for digital cashier-less checkout.<sup>154</sup> Amazon will be testing this device at an Amazon grocery store in Woodland Hills in Los Angeles.<sup>155</sup> Amazon is also marketing its technology to other retailers, suggesting that "other grocers, too, could cut labor costs by purchasing the technology."<sup>156</sup>

### DELIVERY AND CURBSIDE PICKUP

The use of E-commerce for both delivery and curbside pick-up services, is a growing avenue for U.S. grocery sales, a process accelerated by the COVID-19 pandemic. Prior to the pandemic, online grocery represented a smaller proportion of food retail sales in the United States (around 2%)<sup>157</sup> than in comparable European and Asian countries. For example, in the year ending June 2019, the e-commerce share of grocery sales was 7.6% in the United Kingdom, 6.2% in France, 20.3% in South Korea, and 15.2% in China.<sup>158</sup> However, e-commerce spiked during the pandemic, with U.S. online grocery sales jumping 54.0% to \$95.8 billion, representing 7.4% of all grocery sales.<sup>159</sup>

Despite this increase, the existing penetration of online grocery is still low in the United States, which presents challenges for quickly increasing the scale of online ordering.<sup>160</sup> When paired with low population density, investments in the infrastructure required for online grocery, including fulfillment centers and delivery fleets, are costly.<sup>161</sup> Low population density translates into lower demand, increasing costs and affordability of the e-commerce option.<sup>162</sup> Additionally, longer distances required for last-mile delivery in areas with low population density<sup>163</sup> increase the cost of widespread grocery delivery in rural areas.

Continued use of older inventory management systems during the implementation phase of this technology also slows the advance of grocery e-commerce. Successful e-commerce requires real-time inventory supply and management, offering customers options which are in-stock and available substitutions, which is not readily facilitated by current inventory management systems. Many grocery establishments use stocking and product management systems that are similar to those developed in the 1980s.<sup>164</sup> Even if grocery establishments updated inventory management systems, their success will rely on supply chains making necessary updates to technology as well. Traditionally, the complex supply chains of the grocery sector have been slow to update inventory management technologies.<sup>165</sup>

Large non-union corporations in the grocery industry, particularly Amazon, have more capital to invest in technologies required to address these challenges and succeed in e-commerce and online sales than smaller companies. According to analysts, Amazon's \$1.6 trillion market valuation "is far more than all publicly traded traditional and alternative grocers, combined. Amazon's very low cost of capital and extremely high equity valuation give it a near-limitless ability to invest in its transformational Prime ecosystem that competes with all grocers, particularly supermarkets.<sup>166</sup> Walmart, meanwhile, started shifting investment strategies in 2016 to build online operations<sup>167</sup> and can now ship next-day groceries to most of the country.<sup>168</sup> Target acquired grocery delivery service Shipt in 2017 "in order to accelerate its digital fulfillment efforts"<sup>169</sup> and compete with Amazon and Walmart. Meanwhile, traditional grocery businesses are striving to keep up.

Albertsons, in partnership with Takeoff Technologies, is opening a number of micro-fulfillment centers to fill online grocery orders.<sup>170</sup> Albertsons has also announced a sweeping partnership with Google to build "shoppable maps with dynamic hyperlocal features, AI-powered conversational commerce... predictive grocery list building" and a feature to provide "information about online grocery ordering, pickup and delivery directly within mobile search."<sup>171</sup> Kroger has partnered with U.K.-based Ocado with plans to build 20 large automated warehouses nationwide to fulfill online orders,<sup>172</sup> and will pilot a Google maps grocery pickup project at Fred Meyer stores in Portland the Summer of 2021.<sup>173</sup> While the longevity of the increased demand for and extent

of online services created by the COVID-19 pandemic is unknown, the shift to online is expected to be a continuing trend impacting and reshaping the industry.

These significant capital investments and the pandemic-driven change in consumer patterns will undoubtedly grow the e-commerce market. surveys distributed after the pandemic began in March 2020 found that 22% of shoppers had used online grocery delivery and pick-up services during the last three months.<sup>174</sup> However, the expansion of e-commerce-facilitated grocery pickup and delivery will also be limited somewhat by consumer preferences for in-person shopping.<sup>175</sup> For example, consumers have noted dissatisfaction and challenges with online grocery, including fees, produce quality, drop-off times, and customer service issues.<sup>176</sup> Overall, as of July 2020, 62% of surveyed shoppers continued to express preference for in-person shopping where they can select their own produce and avoid delivery fees.<sup>177</sup>

## **INSTACART AND THE RISE OF MISCLASSIFIED E-COMMERCE WORKERS**

Instacart, Target's Shipt, Walmart's Spark and other new entrants to the grocery e-commerce industry have built online platforms that rely on personal shopping and delivery by workers misclassified as independent contractors. These workers pick and deliver grocery products to customers from hundreds of different grocery chains. Across the U.S. four firms each represent 5%<sup>178</sup> or more of grocery delivery sales as of June 2020 - Instacart (46%), Walmart Grocery (38%), Shipt (7%), and FreshDirect (5%) - and all rely on business models which depend on avoiding the labor costs of employment by misclassifying employees as independent contractors. Instacart is the largest of these firms, and it is currently expanding in Washington state.<sup>179</sup> Instacart's sales, and thus its low-road, low-labor standard business model, have grown significantly during the COVID-19 pandemic.

The rise of Instacart has been swift. Between 2017 and 2018, the company grew its coverage from 35% to 80% of U.S. households.<sup>180</sup> As of January 2020, Instacart had 350 partnerships with retailers of all sizes, including Albertsons, Costco, Kroger, Walmart and Sam's Club.<sup>181</sup> Some retail analysts believe that "when Amazon acquired Whole Foods, many retail grocers flocked to Instacart as a short-term fix to a perceived threat."<sup>182</sup>

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*A Nielsen IQ analysis frames the question for retailers this way: “What if Instacart were to leverage its data assets on shopper behavior and loyalty to predict consumer demand, its expansive product library to build the perfect assortment, and their know-how of what it takes to pick and deliver profitably to go direct-to-consumer [by establishing direct buying relationships with brands and manufacturers] —ultimately cutting out the retailer at a much lower cost to the consumer?”*

While Instacart provides a short-term solution to smaller grocers, there may be a significant long-term cost. Instacart and other third-party delivery services allow retail grocers that lack the capital to build expensive e-commerce infrastructure to compete with larger grocery corporations and offer grocery delivery without prohibitive costs. However, these smaller firms lack the bargaining power of major chains, and may eventually find themselves in a poor negotiating position over e-commerce fees. Some analysts believe that Instacart’s “business is predicated on separating retailers from its [sic] customers” and that “Instacart is a Trojan Horse with the intention of eventually competing against its current customers.”<sup>183</sup>

Instacart classifies its workforce as independent contractors, lowering compensation and exempting the company from certain labor protections and employment obligations. Workers and regulators have brought repeated legal challenges against this practice, often resulting in payouts by Instacart to workers. In 2017, for instance, Instacart paid out \$4.65 million to 31,000 workers and agreed to limit its ability to fire workers

without cause to settle a lawsuit over the classification of its shoppers as independent contractors.<sup>184</sup> Independent contractors are paid 20% to 30% less on average than fully employed workers.<sup>185</sup> An analysis of Instacart pay records from across the nation estimates “that the average Instacart worker is paid just \$7.66/hour, after accounting for the costs of mileage and additional payroll taxes borne by independent contractors.”<sup>186</sup> In comparison, UFCW 3000 personal shoppers in Western Washington earn an average of \$15.23 per hour before benefits, which include an additional \$4.65 – \$4.86 per hour employer contribution for healthcare as well as pension contributions.<sup>187</sup>

*In addition to accelerating trends towards low compensation and low job quality, reliance on “gig” labor platforms harms the customer experience. Platform workers often suffer from both “a lack of knowledge about the store where they’re working and no formal training with one specific retailer.”<sup>188</sup> Paired with a lack of worker loyalty, this trend could make it difficult for firms to generate a reliable brand and consistent customer base.*



PHOTO BY JING ÀO TĂNG / PEXELS

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## **perimeter strategy, in-store *dining and healthcare options***

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In response to market consolidation, cost-cutting and e-commerce competition, retailers in the grocery industry have focused on generating brand loyalty and capturing a larger share of food retail sales by offering fresh, pre-made and organic options. Grocers' "perimeter strategy"<sup>189</sup> aims to boost sales for products like produce, meat, fish, poultry, deli, pharmacy items, alcohol, and flowers which are less vulnerable to online competition. Sales of these perimeter items have grown at more than twice the rate of all grocery products.<sup>190</sup> Retailers have also created durable brand loyalty by creating private labels<sup>191</sup> and expanding into gourmet and specialty items.<sup>192</sup> Kroger has had success offering its Simple Truth line,<sup>193</sup> as have Albertsons companies with their own private line, O Organics.<sup>194</sup>

Grocers are also working to capture a larger share of food sales by offering more options such as in-store dining, ready-to-heat meals, ready-to-eat meals, and meal kits. Some supermarkets are creating a food hall format for in-store dining, adding wine bars, food counters, and tap rooms. Examples of these can be found in Kroger, Albertsons and Whole Foods stores.<sup>195</sup>

Additionally, grocery establishments are expanding into health and wellness products and services. Walmart is piloting the Walmart Health Center, Kroger is partnering with local hospitals, and Albertsons is offering genetic testing at select stores.<sup>196</sup> Albertsons has also partnered with Google "to provide customers the latest information about COVID-19 vaccines at its retail pharmacies."<sup>197</sup>

All of these strategies are efforts to halt or replace retail grocery's long-term decline in retail food sales.<sup>198</sup> The response to COVID-19 has temporarily halted this trend, as restaurants and other in-person food retail options have closed and grocery stores have provided essential supplies,<sup>199</sup> but the longevity of these changes is uncertain as is the desire of customers to make frequent trips to the store. Such a scenario depends on an in-store experience that is enjoyable, convenient and appeals to consumers' aspirations, not just their needs, and will ultimately depend on having experienced, skilled workers in the stores.

