

# Kroger closes stores, while United Food and Commercial Workers kept workers on the job during pandemic

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Over the course of the past year, while more than 35 million Americans have contracted coronavirus and 625,000 have died, corporate share values have risen to their highest levels in history. One company which has done particularly well is grocery chain Kroger. According to its website, its total sales were \$132.5 billion in 2020, up from \$122.3 billion in 2019. Excluding fuel and dispositions, total sales grew 14.2 percent.

This money has not been funneled into higher wages or better safety precautions for Kroger workers but has been funneled back into the pockets of Kroger's shareholders. Last year, Kroger returned \$1.9 billion to shareholders, repurchased \$1.32 billion of shares in 2020 under its board authorizations, and increased the dividend by 13 percent, from \$0.64 to \$0.72 per year. 2020 was the fourteenth consecutive year of dividend increases, resulting in a payout of \$534 million.

At the same time, Kroger Chief Executive Officer (CEO) William Rodney McMullen received a compensation package of more than \$20.6 million, a \$6.4 million raise—an increase by more than 45 percent—from the previous the year. According to WallMine.com, McMullen's estimated net worth is a minimum of \$152 million. This includes over 182,880 units of Kroger Company stock—valued at over \$130,677,724.

As McMullen's pockets deepen, the typical worker found holes in theirs. Over the course of 2020, worker pay dropped by 8.1 percent, driven by the massive hiring of tens of thousands of new workers on starting pay.

This spring, Kroger said it would raise "average worker pay" to \$16 per hour, up from \$15.50 currently.

How the company calculates "average pay" is unclear, and starting pay is significantly less than \$15.50 in most areas. According to Payscale.com, the average wage at Kroger is \$11.72, not \$15.50.

Kroger workers responded on social media to the announcement with a mixture of skepticism and indignation. "No one, not even full time people in my store are making \$16 an hour," one worker said on a Kroger subreddit. Said another: "Are we including Rodney's at 8k per hour? Are we including per hours of salaried management? At 50 hours or 80 hours per week? ... the term is insanely vague, and ... the average wage isn't what the people who work for this company ultimately want to hear has increased. Kroger is playing PR instead of serving its employees who serve it."

Earlier this year, Kroger retaliated against a Los Angeles ordinance requiring a temporary wage hike of \$5 per hour in hazard pay for grocery store workers by closing three stores and eliminating 250 jobs, claiming that the stores were "underperforming."

One worker told the *Guardian*, "If this store was underachieving, it was underachieving prior to the pandemic. It should have been closed then. Why are they waiting until now to close it? It's retaliation. Because none of these executives at Kroger, did they give us their yearly bonus so we could get \$5 an hour? No, they're sitting in their nice houses in the hills or wherever they live, and telling us we don't deserve an extra \$5 an hour."

In Arkansas, Kroger is closing three more stores in the cities of Morrilton, DeWitt, and England. Morrilton and DeWitt both closed July 17, 2021, and the England store is scheduled to close July 31, 2021. Kroger operates 28 stores in Arkansas, employing

approximately 3900 employees.

“Every year, we evaluate our stores and their success in the communities they serve,” said Victor Smith, President of Kroger’s Delta Division. Smith continues, highlighting the importance of profit over life, “Closing a store is a difficult decision that we take very seriously. This store’s low financial returns made it impossible to continue to operate while still upholding our low-price commitment to our customers. Even through a pandemic, our DeWitt[,] Morrilton and England, Arkansas stores did not perform well and for that reason, we made the decision to close.”

“We’re grateful for the service and dedication of the associates at our Arkansas stores,” added Smith. “Today’s announcement is no reflection on our DeWitt, England or Morrilton Kroger Teams. We appreciate their contributions and we are working with them to identify positions in other Kroger store locations. Helping our associates through this transition is a top priority.”

Throughout the pandemic, the role of the United Food and Commercial Workers (UFCW) union has been to keep Kroger and other grocery and food processing workers on the job as much as possible. It did nothing to protect Evan Seyfried, a Cincinnati-area Kroger dairy manager who was driven to suicide from months of harassment by a right-wing store manager. In the meatpacking industry, it has actively collaborated with management in encouraging maximum attendance in the plants, while helping to conceal the real extent of the spread of the virus from the public.

The UFCW, in fact, has profited handsomely from the pandemic stock market boom. According to its latest filings with the US Department of Labor, the UFCW’s net assets increased last year from \$392 to \$431 million. This was driven mainly by a \$66 million increase in the value of its investments—that is, stocks and bonds. This massive sum was used to fund approximately \$38 million in salaries to staff and officers in its national headquarters alone.

By comparison, the UFCW distributed a paltry \$866 thousand in strike pay.

This demonstrates that workers must organize themselves independently to oppose the betrayals of the UFCW by forming workplace rank-and-file safety committees, as Volvo workers, teachers, Amazon workers and growing numbers of workers throughout

the country are doing.



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