

'Essential Workers' in Highly Profitable Grocery Chain Struggle with Food and Housing Insecurity

The Wired Word for the Week of January 23, 2022

In the News

According to a recent nonprofit Economic Roundtable study of more than 10,000 unionized workers at Kroger-owned stores in California, Colorado and Washington, two out of three of those surveyed say they struggle to pay for food and housing; 78% of the workforce lack consistent access to enough food to maintain an active, healthy lifestyle; and 14% reported that they needed food stamps and/or foodboxes from a food bank during 2021.

One in seven of the chain's national workforce of 465,000 also experienced housing instability during the past 12 months, meaning they were or are currently homeless, and more than a third of survey respondents say they worry about eviction.

In the past three decades, adjusting for inflation, wages for the most experienced Kroger food clerks declined between 11% and 22% across the regions surveyed, according to the study.

Kroger, which operates about 2,800 stores under different brands, including Ralphs, Fred Meyer, and Food 4 Less, is the nation's largest grocery store chain and fourth-largest private employer. Its profits skyrocketed during the pandemic, as more people prepared meals at home rather than dining out. In 2020, the company made \$4.1 billion in profit and, in the first three quarters of 2021, had \$2.28 billion cash on hand.

Over \$22 million, nearly double the \$12 million he made in 2018, went to Kroger CEO Rodney McMullen. Kroger stockholders took stock buybacks of an estimated \$1.3 billion during the first three quarters of 2021. Meanwhile, the median worker pay at Kroger was \$24,617 in 2021, meaning the CEO made 909 times the pay of the average worker.

"The biggest irony and tragedy is that here are people who spend all day around food, and when they go home they can't afford to feed their families adequately," said Peter Dreier, a researcher on the project.

Deli worker Jeanne Olsen says she rides the bus to the Ralphs where she works six days a week, and walks four miles home after the buses stop running, because she can't afford a car. The 59-year-old supplements her income by picking up recyclable cans and bottles to earn an extra \$100-\$150 per month so she and her son have enough money for groceries. She earned \$14.90 an hour last year and got a dollar-an-hour raise at the beginning of 2022.

Robin White, 35, who worked at a Ralphs, had her hours cut in half when the pandemic hit. She could no longer afford rent, so she slept in her car with her 9-year-old son for a while, until she lost her car and had to move in with her mother.

"It's a game, I guess, they play, and they'll give you an increase in pay like a dollar but then they'll snatch hours," White said. "So ... you still don't make ends meet."

The Economic Roundtable report, which recommended higher minimum wages, food discounts and twice as many full-time positions, was released ahead of upcoming talks between Kroger and the United Food and Commercial Workers Union to renegotiate their contract with about 33,000 workers in Southern California, which is due to expire March 6.

In the grocery chain's defense, Kroger representative John Votava says they offer higher wages, healthcare and retirement benefits to hourly associates even though "93% of corporations no longer provide [these benefits]."

Kroger has resisted government mandates of temporary \$5-an-hour "hero or hazard pay" boosts for grocery workers during the pandemic, citing the requirement as part of their decision to close three grocery stores in Los Angeles in March 2021.

Kroger associates cite unpredictable schedules, low wages and limited opportunities for full-time employment as factors that contribute to their economic vulnerability. One in four survey

participants said they were given 24 hours' notice or less about schedule changes, making it next to impossible to work second jobs.

A Kroger spokesperson responded that many of their workers are part-time by choice, saying it offers them greater flexibility.

Olsen, the deli worker who recycles cans and bottles to pay for groceries, said she just wants to be paid a fair wage, to be paid what she's worth.

Applying the News Story

The factors that contribute to poverty are many. Some depend on an individual's talent, intelligence, level of education, family environment, health, work ethic, goals, assets, choices and other personal attributes, while other contributing factors are beyond an individual's control. Employers, civic authorities and communities of faith all have a role to play in addressing issues of equity, worker-employee relations and money management. We hope this study guide aids you in addressing some of the problems facing the working poor today.

The Big Questions

1. To the extent you are comfortable, share an experience you have had with poverty, and how that experience impacted you.
2. What strategies do you think are most likely to be effective in minimizing problems of food insecurity and housing instability?
3. How much do you think problems of poverty arise out of social structures? To what extent are these problems attributable to individual choices and behavior? Explain.
4. What encouragement does our faith offer to people struggling with poverty?
5. What guidance does the Bible provide regarding how we should handle wealth when we have more than we need?

Confronting the News With Scripture and Hope

Here are some Bible verses to guide your discussion:

1 Samuel 25:10-11

But Nabal answered David's servants, "Who is David? Who is the son of Jesse? There are many servants today who are breaking away from their masters. Shall I take my bread and my water and the meat that I have butchered for my shearers, and give it to men who come from I do not know where?" (For context, read [1 Samuel 25:2-20, 35-38](#).)

Questions: How can we nurture the attitude of a steward regarding the things we own? What is the relationship between stewardship and hospitality?

Luke 16:13-15, 25-26

[Jesus said,] "You cannot serve God and wealth." The Pharisees, who were lovers of money, heard all this, and they ridiculed him. So he said to them, "You are those who justify yourselves in the sight of others; but God knows your hearts; for what is prized by human beings is an abomination in the sight of God." ... [Jesus continued his parable:] "But Abraham said, 'Child, remember that during your lifetime you received your good things, and Lazarus in like manner evil things; but now he is comforted

here, and you are in agony. Besides all this, between you and us a great chasm has been fixed, so that those who might want to pass from here to you cannot do so, and no one can cross from there to us." (For context, read [Luke 16:13-15, 19-31.](#))

Questions: What does this parable suggest about the importance of making decisions in this life concerning money management and how we treat the poor?

How can we avoid the pitfalls of loving money and the benefits it can bring more than we love those who are less fortunate?

1 Corinthians 11:20-22, 33

When you come together, it is not really to eat the Lord's supper. For when the time comes to eat, each of you goes ahead with your own supper, and one goes hungry and another becomes drunk. What! Do you not have homes to eat and drink in? Or do you show contempt for the church of God and humiliate those who have nothing? What should I say to you? Should I commend you? In this matter I do not commend you! ... So then, my brothers and sisters, when you come together to eat, wait for one another. (For context, read [1 Corinthians 11:17-34.](#))

Questions: What makes the Lord's supper different from our own supper?

How does Paul's admonition to "wait for one another" apply in general, in situations that don't involve meals, for example?

1 Corinthians 12:22-26 (NLT)

In fact, some parts of the body that seem weakest and least important are actually the most necessary. And the parts we regard as less honorable are those we clothe with the greatest care. So we carefully protect those parts that should not be seen, while the more honorable parts do not require this special care. So God has put the body together such that extra honor and care are given to those parts that have less dignity. This makes for harmony among the members, so that all the members care for each other. If one part suffers, all the parts suffer with it, and if one part is honored, all the parts are glad. (For context, read [1 Corinthians 12:18-27 NLT.](#))

Questions: What would happen to a physical body if some parts acted as though they could live without other parts of the body?

How would you apply the body metaphor to a civic society like ours? To the current situation in the news article above?

What obligation, if any, do we have as followers of Jesus to work to establish a civic order that embodies, to the best of our ability, kingdom-of-God principles of the value of each person in our society and the worth of what each has to contribute to the whole?

How do you communicate special care, protection and honor to people in your sphere of influence who may not seem as capable, deserving or important to your community, church or nation?