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## effects of industry trends *in retail grocery*

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*Many of the trends affecting the retail grocery industry over the past two decades have resulted in understaffing, employee churn, increased customer workload, and an erosion of career ladders, negatively impacting employers, workers, customers, and unions.*

### **EMPLOYERS FACE RECRUITMENT AND RETENTION CHALLENGES**

The increasing market power of low-wage, low or no-benefit non-union firms like WalMart and Instacart have led some retail grocers to slow their own wage and benefit growth. Employers cutting costs in this way face recruitment challenges as workers migrate to better paying industries. Additionally, retail grocers who cut back on staffing have shifted ever increasing workloads onto workers, causing many experienced workers to leave. Reduced staffing also results in fewer sales opportunities, less attentive customer service, and ultimately lower sales and long-term customer defections. Finally, employers that provide inconsistent schedules in an attempt to save on payroll costs encourage worker callouts, putting an even greater burden on managers as they scramble to staff shifts.

### **WORKERS' WAGES AND BENEFITS STAGNATE AND CAREER LADDERS ERODE**

Union workers have experienced lower morale, burnout, lower wages, and fewer career opportunities. Stagnating wages and benefits make it harder and harder to ascend to the middle-class. Many experienced workers leave, replaced by new hires who are not integrated or trained to work well with their teams. Scheduling algorithms that minimize staffing create unrealistic workloads, lowering morale and increasing worker burnout, while constantly shifting, erratic schedules lead to difficulties arranging childcare and spending time with family. Employers pursuing productivity gains through quotas, increased

work requirements and in-store disciplinary measures leave workers feeling undervalued and disrespected. Outsourcing, subcontracting, and misclassifying workers erodes the number of good union jobs in the industry.

### **CUSTOMERS WAIT IN LONG LINES AND CAN'T FIND PRODUCTS**

One effect of industry trends is when customers experience long checkout lines and have difficulty locating products. Customers are increasingly looking for high quality products and a satisfying shopping experience, but understaffing forces customers to wait in long lines at the check stand, wait for assistance in perimeter departments, and wander the aisles looking for an employee to help locate a product. Worker churn and the lack of adequate training of new hires also means many new workers are unable to answer customer questions about product location and availability. Self-scan machines push customers to scan and bag their own groceries as stores cut back on checkers, eroding the customer experience.

### **UNIONS LOSE LEADERS AND MEMBERS**

Walmart and other non-union grocers have pursued increasingly aggressive efforts to prevent their workers from exercising their right to organize. The growth of these low standard, non-union retail grocery giants also exerts downward pressure on wages, benefits, and working conditions in union contracts. Increased turnover and member churn related to stagnating standards drive veteran workers and union leaders out of the industry. High turnover and erratic scheduling also make it difficult to connect with new members and serve more experienced members. Finally, the misclassification of regular employees as so-called "gig" workers prevents them from organizing unions and exercising their rights as employees under the National Labor Relations Act.

PART  
05

**building a  
high-road strategy  
*in the grocery sector***

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## **a high-road strategy** *for grocery employers, workers, unions and consumers*

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### **CHANNELING THE VOICES AND INTERESTS OF KEY STAKEHOLDERS**

The authors of this report conducted a series of consultative meetings, interviews, focus groups and surveys of union officers, union member-leaders, executive board members, staff, and frontline grocery workers.

This field research was supplemented by interviews with key retail grocery management leaders representing a cross-section of retail grocery employers to capture their perspective on the workforce and professional development needs of their workers and respective businesses. In the course of our research, we found that grocery employers such as Safeway, QFC, Albertsons, Fred Meyer, PCC and Town and Country Markets operate their grocery stores under different ownership structures, store formats, business models, human resource practices, training regimes, and consumer niches.

We also found that despite these significant differences, retail grocery employers and workers across the sector face similar challenges and needs stemming from the negative industry trends detailed in this report. We explored the question of how a greater investment in effective and robust education and training programs for grocery workers could provide a means through which UFCW 3000 and retail grocery employers could generate positive impacts and contribute to the business success of employers, higher job quality for workers and a better shopping experience for consumers.

During our research, we also met with leaders in the regional workforce system and community organizations who have a stake in and commitment to expanding employment pathways into quality jobs in the grocery workforce for people of color and immigrant and refugee communities. This research was supplemented by an extensive literature review and analysis of the efforts of employers, unions, and workforce systems in supporting workforce development programs in various sectors.

### **CREATING WETRAIN WASHINGTON**

As a result of this year-long process, UFCW 3000 has invested in and created a new non-profit workforce intermediary organization called WeTrain Washington. The mission of WeTrain Washington is to provide high quality programs and services to jobseekers, workers, and community members. The organization will seek to improve job quality, economic stability, and workforce equity in the retail grocery sector while supporting the business success of the various segments of the sector with which the union has collective bargaining agreements.

This new organization will also serve as a catalyst for a statewide and regional effort to increase public-private workforce partnerships, increase public investment in this essential industry and engage in labor-management partnerships to jointly address the impacts of the industry trends outlined in this report.

### **ROLE OF LABOR AND MANAGEMENT COOPERATION IN GROCERY WORKFORCE DEVELOPMENT**

This report provides a comprehensive understanding of the economic and social role and value of the retail grocery industry and workforce. We have examined the economic and market forces that are shaping the future of work and the consumer experience in this vital sector - in Washington state and across our nation. We have also documented the negative impacts in the sector associated with an expanding low-road business model driven by the growth of Walmart and similar employers and its impact on lowering labor standards and the quality of jobs of grocery workers.

While both UFCW 3000 and its unionized grocery employers are committed to the sustainability and success of union grocery stores and to the customers and communities they serve, labor-management relations have not always been amicable. Contract negotiations over

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*The mission of WeTrain Washington is to provide high quality programs and services to jobseekers, workers and employers, and community members. The organization will seek to improve job quality, economic stability, and workforce equity in the retail grocery sector while supporting the business success of the various segments of the sector with whom the union has collective bargaining agreements.*

working conditions and benefits are often contentious, and there is not currently a forum for programmatic or policy collaboration on shared institutional interests. In this report, we have concluded that UFCW 3000 and retail grocery employers working in partnership on areas of common interest such as education, training, safety, and job quality have the potential to create just such a forum.

*Despite these difficult challenges, this report proposes a “high-road” path that offers the potential to mitigate the effects of these trends and create and stabilize good working-class jobs in this essential sector. The collective bargaining process provides UFCW 3000 and retail grocery employers a primary mechanism through which they can identify mutual interests and create agreements that dedicate resources to support jointly managed education, training, and quality jobs programs – as has been successfully done in other sectors.*

Our research found that joint labor-management programs have become significant providers of both education and training in a variety of industries including aerospace; construction; health care; maritime; and public service. These models often dedicate industry and union resources to leverage public grants and investments and philanthropic support. Such efforts provide a deep body of experience and evidence-based best practices. In our review of these models, we also found that the level of involvement of both union and management partners was a key determinate in the success of such workforce programs. Workforce “intermediary” organizations are most successful when they forge and sustain close relationships with key management and union leaders in the funding, design, implementation, and evaluation of the kinds of programs and services that WeTrain Washington will be offering.



