



PRESS RELEASE: UFCW Locals 5, 7, 324, 400, 770 and 3000

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Economist Report Goes Deep into Economic Analysis of Proposed Mega Grocery Store Merger and the Harms to Working Communities

A new report issued by economist Marshall Steinbaum from the University of Utah delves into the proposed mega-merger of Kroger and Albertsons in ways that have not been fully looked at over the past year. This is important information for any people involved in researching, reporting upon, or assessing the potential impacts that such a mega-merger could have.

- Marshall Steinbaum’s new research paper, utilizing a large database of posted job offers, demonstrates that the Kroger-Albertsons merger would reduce individual worker’s bargaining power as well as their union’s power.
- The paper shows that increased employer concentration has negative effects on both earnings and work hours.
- Importantly, the paper shows that union workers receive higher pay when there are two bargaining counterparties in a given labor market as opposed to when there’s only one.

The Presidents from UFCW Locals 5, 7, 324, 400, 770, and 3000 who have been leaders in the efforts to oppose the proposed merger since it was announced over a year ago provided support for the report:

“Our ability to raise wages and standards in general depends on our ability to pit these companies against one another at the bargaining table—threaten to strike one while directing customers to the other,” the presidents called out. “If these two companies were to become just one company, that power would go away and that harms workers as well as customers.”

The full report, entitled: **Evaluating the Competitive Effect of the Proposed Kroger-Albertsons Merger in Labor Markets**, can be found here:

https://marshallsteinbaum.org/assets/kroger_albertsons_labor.pdf

Workers across the country have experienced the impacts described in the report:

“In our most recent contract negotiations we were able to leverage one company’s fear of losing market share to their competitor and we used that to get improvements in our contract that they wouldn’t have agreed to otherwise. That

helped us get historic raises that would never happen if there were just one company,” says Rachel Fournier, a Los Angeles, CA Ralphs employee.

“I feel this merger would only bring a negative impact on the workers. Staffing, safety, and our seat at the bargaining table would all come under threat while the corporations reap the benefits from our hardship,” echoed Rena Zagala-Fondren, a Safeway worker from Los Gatos, CA.

A Seattle area worker had an additional response. “For years we have been facing reduced staffing levels in our stores – during and after COVID. Our experience is that this would only get worse if the mega merger were allowed. We need to increase staffing, improve our schedules, and increase our leverage as unionized grocery store workers, not go the other way,” said Sam Dancy, a Front-End Manager at Kroger-owned QFC store in West Seattle, WA.

Jill Young, a just-retired grocery store worker from Grand Junction, CO stated, “I started in ’86, was on strike in ’93 and ’96. Over the years I have been injured more than a couple times and had to take off six months or more to get better. The company tried to cut the leave time to one month. Having a union that was organized, and willing and able to strike was part of what kept that benefit in place. There are young workers just starting out who deserve a future with a union workplace and the leverage I have had. This proposed merger threatens that future.”

Judy Wood, a cake decorator for Albertsons in Orange, CA raised several of her concerns, “The power we have when we bargain collectively leads to improvements in stores for both workers and customers. Workers have higher wages and stores are safer now because we have the power to fix hazards that we won through our last contract bargaining session. If this merger goes through, we will lose some of that power, putting the public in a worse position.”

Benjamin Blum, a night crew employee at Thousand Oaks, CA Ralphs added his thoughts: “Our unionized workplaces have competitive wages and benefits because workers have fought for and won them. If the proposed megamerger were approved, workers will lose leverage and be more vulnerable to a single massive employer that would bully and retaliate against workers.”

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The Stop the Merger campaign includes over 100 national, state and local organizations representing diverse interests who share a common goal: to stop the proposed Kroger-Albertsons grocery merger because of its negative impact on our nation’s communities. For more information visit www.NoGroceryMerger.com