

# Kroger workers in central Indiana vote down UFCW sellout agreement

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*Work at Kroger? Tell us what you think about the rejected contract and what you think workers should be fighting for.*

In a vote on Friday, workers at Kroger grocery stores rejected a sellout tentative agreement (TA) brought forward by the United Food and Commercial Workers (UFCW) union and company management. The contract covers 8,000 Kroger workers who are members of UFCW Local 700 throughout the central Indiana region, including the cities of Indianapolis and Bloomington.

The local's update on its website at the time the vote result was announced Friday reads, "Members of UFCW Local 700 rejected a new three-year contract with Kroger; the contract covers more than 8,000 workers at 68 stores in Central Indiana. Your Union Negotiating Committee will meet soon and confer with FMCS to determine our next steps. In the mean time, employees will continue working under the current terms and conditions of the contract."

Workers voted "no" on a three-year company-friendly contract that offered pitifully low wage increases and no changes to benefits or working conditions that would substantially improve the social standing of workers. Retail and grocery workers are some of the most exploited and underpaid in the working class, and workers at Kroger's stores are no exception. Hourly wages vary by job, and all start at low rates and were offered insultingly low increases in the TA that the union hoped to push through last week.

Workers flooded the local's Facebook page and Reddit with comments denouncing the contract as a sellout and welcoming its rejection. According to workers on social media, the UFCW had been attempting to intimidate workers into voting "yes" on the contract. Workers said that the union lied to workers about wage increases, saying that they could get no higher than \$2 or less per hour as an initial wage increase, and that even small \$4-\$5 increases were out of the question.

One worker wrote on Facebook: "Don't fall for the scare tactics people! Our store's union rep just tried to tell us that other unions getting their stores \$3-4 dollar immediate raises and then better raises over the contract was all a lie and that this is the best deal we could have gotten. We need to stand together and get the living wage we deserve!"

A Kroger worker from Indiana spoke to the *World Socialist Web Site* on terms of anonymity about the UFCW's tactics to prevent workers from voting down a contract that worked against their interests.

"I would love to match Kroger in Colorado, Texas and California with \$4-\$5 raises, minimum of \$2-\$3 though," he said. "And the union tried to claim the 65 cent raise we get is actually better than the deal in Colorado, Texas and California because their minimum wage in the state went up, completely ignoring the fact that Indiana is so behind on minimum wage and our cost of living has been through the roof the last six years."

He continued, "The union was very adamant this was a good deal and was trying to persuade people to vote yes. Seemed like they sold us out."

## Low wages and miserable working conditions at Kroger

With inflation at 8.5 percent, the highest in 40 years, the contract proposed by the UFCW is a major real wage cut for workers through 2025. Full-time store clerks in central Indiana currently start at \$13 per hour. The state's living wage calculator lists \$13.44 per hour as the minimum—in reality a poverty wage, yet still higher than what full-time clerks are paid to start.

Under the TA, full time clerks' starting wage would rise less than \$1 to just \$14.25 per hour and increase only \$0.75 per hour in each of the following two years. Pharmacy technicians, who also start at \$13 under the current contract, would see an increase to \$15.75 per hour and just \$0.50 increases in each of the following two years.

Department heads, hourly workers with greater responsibilities, have their hourly wages set at tiers according to annual store sales volume. The TA proposes less than \$1.50 per hour raise for the first year and \$0.50 raises for each of the following two years. Assistant department heads and department heads whose starting wages are not tied to store sales are offered just \$0.65 in wage increases per year for each year of the contract.

Utility clerks, the lowest-paid tier of workers, currently earn a poverty wage of \$10 per hour under the current contract. They would start at the poverty wage of \$12.25 as proposed by the TA and receive paltry \$0.50 increases for each of the following two years.

Retail workers in the US are often given very little, if any, paid time off, and these conditions remain constant in the UFCW-Kroger TA. Workers are given just one personal holiday after one full year of service, and only four after 15 years of service. After one year of service, workers can expect to have only one week of paid vacation according to the TA, and five weeks only after reaching 20 years of continuous employment.

Scheduling is another factor which significantly affects retail workers' quality of life, with many workers having to work shifts at any time of day during the week, on weekends and holidays, with their schedules changed to meet the needs of the company for profits. The TA does not address irregular and grueling schedules except to say that the union and management "will continue to work towards improving the electronic exchange of information, including work schedules."

The contract does not address the needs of part-time workers, which the industry relies on heavily to keep labor costs low and profits and executive pay high. Part-time workers often work from 30-40 hours a week according to management's demands, yet receive fewer benefits than full timers and reach a lower maximum pay rate, regardless of years of service. Many part-time workers are in need of full-time work but cannot find it, and are working multiple jobs to make ends meet to support themselves and their families.

Health benefits are not being improved for workers or fully paid by the company under the proposed contract, and in fact, some workers may find themselves paying more per week. Workers currently pay \$16, \$11 or \$7

per week under a three-tiered health care plan that workers choose from based on their needs. The TA eliminates the middle tier of the plan, and weekly health benefits for a full-time worker could go up as much as \$5 per week for employees based on what kind of coverage they need under the new health plans proposed in the TA.