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## **ROLE OF GOVERNMENT AND ECONOMIC AND WORKFORCE SYSTEM**

*We offer this report in the hopes that policymakers and economic and workforce agencies will consider, acknowledge, and recognize the substantial gap in economic and workforce development policy and public investment strategies in Washington's retail grocery industry and work in concert with employers, unions, and workers to correct these shortcomings.*

Washington's policymakers and economic and workforce development systems continue to make significant investments in several high-margin, high-demand, capital-intensive, high wage sectors. For example, the Department of Commerce's Office of Economic Development and Competitiveness (OEDC) Industry Sector Economic Development Program has identified eight sectors as key drivers of our state economy. These sectors include aerospace; agriculture and food manufacturing; clean technology; information and communication technology; forest products; life science and global health; maritime; and military/defense sectors. Governor Inslee's Career Connect Washington has prioritized seven industries "that are poised for support with high employer need and worker opportunity, employers ready to collaborate, intermediaries with the potential to support these employers, and a key role to play in Washington's equitable recovery." These sectors include information technology; healthcare; life sciences; financial services; education; maritime; and advanced manufacturing – all worthy of public investment.

While Washington's policymakers and economic and workforce development systems continue to make these important and significant investments in several high-profile, high-wage, sectors, they have yet to acknowledge the economic and social value and nature of the retail grocery sector and the need to invest in its future and its essential workforce – a major driver of economic output and employment, and guarantor of food access and security across Washington state. As a result of the COVID-19 pandemic and economic crisis, public awareness of the essential nature of the grocery sector and its workers has indeed increased but this has not translated into public investments in the industry's workforce development needs. This has left a substantial gap in economic and workforce development policy in Washington – a gap that we believe can be addressed through a creative and innovative public-private partnership focused on a high-road workforce strategy.

The high road retail grocery sectoral strategy, investments and programs outlined below will address these gaps by developing pathways into the industry, training incumbent retail grocery workers, and developing skill-building and career advancement opportunities with a focus on empowering low-income, BIPOC, women, youth, and immigrant and refugee workers. WeTrain Washington will also strive to include labor, management and community stakeholders in its program design and implementation, who together can invest resources and implement programs. However, industry stakeholders cannot do it without the support and engagement of the public sector. To be successful in this long-term effort, key grocery industry stakeholders will need the engagement and support of policymakers and public agencies such as the Governor's office; county and municipal governments; the Washington State Department of Commerce; the Washington Workforce Training and Education Coordinating Board; and regional workforce development councils.

## **WeTrain Washington**

### *STRATEGIC FRAMEWORK AND LONG-TERM GOALS*

#### ***Encourage a High-Road Grocery Model***

WeTrain Washington seeks to support and encourage grocery workers and retail grocers as they pursue a high-road grocery model. The central strategy for building this high road model is supporting employers by helping to recruit, retain and develop highly skilled grocery workers. WeTrain Washington programs will seek to address negative trends in the industry and improve conditions for employers, employees, customers and the union.

#### ***Build Pathways from Industry Entry into Higher Quality Jobs and Skilled Careers***

WeTrain Washington programs will serve grocery workers at every stage of their career. A hiring hall, job book and programs to connect job seekers and community members with HR recruiters will create a pipeline of high-quality workers into the industry. Incumbent worker training, upskilling and new hire integration will improve job quality and strengthen teams. Finally, WeTrain Washington will seek to expand and found new registered apprenticeship and leadership development programs to create opportunities for advancement into high-skilled occupations and leadership positions.

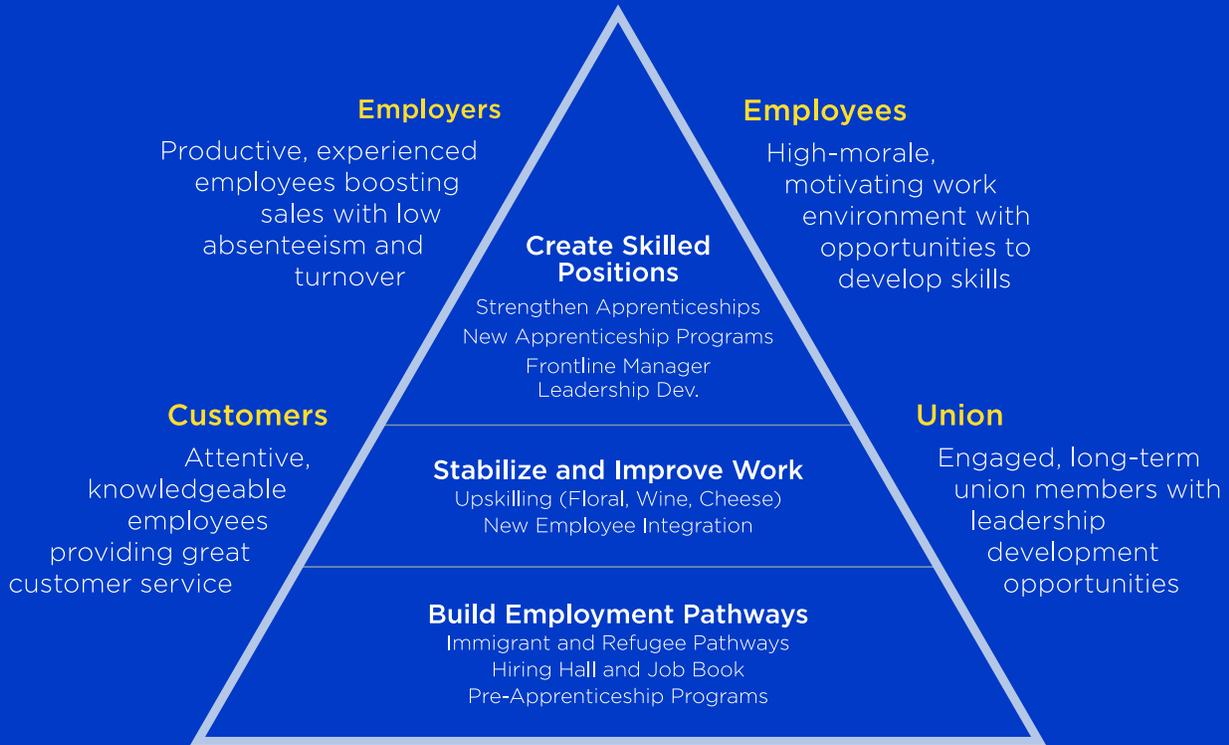
#### ***Build Partnerships to Expand Equity and Access***

WeTrain Washington will build and support partnerships with community organizations, other unions, and the workforce development eco-system to build equitable pathways to careers for a range of jobseekers and workers including low-income workers, people of color, women, youth, and immigrants and refugees. WeTrain will work with community organizations to develop employer new-hire recruitment strategies to build a workforce that reflects the community.

#### ***Improve Labor-Management Relations***

WeTrain Washington will support improved labor-management relations in the retail grocery industry by bringing together union grocery employers and unions to collaborate on programs that serve shared interests, including expanded skills training, educational benefits, and career pathways. Many of these programs can be jointly funded and governed, providing a forum for relationship-building, cooperative projects, and broader public policy advocacy.

**EXHIBIT 20.** The High Road Model in the Retail Grocery Sector



Source: Bureau of Labor Statistics, 2019



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## **recommendations:** *menu of programs and services in a high-road retail grocery model*

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The education, training, and apprenticeship programs proposed and outlined below are based on the overall needs identified by various retail grocery stakeholders during our research. Since various grocery businesses and their workforce have distinct needs and priorities, the programs and services envisioned below are not a “one size fits all” model but can be adapted to the needs of various segments of the grocery sector.

### **COMMUNITY PATHWAYS TO GROCERY SECTOR JOBS**

- Create equitable pathways to careers for a range of jobseekers and workers including low-income workers, people of color, women, youth, and immigrants and refugees.

### **INCUMBENT WORKER AND UPSKILLING PROGRAMS**

- Explore the creation or funding of skill development programs for retail grocery occupations in the seafood, produce, deli, floral, cheese, wine and liquor, and other departments.
- Develop new programs and services to expand career advancement and greater equity within growing occupations in which UFCW 3000 members work, including skill-building in e-commerce, personal shopping, inventory management and mechatronics.

### **PRE-APPRENTICESHIP AND APPRENTICESHIP PROGRAMS**

- Support and expand the current meat cutters apprenticeship program. The Seattle Puget Sound Meat Cutters Apprenticeship Program is a two-year course jointly administered by UFCW 3000 and union employers. Established in 1946, the program graduates between 25 and 50 students per year with a state certification as a journey meat cutter. It is intended for students currently employed as apprentice meat cutters, and it includes a variety of topics in cooking, craftsmanship, food safety, cutting techniques, knife care, first aid, policy knowledge, customer service, and other skills.
- Develop and implement potential apprenticeship programs in seafood, produce and other occupations to meet worker and employer needs.
- Create pre-apprenticeship and pre-employment programs to prepare workers for in-demand UFCW 3000 occupations and apprenticeships in meat, seafood and produce.

## **GROCERY WORKER LEADERSHIP DEVELOPMENT PROGRAMS**

- Provide technical, administrative, and programmatic services to Allied Grocers & UFCW 3000 in implementing training programs focused on leadership development, communication, conflict-resolution, staff development and worker morale.

