

Los Angeles Grocery Worker and Community Health Coalition

“Community - Quality - Respect”

For Immediate Release
March 5, 2007

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“Fatcat Albertsons” Demonstrates for the Public His Amazing Profit Machine – The Worker Squeezinart

Contract Set to Expire for Tens of Thousands of Workers

Supermarket Chains Putting the Squeeze on Pay, Benefits to Achieve High Profits as Decline of Grocery Jobs Threatens One of Region’s Key Middle Class Industries

Los Angeles—A coalition of community, faith and labor organizations on Monday launched a campaign to draw attention to the dramatic decline of job quality in one of Southern California’s key middle class industries. In the first of a series of actions, “Fatcat Albertsons” offered a public demonstration of the “Worker Squeezinart,” an ingenious contraption used to maximize profits at the expense of supermarket employees.

Monday’s event coincided with the expiration of a contract covering tens of thousands of grocery workers employed by Albertsons, Ralphs and Vons/Pavilions. An announcement was made today that the contract has been extended for two weeks

While supermarket owners are enjoying high profits, grocery workers in Los Angeles are struggling to make ends meet. Average profits in 2005 for the corporations that own Ralphs, Albertsons and Vons/Pavilions were approximately \$2 billion. Supervalu, the parent company of Albertson, recently said it expects to see a continuation of strong growth in earnings, derived from integrating Albertsons stores purchased last year. Company estimates, echoed by independent analysts, foresee growth of nearly 20 percent, to \$37 billion in 2007 and \$44 billion in 2008.

At the same time, grocery workers have seen their wages drop and witnessed a precipitous decline in employer-based health care coverage, putting tremendous pressure on workers and their families, as well as communities and taxpayer-funded health services. Poorer residents in Los Angeles have also seen major supermarket chains leave their neighborhoods, resulting in a loss of jobs as well as reduced access to quality food.

A new University of California report finds that health care coverage for unionized grocery workers in Southern California has dropped sharply. Whereas 94 percent of workers were covered by the company health plan in 2003, only 7 percent of those hired under the contract that went into effect in 2004 are covered by the company. Overall the number of grocery workers with employer-based health coverage covered has dropped 40 percent over the last three years, with the number of covered children falling by more than 20,000 in that period.

“This report documents the troubling erosion of health care coverage in an industry that for decades has been an important source of middle class employment in Southern California,” said Ken Jacobs, co-author of the study and Chair of the UC Berkeley Center for Labor

Research and Education. “The decline in job-based coverage has important implications for the public at large. When workers do not have coverage through their job it not only affects workers’ access to care, it also raises costs for those employers who do provide health coverage and for taxpayers.”

A blue ribbon commission of faith, business and civic leaders is examining how declining health care and the flight of supermarket chains from poor neighborhoods are affecting communities. A report is expected to be released later this month.

Joel Whipple, who has worked at the service deli at Albertsons in Burbank for 19 years, believes that the grocery industry is failing workers and the communities they serve. “We work hard to provide our customers with good service,” said Whipple. “The grocery industry should respect our communities by providing quality jobs.”

Monday’s action was organized by the Los Angeles Grocery Workers and Community Health Coalition, an alliance of community, labor and faith-based organizations. The Coalition believes that supermarkets which provide good jobs and access to quality food are vital to the health and economic vitality of Los Angeles.

“Grocery industry jobs that have long been a pillar of the middle class in Southern California are now rapidly deteriorating into poverty-level jobs,” said Roxana Tynan, deputy director at the Los Angeles Alliance for a New Economy, a member of the coalition. “We are calling on the industry and public officials to ensure that grocery jobs once again become jobs that provide stable, middle class employment to our communities.”

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