**“The CEO makes 6000x more than me. Do they work 6000x times harder?”**

Kroger is the largest grocery chain in the US. The corporation operates close to 2,800 stores in 35 US states, and its family of stores includes City Market, Fred Meyer, King Sooper’s, Mariano’s and Ralphs.

In 2021, the corporation raked in \$30.3 billion in profit, a slight drop from \$30.9 billion in 2021 but significantly higher than \$26.9 billion in gross profit recorded in 2019. Its CEO W. Rodney McMullen took home an \$18 million compensation package in 2021, which was gained off of the backs of workers who barely survive on \$13 per hour.

The stark inequality between poverty wages and Kroger’s pay for executives has fueled anger among workers. One wrote on Local 700’s Facebook page, “The CEO makes 6000x more than me. Do they work 6000x times harder? Do they serve 6000x more people? Do they generate 6000x more product and labor?”

Another Kroger worker described the attitude among workers who are fed up with low pay and poor working conditions leading up to the “no” vote. “I never thought I’d live to see the day where a multi-billion-dollar company with record profits would even send people these insulting offers. Cost of living in Bloomington, for example, is higher than 90 percent of the other cities in Indiana. Conditions would improve with there being enough people to actually do the job better if they’d pay them a more livable wage. They don’t seem to ever factor gas or the economy into these contracts. Or the local cost of living. They seem to stay at that 1-3 percent rate of the national average on wage increases.”

He described how working conditions deteriorated at the same time company profits skyrocketed. “I’ve only been here eight years, and before recently it wasn’t too bad. But it’s just gotten worse.” Before the vote, the union and company Human Resources worked in tandem to get a sense of the mood of workers to attempt to manipulate their votes, he said. “We’ve had people, HR reps, go around with the shopping carts to kind of feel out what people are thinking, holding little meetings to ask people thoughts on the contract and such.”

He also spoke to the silence of the union on contract negotiations, saying, “Nobody will ever actually come out and say anything substantial. When they offered utility clerks [baggers] no bonus, for example, we had a union rep of three years come in and tell us they couldn’t give the baggers any more money for the reason that there was no incentive to move up in the company, so they never bumped them up more than, I believe, a quarter at the time. When your baggers and utility clerks have been making \$10 an hour for three years, it’s absolutely insane.

“I hold upper store management responsible for some of these contracts as much as our union.”

**Build rank-and-file committees to organize a fight across the grocery store chains!**

The militancy of Kroger workers in Indiana is part of a broad resurgence of the class struggle in the US and around the world. Anger in the working

class is being driven by surging inflation and gigantic corporate profits, while workers’ real wages are falling.

However, the trade unions have been working to suppress these struggles, blocking strikes and pushing company-friendly contracts with below-inflation raises.

In the past year alone, the UFCW has betrayed struggle after struggle of grocery workers, many of whom work for the Kroger company and its subsidiaries, as a resurgence of the class struggle in the US has sparked a strike wave and two-front battles against both the companies and pro-corporate unions. This wave has increasingly grown to include workers in retail and food production and service.

Early this year, the UFCW shut down strikes of 8,000 King Soopers workers in Colorado and 60,000 workers in Southern California to push through contracts that did not improve working conditions and gave raises that fell well below the rate of inflation. In April, the union pushed through contracts with below-inflation raises at Kroger in Texas and Louisiana, announcing agreements within days of claiming it was preparing for strike action.

The UFCW has repeatedly shown that it works on behalf of company management and is filled with bought-and-paid-for officials who take in six-figure incomes.

To organize a genuine struggle and prevent the UFCW from attempting to force through yet another concessions contract, new organizations are required: rank-and-file workplace committees, democratically controlled by workers themselves.

A central task of these committees will be to draw up a list of demands, based on what workers need, and not what the company and unions says is possible. These demands should include, but not be limited to, a doubling of wages for all workers, regardless of years of service; cost-of-living adjustment (COLA) raises so that workers’ wages are not eaten up by inflation; a minimum of two weeks of paid vacation for every worker; fully paid health care benefits and an eight-hour day for all workers; and all part-time workers to be granted full-time status who desire it.

To ensure these demands are met, there must be an end to the secrecy shrouding negotiations between Kroger and the UFCW. Workers should demand oversight of the negotiations between the UFCW Local 700 and the company, with all contract talks live streamed, as well as oversight of the balloting process for the next proposal and any strike vote that takes place.

The fight of Kroger workers is interconnected with the struggles of autoworkers, industrial and manufacturing, health care workers, educators and other workers, all of whom are looking to fight back against eroding living standards and unbearable working conditions. Over the last year, growing sections of workers have been rebelling against sellout contracts backed by the unions, overwhelmingly voting to reject deals at Volvo Trucks, John Deere, Frito-Lay, Kellogg’s, Detroit Diesel, and elsewhere. More and more workers in these sectors are initiating rank-and-file committees to organize their struggles, and committees at Kroger will enable workers to link up their fights on a stronger basis.

To find out how you can join the fight to build a rank-and-file committee at your store, fill out the form below today.



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Socialist Equality Party visit:

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