## **STRATEGIC PLANNING AND NEEDS ASSESSMENT CONSULTING SERVICES TO UFCW 3000 AND EMPLOYERS**

- Provide consulting services to emerging labor-management partnerships and training trust funds that will potentially be created in coming years throughout the grocery sector with potential expansion to healthcare, cannabis and other sectors.
- Conduct needs assessment research to identify shared training needs for workers, employers, consumers and the union.

## **PROGRAM DEVELOPMENT SERVICES**

- Seek public and private funding to support new program initiatives with UFCW 3000 members and employers.
- Provide administrative/programmatic services through agreements with joint trust funds & other labor-management training partnerships codified in collective bargaining agreements between UFCW 3000 and employers.
- Serve as a research and development incubator hub of innovative workplace programs including curriculum development and program design in retail grocery, healthcare, cannabis, and other sectors.

## **NETWORK OF PARTNER LABOR AND COMMUNITY ORGANIZATIONS**

- Create and sustain a partnership with community groups and labor organizations (as well as employers) to create equitable career pathways and expand workforce programs in related and pertinent sectors (retail grocery, healthcare, cannabis, and others) to increase job quality, economic stability and equity.
- Provide instructional design (curriculum development) and program development services to other unions, employers, professional developers, training staff and community-based organizations engaged in workforce development.
- Conduct joint advocacy with partner organizations for worker-friendly workforce/public policies and funding at the state, county, and municipal level.
- Establish advisory panels to advise the network and the board on new program development.

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## conclusion

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The retail grocery industry is an essential part of all communities in Washington state. Whether generating billions of dollars in business revenue and taxes, supplying over 100,000 jobs with few barriers to entry, providing healthy food for vulnerable populations, or securing food access during the Covid-19 pandemic, retail grocery plays an essential role in the daily life of all Washingtonians.

Broad changes in the retail grocery sector are directly impacting retail grocery employers, customers, workers, and labor unions. These trends include market consolidation, the growth of new labor-replacing technology, the increased demand for e-commerce pick-up and delivery, and the continued use of misclassified “gig” work. We found that these trends are reshaping the business models of grocers, the nature of work for their employees, the consumer experience, and workforce development needs across the sector.

The COVID-19 pandemic has accelerated these trends and introduced new changes to the industry. Retail sales have increased significantly as customers prepare more meals at home, and the pandemic has transformed public awareness of the essential nature of grocery work and the importance of this vital sector to our economy and our communities.

The response of industry stakeholders to these longer-term trends and pandemic-driven changes will ultimately determine the degree to which these changes harm or benefit grocery workers, consumers, and their communities. Across the sector, all employers agree that the recruitment and retention of workers is key to their future success. Meanwhile, unions are interested in improving job quality and creating high-skill careers for existing employees. What is less clear is the workforce development strategies, investments, and programs needed to recruit and retain grocery workers in higher quality jobs.

We propose a “high-road” strategy involving a “re-envisioning” of workforce development policy and investment in the retail grocery sector in Washington state and across the nation. Successful recruitment and retention can only be achieved with the promise of quality jobs and equitable access to employment and

career pathways in all grocery occupations for low-wage workers, women, Black, Indigenous, and People of Color, and immigrants and refugees.

### A QUALITY JOB OFFERS:

- a living wage sufficient to support a decent standard of living
- benefits that increase economic security, improve health, and promote work-life balance among workers
- education, training, and career-building opportunities that help employees develop the skills, networks, and experiences necessary to launch a career or advance along a career path
- wealth-building opportunities that enable workers to build the assets they need to manage financial emergencies and achieve long-term financial security
- respect - a fair and engaging workplace that balances the priorities and wellbeing of employees with the needs of the business.

UFCW 3000 and the employers with whom they have collective bargaining agreements can jointly invest in labor-management partnerships that support winning recruitment, retention and job quality strategies. The creation of WeTrain Washington is an important step in building a longer-term grocery sector workforce development program. However, for long-term success — as is the case in other sectors of our economy — retail grocers and UFCW 3000 need the support and engagement of state, county and municipal policymakers, economic and workforce development agencies and professionals, and community leaders.

Vibrant public-private workforce partnerships can support Washington’s retail grocery sector on a high-road path, creating a future of work in which job quality, economic stability and equity become the norm for retail grocery workers.

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## about *the authors*

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### **GLENN SCOTT DAVIS**

*Principal, Progressive Workforce Strategies*

Contact Glenn at [glennscottdavis1@gmail.com](mailto:glennscottdavis1@gmail.com)

A thought leader and consultant in workforce development, Glenn holds a Masters' Degree in Social Science from Wesleyan University where his studies and research focused on issues of governance, labor relations, and organizational failure in higher education institutions.

From 1988 through 2010, he served in various executive and senior level leadership positions in education and training organizations in the health care sector. In this role, he worked with labor unions, employers, and workers to design, establish, direct, and scale several successful joint labor-management educational programs and trust funds on both the East and West Coasts.

From 2015-2020, he served as the workforce and education policy and program specialist in the City of Seattle Mayor's office of Immigrant and Refugee Affairs where he led the development, implementation, and evaluation of workforce programs serving the City's immigrant and refugee communities. He participated on Mayor Durkin's Sub-Cabinet on the Future of Work focused on policy and program development to address issues of racial and gender equity in a changing workforce and labor market.

In 2021, Glenn edited One America's *Northwest Paper #2, Creating Quality Jobs for All in Washington's Tech Sector*. This report provides an analysis of workforce policies, issues and trends in the tech sector and focuses on gender and racial inequities and job quality. In 2020, Glenn authored *Northwest Paper #1, Recovery for Whom? Building a Future of Economic Stability, Quality Jobs, and Equity*.

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## about *the authors*

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### **EVAN WOODS**

*Executive Director, WeTrain Washington*

Contact Evan Woods at [ewoods@wetrainwa.org](mailto:ewoods@wetrainwa.org)

Evan is an economist, researcher and consultant who serves as executive director of WeTrain Washington. Evan holds a B.A. in economics from Occidental College and an M.A. in economics from the University of California Los Angeles.

As the Founder and CEO of Olympic Analytics, a research consulting firm that has completed dozens of projects for non-profits, unions and government agencies, Evan has published a number of research reports on workforce development. He authored the 2019 Washington Apprenticeship Growth and Expansion Study which found that joint labor management apprenticeships outperform employer-only programs, and co-authored the 2018 and 2019 Aerospace Competitive Economic Studies making the case for basing Boeing's new mid-market airplane in Washington state.

In addition to his workforce development work, Evan has served as a grocery, security and healthcare researcher for SEIU and UFCW. He has also analyzed the efficacy of public-private partnerships in vocational education for the World Bank in New Delhi, summarized the state of child labor in South Asia for the International Labour Organization, and has taught economics at Occidental College, Loyola Marymount University and Highline College in Des Moines.

## appendices

### APPENDIX 1. Personal Spending on Food for At-Home Consumption, Washington State, 2015-2019

	2015	2016	2017	2018	2019
Grocery spending, per capita	\$3,500	\$3,450	\$3,390	\$3,400	\$3,400
Disposable personal income	\$52,300	\$53,300	\$54,800	\$57,400	\$58,600
Share of personal income	6.7%	6.5%	6.2%	5.9%	5.8%
Nationwide	4.6%	4.6%	4.6%	4.7%	4.7%

Source: U.S. Bureau of Economic Analysis, 2020; U.S. Department of Agriculture, 2020.

### APPENDIX 2. Employees by Grocery Store Type, Statewide, 2019

Store Type	Employment	% of Jobs	Example Names
Traditional Supermarkets	32,987	32.9 %	Safeway, QFC
Supercenters	31,161	31.0 %	Walmart, Fred Meyer
Warehouse Clubs	12,051	12.0 %	Costco
Discount Stores	8,326	8.3 %	WinCo, Grocery Outlet
Specialty Markets	6,856	6.8 %	Trade Joe's, Whole Foods
Independent Stores	4,275	4.3 %	Locally Owned Grocers
Corner Markets	3,340	3.3 %	Small Markets <9 Emps
Ethnic	1,417	1.4 %	Uwajimaya, Fiesta, H-Mart
<b>All Grocery Stores</b>	<b>100,413</b>	<b>100.0 %</b>	

Source: UFCW 3000, 2020; Community Attributes Inc., 2020.  
Specialty Markets include Trader Joe's, Whole Foods, Metropolitan Market, Town & Country Markets, PCC and Co-Op stores among others. Traditional Supermarkets include major national and regional chains as well as Red Apple, Thriftway and IGN stores.

**APPENDIX 3. Occupations Comprising More Than 1.0% of Grocery Industry Employment and Estimated Grocery Industry Average Hourly Wage Washington 2019**

<b>Occupation</b>	<b>Employment</b>	<b>Share of Total</b>	<b>Average Hourly Wage</b>
Cashiers	26,240	26.1 %	\$14.92
Retail Salespersons	18,050	18.0 %	\$15.15
Stockers and Order Fillers	13,290	13.2 %	\$15.61
Food Preparation Workers	6,820	6.8 %	\$15.97
First-Line Supervisors of Retail Sales Workers	5,890	5.9 %	\$23.82
Packers and Packagers, Hand	3,030	3.0 %	\$13.01
Butchers and Meat Cutters	2,890	2.9 %	\$19.27
Fast Food and Counter Workers	2,680	2.7 %	\$16.16
Customer Service Representatives	2,430	2.4 %	\$15.23
Laborers and Freight, Stock, and Material Movers, Hand	2,360	2.3 %	\$15.14
Bakers	1,630	1.6 %	\$16.86
First-Line Supervisors of Office and Administrative Support Workers	1,570	1.6 %	\$23.63
Pharmacy Technicians	1,270	1.3 %	\$19.35
<i>All Other Occupations</i>	<i>12,350</i>	<i>12.3 %</i>	
<b>Total</b>	<b>100,500</b>	<b>100.0 %</b>	

*Source: Bureau of Labor Statistics, 2020; Washington State Employment Security Department, 2020; Community Attributes Inc., 2020.*

**APPENDIX 4. Nominal and Cost-Adjusted Weekly Grocery Worker Wages, Metropolitan Areas, Washington State, 2019**

County	Employment	Average Hourly Wage	Cost-Adjusted Weekly Wage
King County*	29,600	\$ 705	\$ 697
Snohomish County*	11,000	\$ 670	\$ 662
Thurston County*	3,900	\$ 666	\$ 658
Kitsap County*	3,400	\$ 662	\$ 654
Clallam County*	1,400	\$ 653	\$ 646
Pierce County	10,500	\$ 653	\$ 646
Clark County	7,000	\$ 637	\$ 630
Skagit County*	2,100	\$ 634	\$ 627
Benton County	2,700	\$ 626	\$ 619
Spokane County	7,100	\$ 625	\$ 618
Yakima County	3,900	\$ 617	\$ 611
Other Counties	17,900	\$ 576	\$ 611
<b>Total, Washington State</b>	<b>100,500</b>	<b>\$ 652</b>	<b>\$ 652</b>

Sources: Washington State Employment Security Department, 2020; U.S. Bureau of Economic Analysis, 2020; Community Attributes Inc., 2020. \* = county with UFCW 21 representation. Data for individual other counties are not available due to nondisclosure requirements.

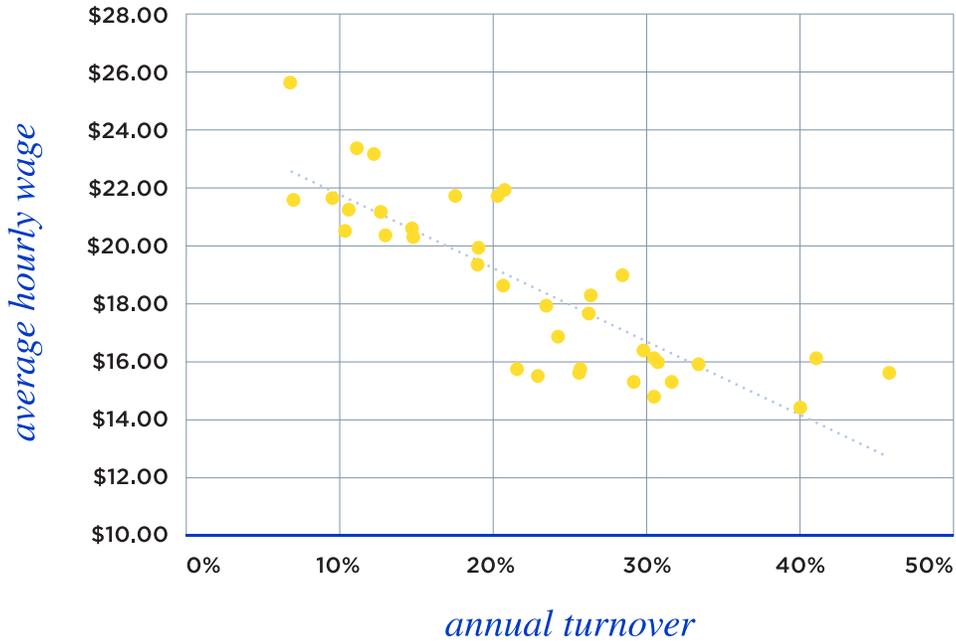
**APPENDIX 5. UFCW 3000 Occupations Comprising More Than 2.0% of UFCW 3000 Membership and Average Hourly Wage, 2020**

County	UFCW 3000 Members	Average Hourly Wage
Front End & CCK Checker	6,000	\$ 17.95
Courtesy & Helper Clerk	4,480	\$ 14.59
Deli Clerk	2,840	\$ 16.32
Personal Shopper	1,630	\$ 15.23
Produce Clerk	1,160	\$ 19.23
Grocery Clerk	1,590	\$ 19.83
Home Clerk	1,170	\$ 15.56
Espresso Clerk	1,050	\$ 15.57
Bakery Clerk	730	\$ 15.97
Seafood Clerk	630	\$ 15.99
Meat Cutter	610	\$ 23.08
Night Crew Clerk	570	\$ 17.60
Apparel Clerk	570	\$ 15.68
Meat Wrapper	470	\$ 20.20
Wine/Beverage Steward	320	\$ 20.46
Person in Charge (PIC)	280	\$ 21.63
All Other Occupations	4,340	\$ 19.56
<b>Total, Washington State</b>	<b>100,500</b>	<b>\$ 652</b>

Sources: UFCW 3000, 2020.

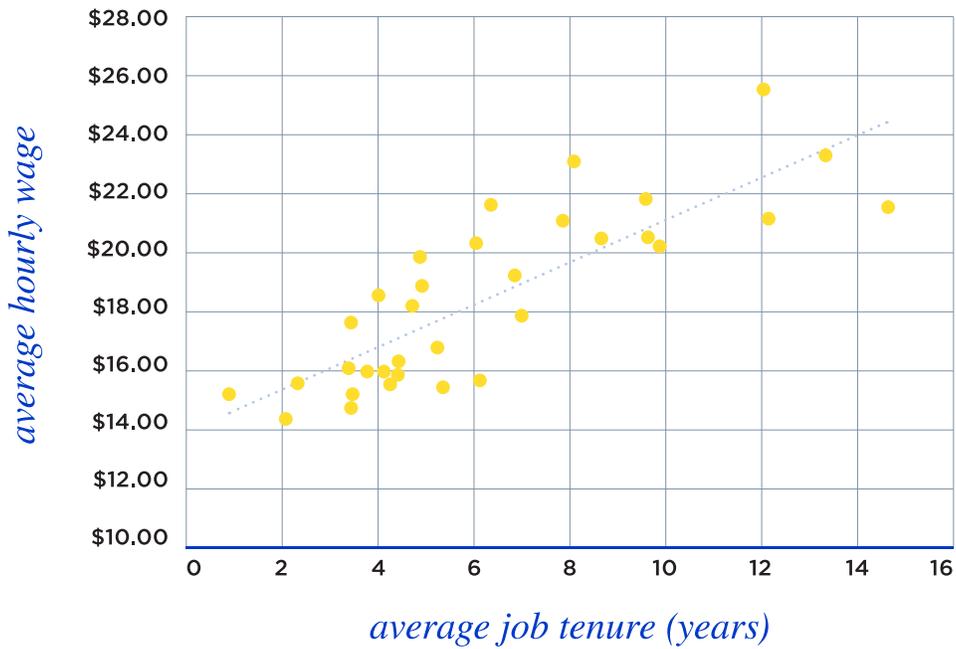
APPENDIX 6.

Turnover Rate and Average Wage – UFCW 3000 Occupations w/ 100+ Workers, Statewide, 2019 – 2020



APPENDIX 7.

Job Tenure and Average Wage – UFCW 3000 Occupations w/ 100+ Workers, Statewide, 2019 – 2020



**APPENDIX 8. UFCW 3000 Grocery Workers Wages Compared with Local Earnings, 2019**

Home ZIP Code	UFCW 3000 Members	UFCW 3000 Median Annual Wage	All Worker Median Earnings	Difference
<b>King County</b>				
98133	690	\$ 37,250	\$ 39,200	-\$1,950
98034	550	\$ 33,280	\$ 55,100	-\$21,820
98125	490	\$ 35,550	\$ 40,800	-\$5,250
98042	490	\$ 32,550	\$ 47,900	-\$15,350
98058	430	\$ 34,110	\$ 43,200	-\$9,090
98155	410	\$ 34,920	\$ 44,900	-\$9,980
98052	410	\$ 32,550	\$ 75,500	-\$42,950
98118	410	\$ 34,720	\$ 37,800	-\$3,080
98038	390	\$ 31,300	\$ 56,000	-\$24,700
98115	370	\$ 34,720	\$ 56,800	-\$22,080
98031	360	\$ 34,720	\$ 36,100	-\$1,380
98023	360	\$ 32,550	\$ 41,400	-\$8,850
98059	360	\$ 32,500	\$ 53,500	-\$20,950
<b>Whatcom County</b>				
98225	460	\$ 29,740	\$ 20,500	\$9,240
98226	360	\$ 32,550	\$ 31,800	\$750
<b>Snohomish County</b>				
98012	420	\$ 35,150	\$ 52,200	-\$17,050
98208	380	\$ 34,110	\$ 42,300	-\$8,190
<i>Other ZIP Codes</i>	<i>21,500</i>	<i>\$ 34,720</i>	<i>\$ 44,500</i>	<i>-\$9,780</i>
<b>Total</b>	<b>28,890</b>	<b>\$ 34,720</b>	<b>\$ 43,800</b>	<b>-\$9,080</b>

*Source: UFCW 3000, 2020; U.S. Census Bureau, 2020; Community Attributes Inc, 2020.  
Includes zip codes housing 25% of all UFCW 3000 workers.*

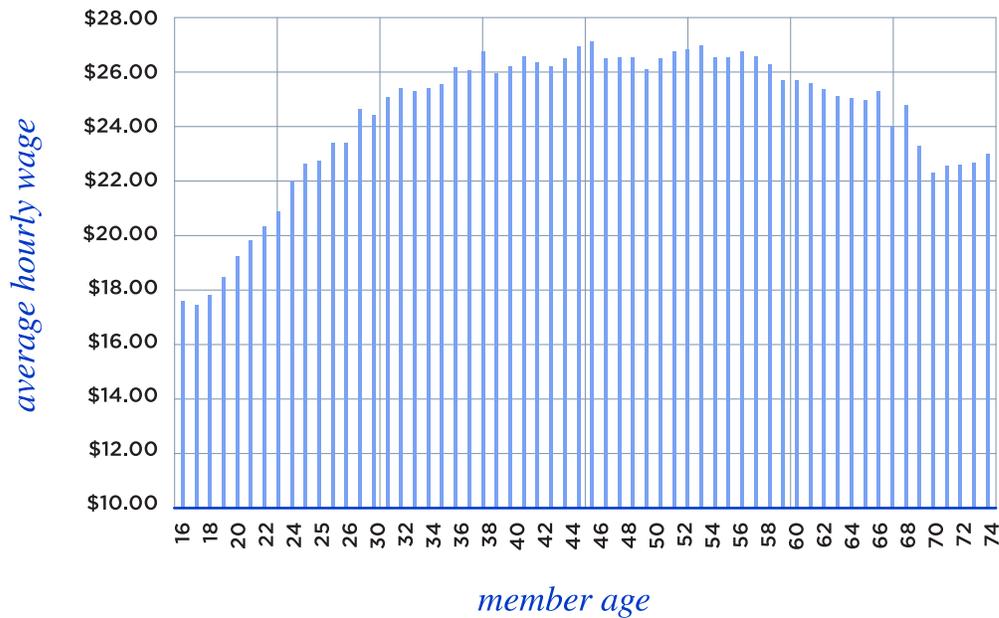
Median earnings are for the population at least 16 years old and with earnings. Earnings include wages and salaries. Total for median earnings represents the median earnings among the population 16 years and over with earnings across the Seattle-Tacoma-Bellevue, WA Metro Area. UFCW 3000 member median earnings assume 2,080 hours per year.

**APPENDIX 9. Wages and Distribution of Members by Gender and Occupation  
Among Largest Occupations for UFCW 3000 Members, 2020**

Occupation	Workers	Percent Male	Percent Female	Average Male Wage	Average Female Wage
Front End Checker	4,410	41%	59%	\$ 18.43	\$ 18.38
Courtesy Clerk	3,180	63%	37%	\$ 14.41	\$ 14.48
Deli Clerk	2,840	39%	61%	\$ 16.49	\$ 16.55
Personal Shopper	1,630	45%	55%	\$ 15.25	\$ 15.37
Produce Clerk	1,610	72%	28%	\$ 19.61	\$ 19.37
CCK Checker	1,590	28%	71%	\$ 18.17	\$ 18.49
Grocery Clerk	1,590	63%	37%	\$ 19.96	\$ 19.82
Helper Clerk	1,310	62%	38%	\$ 15.12	\$ 15.89
Home Clerk	1,170	47%	53%	\$ 15.59	\$ 15.65
Espresso Clerk	1,050	20%	80%	\$ 16.34	\$ 15.68
All Other Occupations	8,510	48%	52%	\$ 20.25	\$ 19.78
<b>Total / Average</b>	<b>28,890</b>	<b>48%</b>	<b>52%</b>	<b>\$ 17.95</b>	<b>\$ 17.61</b>

Source: UFCW 3000, 2020.

**APPENDIX 10. Age and Average Wage – All UFCW 3000  
Grocery Workers, Statewide, 2020**



**APPENDIX 11.**

**UFCW 3000 UNION EMPLOYERS  
IN WESTERN WASHINGTON**

Albert's Red Apple	Payless Foods
Albertsons	PCC (Puget Consumers Co-op)
Bert's Red Apple	Community Markets
Bornstein Seafoods, Inc.	Penhollow Markets
Camano Plaza Market	Prairie Center Red Apple
Cap Foods	QFC (Quality Food Centers)
Central Co-op	Red Apple
Claus Meats	Rose & Associates
Don & Joe's Market	Saar's Market Place
Draper Valley Farms	Safeway
Farmhouse Market	Stormans d/b/a Bayview and Ralphs Thriftway
Forks Outfitters, Inc.	Swain's General Store
Fred Meyer	The Markets, LLC
Haggen	Town & Country / Central Market
KC Foods Thriftway	Uwajimaya, Inc
Ken's Korner Red Apple	Vashon Thriftway
Kings Command Foods	Vashon Market Fresh IGA
Metropolitan Market	West Seattle Thriftway

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## endnotes

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- <sup>1</sup> Retail grocery sales include both grocery and non-grocery products.
- <sup>2</sup> The Seattle MSA is an area comprising King, Pierce and Snohomish counties.
- <sup>3</sup> Mean hourly wage for UFCW 3000 CCK and Front-End Checkers in King and Snohomish Counties.
- <sup>4</sup> Mean hourly wage for cashiers nationally is \$11.72/hour, while for cashiers at Food and Beverage Stores the mean hourly wage was \$12.01/hour, 2.5% higher. Assuming the same relationship in Washington State, where all cashiers earn an average of \$14.74/hour, Food and Beverage Store cashiers earn an estimated \$14.74/hour x 1.025 = \$15.10/hour.
- Bureau of Labor Statistics, 41-2011 Cashiers, Seattle-Tacoma-Bellevue, WA May 2019 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, 2020.
- Bureau of Labor Statistics, 41-2011 Cashiers, National Occupational Employment and Wages, May 2019, 2020.
- <https://www.bls.gov/oes/current/oes412011.htm>
- [https://www.bls.gov/oes/current/oes\\_42660.htm](https://www.bls.gov/oes/current/oes_42660.htm)
- <sup>5</sup> Assumes 2,000 hours worked per year.
- <sup>6</sup> May 2020 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates - Seattle-Tacoma-Bellevue, WA, Occupational Employment and Wage Statistics, 2020.
- <sup>7</sup> This is true for all major retail grocery chains (including Walmart and Costco) with the exception of Target.
- <sup>8</sup> “Store” here is defined as an establishment
- <sup>9</sup> Supermarkets are classified as NAICS code 445110: Supermarkets and Other Grocery Stores. Supermarkets include traditional supermarkets, specialty supermarkets, discount stores, corner stores and ethnic markets.
- <sup>10</sup> Supercenters and warehouse clubs are classified as NAICS code 452311: Warehouse Clubs and Supercenters. These sell general merchandise in addition to grocery products offered by traditional supermarkets. Analysis of employment, gross business income, and wages includes the non-retail grocery portion of Warehouse Club and Supercenters activities.
- <sup>11</sup> “Gross business income” is collected by the State of Washington for tax purposes and is approximately equal to total revenue, including cost of goods sold.
- <sup>12</sup> Base year implicit price inflators use a base year of 2012 and are re-indexed to represent values in 2019 dollars.
- <sup>13</sup> Washington State Department of Revenue, Gross Business Income (2020), Link.
- <sup>14</sup> This measure includes the gross final sale of products sold at stores, not net revenues (after the removal of cost of goods). Therefore, it’s important to note that while GBI per worker is high, much of this represents the high volume, low profit margin business model of retail grocery.
- <sup>15</sup> Washington State Department of Revenue, Gross Business Income (2020), Link.
- <sup>16</sup> Washington State Employment Security Department, Quarterly Census of Employment and Wages (2020), Link.
- <sup>17</sup> Jenny Rudd, “Checking out productivity in grocery stores,” U.S. Bureau of Labor Statistics (Dec. 18, 2019), Link.
- <sup>18</sup> Costco Average 146,000 square feet
- Form 10-K, Costco Wholesale Corporation, Fiscal year ended August 30, 2020.
- Walmart Supercenter Average footprint 178,000 square feet
- Form 10-K, Walmart Inc., Fiscal year ended January 31, 2021.
- Washington State Department of Revenue, Gross Business Income (2020).
- <sup>19</sup> Small Formats’ Big Future in Retail, Retail Leader, <https://retailleader.com/small-formats-big-future-retail> Washington State Department of Revenue, Gross Business Income (2020).

- <sup>20</sup> Food and Sundries = \$68.7 billion  
Fresh Foods = \$23.2 billion  
Total Net Sales = \$163.2 billion  
Form 10-K, Costco Wholesale Corporation, Fiscal year ended August 30, 2020.
- <sup>21</sup> <https://www.cnbc.com/2019/11/14/walmart-is-a-grocery-powerhouse-and-it-still-has-room-to-run.html>
- <sup>22</sup> UFCW 3000 member data
- <sup>23</sup> Food and Beverage = \$18.1 billion  
Sales = \$92.4 billion  
Form 10-K, Target Corporation, Fiscal year ended January 31, 2021.
- <sup>24</sup> Chain Store Guide (CSG), 2020.
- <sup>25</sup> It's important to note that smaller segments of the workforce at some union employers, like certain general merchandise employees at certain Pierce County Fred Meyer stores, and pharmacy techs at many King County Kroger and Albertsons stores, are non-union. For the purposes of this analysis, majority-union employers are considered as union employers.
- <sup>26</sup> According to the US Department of Agriculture ("USDA"), a Food Desert is a census tract that meets USDA's criteria for "low-income" and "low-access" to grocery stores. Low-income tracts have either 20% of the population in poverty, or a median family income below 80% of the MSA or state median income. The USDA uses four definitions for low-access, but here low-access is defined as tracts where over 33% of residents live more than 1 mile from the nearest grocery store in urban areas, or 10 miles from the nearest grocery store in rural areas.
- <sup>27</sup> Darel Tai Engen, California State University – San Marcos, *The Economy of Ancient Greece*, 2004.
- <sup>28</sup> The History Channel, Roman Forum, Updated August 21, 2018.
- <sup>29</sup> Maria Rebecca Yoma Medina and Luis Alberto Martos Lopez, Tlatelolco, Shop Window of the Aztec Empire, *UNESCO Courier*, November 1996.
- <sup>30</sup> Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2018, May 2019
- <sup>31</sup> Karen S. Hamrick, Margaret Andrews, Joanne Guthrie, David Hopkins, and Ket McClelland, How Much Time Do Americans Spend on Food? U.S. Department of Agriculture, November 2011. [https://www.timeuse.org/sites/ctur/files/public/ctur\\_report/4705/eib86.pdf](https://www.timeuse.org/sites/ctur/files/public/ctur_report/4705/eib86.pdf)
- <sup>32</sup> American Eating Habits Are Changing Faster than Fast Food Can Keep Up, Bloomberg News, September 11, 2018 <https://www.bloomberg.com/news/articles/2018-09-11/fast-food-s-got-a-netflix-problem-as-americans-prefer-to-dine-in>
- <sup>33</sup> Michelle J. Saksena et. al, America's Eating Habits: Food Away From Home, USDA, September 2018 <https://www.ers.usda.gov/webdocs/publications/90228/eib-196.pdf>
- <sup>34</sup> Michelle J. Saksena et. al, America's Eating Habits: Food Away From Home, USDA, September 2018 <https://www.ers.usda.gov/webdocs/publications/90228/eib-196.pdf>
- <sup>35</sup> Ibid.
- <sup>36</sup> Ed Bolen and Elizabeth Wolkomir, SNAP Boosts Retailers and Local Economies, Center on Budget and Policy Priorities, Updated May 28, 2020 <https://www.cbpp.org/research/food-assistance/snap-boosts-retailers-and-local-economies>
- <sup>37</sup> U.S. Census Bureau, 2019 Annual Social and Economic Supplements, Link.
- <sup>38</sup> E.C. Merem et al., Analyzing Organic Food Farming Trends in the US Western Region, Public Health Research, Link.
- <sup>39</sup> U.S. annual organic food sales near \$48 billion, Food Business News, May 20, 2019 <https://www.foodbusinessnews.net/articles/13805-us-organic-food-sales-near-48-billion>
- <sup>40</sup> Largest Organic Retailers in North America, The Balance Small Business, November 20, 2019 <https://www.thebalancesmb.com/organic-retailers-in-north-america-2011-2538129>
- <sup>41</sup> Whole Foods is facing its worst nightmare after an unexpected threat stole millions of customers, Business Insider, March 27, 2017 <https://www.businessinsider.com/whole-foods-is-losing-millions-of-customers-2017-3>
- <sup>42</sup> Seafood Sustainability at Safeway, Greenpeace USA, 2015, Link.
- <sup>43</sup> A Food Desert is a census tract that meets USDA's criteria for "low-income" and "low-access". Low-

income tracts have either 20% of the population in poverty, or a median family income below 80% of the MSA or state median income. The USDA uses four definitions for low-access, but here low-access is defined as tracts where over 33% of residents live more than 1 mile from the nearest grocery store in urban areas, or 10 miles from the nearest grocery store in rural areas.

<sup>44</sup> Food Access Research Atlas, United States Department of Agriculture, January 2017

<sup>45</sup> Comprised of King, Snohomish and Pierce counties

<sup>46</sup> Food Access Research Atlas, United States Department of Agriculture, January 2017

<sup>47</sup> UTSA researchers: Those with inadequate access to food likely to suffer from obesity, UTSA Today, January 23, 2019

<https://www.utsa.edu/today/2019/01/story/FoodInsecurity.html>

<sup>48</sup> 'Food deserts' lead to host of health problems, Emory Medicine, Spring 2016 [http://emorymedicinemagazine.emory.edu/issues/2016/spring/briefs/food\\_deserts/index.html](http://emorymedicinemagazine.emory.edu/issues/2016/spring/briefs/food_deserts/index.html)

<sup>49</sup> Washington State Employment Security Department, Quarterly Census of Employment and Wages (2020), Link.

<sup>50</sup> Supermarket and warehouse and supercenter sub-category estimates rely on business directory employee count data and store type coded by the authors. Supermarket and warehouse club and supercenter estimates approximately correspond to BLS estimates.

<sup>51</sup> Employment by occupation in the grocery industry is estimated using statewide occupational employment by industry crosswalks from the Washington State Employment Security Department. The crosswalk provides occupational employment in industry from Grocery Stores, NAICS 4451 and General Merchandise Stores, NAICS 452. These NAICS codes include convenience stores as well as department stores. The share of occupational employment in industry is applied to grocery industry employment in order to estimated occupational employment in the grocery industry.

<sup>52</sup> Employment by occupation in the grocery industry is estimated using statewide occupational employment by industry crosswalks from the Washington State

Employment Security Department. The crosswalk provides occupational employment in industry from Grocery Stores, NAICS 4451 and General Merchandise Stores, NAICS 452. These NAICS codes include convenience stores as well as department stores. The share of occupational employment in industry is applied to grocery industry employment in order to estimated occupational employment in the grocery industry.

<sup>53</sup> Average hourly wages for the grocery industry are estimated by adjusting Washington occupational average hourly wages by the ratio of national occupational average hourly wage in the grocery industry compared to the national occupational average hourly wage across all industries.

<sup>54</sup> Washington State Employment Security Department, Quarterly Census of Employment and Wages (2020), Link.

<sup>55</sup> Real wages are annual wages adjusted for inflation using the consumer price index.

<sup>56</sup> 'Grocery Stores' Industry, Current Population Survey, IPUMS, 2003 - 2020.

<sup>57</sup> Nominal weekly wages are calculated from total annual wages paid to grocery workers in each county. Cost-adjusted weekly wages are adjusted by the prices of goods and services in each county relative to average prices across Washington state. Cost adjustments are made using two deflators, the Washington Metropolitan Portion and the Washington Nonmetropolitan Portion for All Items from the U.S. Bureau of Economic Analysis PARPP Regional Price Parities by Portion.

<sup>58</sup> Ruth Milkman and Stephanie Luce, Table 3. Unionization Rates by Industry, New York City, New York State, and the United States, 2009-2020, The State of the Unions, The CUNY School of Labor and Urban Studies, September 2020.

<sup>59</sup> The State of the Unions (September 2020)

<sup>60</sup> 'Grocery Stores' Industry, Current Population Survey, IPUMS, 2003 - 2020.

<sup>61</sup> UFCW 3000

<sup>62</sup> Mean hourly wage for UFCW 3000 CCK and Front-End Checkers in King and Snohomish Counties.

<sup>63</sup> Mean hourly wage for cashiers nationally is \$11.72/hour, while for cashiers at Food and Beverage Stores

the mean hourly wage was \$12.01/hour, 2.5% higher. Assuming the same relationship in Washington State, where all cashiers earn an average of \$14.74/hour, Food and Beverage Store cashiers earn an estimated \$14.74/hour x 1.025 = \$15.10/hour.

Bureau of Labor Statistics, 41-2011 Cashiers, Seattle-Tacoma-Bellevue, WA May 2019 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, 2020.

Bureau of Labor Statistics, 41-2011 Cashiers, National Occupational Employment and Wages, May 2019, 2020.

<https://www.bls.gov/oes/current/oes412011.htm>

[https://www.bls.gov/oes/current/oes\\_42660.htm](https://www.bls.gov/oes/current/oes_42660.htm)

- <sup>64</sup> Assumes 2,000 hours worked per year.
- <sup>65</sup> Industry data define occupations with the Standard Occupation Code or SOC, comparable occupations are limited to those with direct comparability between UFCW 3000 occupations and SOCs. Average hourly wage for the grocery industry in the Seattle MSA is estimated by adjusting average hourly wages for an occupation across all industries by the ratio of national average hourly wage for an occupation in the grocery industry to national average hourly wage for an occupation across all industries.
- <sup>66</sup> U.S. Bureau of Labor Statistics, National Compensation Survey 2020
- <sup>67</sup> \$19/week Employee Premium for the Kaiser Family Plan x 52 weeks, UFCW 3000 Data.
- <sup>68</sup> Commonwealth Fund, Washington—Trends in Employer Insurance Costs, 2018.
- <sup>69</sup> UFCW 3000
- <sup>70</sup> U.S. Bureau of Labor Statistics, National Compensation Survey 2020.
- <sup>71</sup> Assumes 2,080 hours of work per year. Worker starts work in 1980 and retires in 2020.  
Summary Plan Description, Sound Retirement Trust, July 2017.
- <sup>72</sup> Education, years of work experience, and on-the-job training requirements to reach proficiency are sourced from the Bureau of Labor Statistics, which provides Education and Training Requirements by Detailed Occupation.
- <sup>73</sup> Turnover rate in this section refers to turnover for the period 9/1/2019 – 9/1/2020
- <sup>74</sup> Table 16. Annual total separations rates by industry and region, not seasonally adjusted, Bureau of Labor Statistics, Updated March 11, 2021, Link.
- <sup>75</sup> The Food Retailing Industry Speaks 2020, FMI, 2020.
- <sup>76</sup> National Grocers Association quoted by Jeff Wells, “A grocery store’s average annual turnover cost is \$67K, says consultant,” Grocery Dive (Sept. 18, 2017), Link.
- <sup>77</sup> 20.1% of members, often newer members, do not have a listed gender. Among these members, the average job tenure is 2.1 years, accounting for the discrepancy between the average job tenure (5.2 years) and the male and female job tenures (5.5 and 6.5 years, respectively).
- <sup>78</sup> Educational Attainment for Supermarkets and other grocery (except convenience) store workers in Washington State, American Community Survey – 2019 Sample, University of Minnesota IPUMS, 2021.
- <sup>79</sup> The census bureau includes convenience store workers in the supermarket category for 2015 to 2017.
- <sup>80</sup> Sex of Supermarkets and other grocery store workers in Washington State, American Community Survey – 2015 - 2019 Samples, University of Minnesota IPUMS, 2021.
- <sup>81</sup> Race and sex of Supermarkets and other grocery store workers in Washington State, American Community Survey – 2015 - 2019 Samples, University of Minnesota IPUMS, 2021.
- <sup>82</sup> Employed persons by detailed industry and age, Labor Force Statistics from the Current Population Survey, 2020.
- <sup>83</sup> U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (2020), Link.
- <sup>84</sup> Michael Strople, “From supermarkets to supercenters: employment shifts to the one-stop shop,” Monthly Labor Review (Feb. 2006), Link.
- <sup>85</sup> Michael Strople, “From supermarkets to supercenters: employment shifts to the one-stop shop,” Monthly Labor Review (Feb. 2006), Link.
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- “E-Commerce Retail Sales as a Percent of Total Sales,” Federal Reserve Bank of St. Louis (Aug. 18, 2020), [Link](#).
- <sup>87</sup> Percent Change in Grocery Spending in Washington State, Opportunity Insights Data Tracker (2021), [Link](#).
- <sup>88</sup> Percent Change in Grocery Spending in Washington State, Opportunity Insights Data Tracker (2021), [Link](#).
- <sup>89</sup> See, e.g., Molly Kinder, “Grocery workers are keeping Americans alive during the COVID-19 pandemic. Here’s what they need,” Brookings Institution (Mar. 25, 2020), [Link](#).
- <sup>90</sup> Chris Talbott, “Coronavirus puts Seattle-area grocery workers on front lines of pandemic,” *The Seattle Times* (Mar. 18, 2020), [Link](#).
- <sup>91</sup> Paul Roberts, “Pandemic scrambles the local job market: Despite deep unemployment, some employers still can’t hire fast enough,” *The Seattle Times* (Sept. 20, 2020), [Link](#).
- <sup>92</sup> Françoise Carré & Chris Tilly, “Change and Uncertainty, Not Apocalypse: Technological Change and Store-Based Retail,” UC Berkeley Labor Center (Sept. 3, 2020), [Link](#).
- <sup>93</sup> U.S. Department of Agriculture, “Retail Trends,” Economic Research Service (Sept. 10, 2020), [Link](#).
- <sup>94</sup> Jenny Rudd, “Checking out productivity in grocery stores,” U.S. Bureau of Labor Statistics (Dec. 18, 2019), [Link](#).
- <sup>95</sup> *Ibid.*
- <sup>96</sup> U.S. Department of Agriculture (2020), [Link](#).
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- <sup>98</sup> *Ibid.*
- <sup>99</sup> Walmart Inc., *Our History* (2020), [Link](#).
- <sup>100</sup> Walmart Form 10-K for the Years Ending January 31, 2011 and January 31, 2020.
- <sup>101</sup> *Ibid.*
- <sup>102</sup> Vincent Sinisi et al., “5th Annual AlphaWise Food Retail Survey,” Morgan Stanley (July 31, 2018), [Link](#).
- <sup>103</sup> Paula R. La Monica, “Grocery wars! Amazon and Walmart crush Kroger,” *CNN Business* (June 15, 2017), [Link](#).
- <sup>104</sup> *Ibid.*
- <sup>105</sup> Scott Moses, “Reality Check: The continued rise of non-traditional, alternative grocers,” *Supermarket News* (Jun. 22, 2021), [Link](#).
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- <sup>109</sup> *Ibid.*
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- <sup>111</sup> Steven John, “How Walmart keeps its prices so low,” *Business Insider* (Apr. 8, 2019), [Link](#).
- <sup>112</sup> *Ibid.*
- <sup>113</sup> Sarah Nassauer & Austen Hufford, “Wal-Mart Plans Further Cost Cuts as Competition With Amazon Intensifies,” *The Wall Street Journal* (Oct. 10, 2017), [Link](#).
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- <sup>117</sup> Lauren Thomas, “Walmart changed the way it buys shopping bags and saved \$60 million—and that’s just one way it cut costs,” *CNBC* (Feb. 18, 2020), [Link](#).
- <sup>118</sup> *Ibid.*
- <sup>119</sup> Barry T. Hirsch & David A. Macpherson, “IV. Industry,” *Unionstats.com* (2020), [Link](#).
- <sup>120</sup> The other segment of retail trade with 10.0%+ unionization is vending machine operators. Barry T. Hirsch & David A. Macpherson, “IV. Industry,” *Unionstats.com* (2020), [Link](#).
- <sup>121</sup> Barry T. Hirsch & David A. Macpherson, “IV. Industry,” *Unionstats.com* (2020), [Link](#).
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- <sup>125</sup> Ibid.
- <sup>126</sup> Ibid.
- <sup>127</sup> Ibid.
- <sup>128</sup> Arindrajit Dube, T. William Lester & Barry Eidlin, “A Downward Push: The Impact of Wal-Mart Stores on Retail Wages and Benefits,” UC Berkeley Labor Center (December 1, 2017), Link.
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- <sup>137</sup> Clopening shifts are ones in which a worker closes the store the night before and opens the store the next morning, cutting down on rest in between shifts.
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- <sup>143</sup> Jenny Rudd, “Checking out productivity in grocery stores,” U.S. Bureau of Labor Statistics (Dec. 18, 2019), Link.
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- <sup>148</sup> Ibid.
- <sup>149</sup> Matt Day, “Amazon Go cashierless convenience store opens to the public in Seattle,” The Seattle Times (Jan. 21, 2018), Link.
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