HOLD THE LINE FOR AMERICA'S HEALTH CARE: Corporate Greed vs. Human Need—The Southern California Supermarket Strike/Lockout

QUICK FACTS FROM THE UFCW
FOR WORKERS AND CONSUMERS IN NORTHERN CALIFORNIA

1. **Workers at Vons (Safeway), Ralph's (Kroger), Albertson's turned out in unprecedented numbers (over 80%) and voted overwhelming (over 95%) to fight employers' demands to effectively eliminate health benefits**. On October 11, 2003, workers struck Vons across Southern California. Albertson's and Ralph's locked out their workers.

2**. The employers' proposal will take away any meaningful health care benefits for all new hires, fail to adequately fund existing benefits for current workers, and create a funding crisis that will lead to the elimination of existing benefits.** Employers' statements about $5 to $15 a week co-pays are just a ruse. Ask the bosses and demand a straight answer: "If workers paid a $5 to $15 would they be able to keep their existing benefits with no cuts?" Ask the bosses and demand a straight answer: "Would new hires get any real benefits for their families by the end of the contract under the company proposal?"

3. Strikers from Southern California are extending their **strike picket lines** to Safeway stores in Northern California— these strikers may legally take their strike picket lines to any Safeway operation. The strikers are not, at this time, asking workers to honor the picket line. **The strikers are asking customers to honor their picket lines and not shop at Safeway.**

4. Workers in the Northern California stores are part of the same International Union— the UFCW— as the strikers. The Northern California workers will face the same employer demands next year in their contract negotiations. **The strikers are fighting for all Safeway workers, and ultimately all workers who face corporate demands to cut and gut benefits.**

5. Workers make an average of $12.50 an hour with a 30 hour week— about $19,000 a year.

6. The supermarket giants are not responding to competitive pressure from Wal-Mart. The **three chains have 60% of the market** in Southern California. Even with its planned expansion, **Wal-Mart will have 1% of the market**.

7.Safeway is the strike target because the company and its CEO Steve Burd have led the attack on workers and their health benefits. Burd told the financial community that forcing Southern California workers on strike was an "investment in the future."

8. Safeway, Ralph's and Albertson's are *Fortune 50* corporations. Their profits have gone up 91% since 1998. If these corporate giants can eliminate health care, every worker is at risk.

SAFEWAY AND THE OTHER SUPERMARKET GIANTS WANT TO EFFECTIVELY ELIMINATE WORKER HEALTH CARE BENEFITS!

Here's a simple way to understand how they propose to do it.

First, understand how worker benefits are funded.

The employer pays **a specified dollar amount multiplied by the total number of hours worked** by the employees covered under the benefit plan. Employers now pay about $4 multiplied by the total number of hours worked for all employees.

Second, look at what the employers propose to do to new hires.

The funding for **new hire benefits would be cut and capped— no increases— at $1.35** multiplied by the hours that new hires— and only new hires— work. This funding is not adequate to provide any meaningful benefits. **Over 70,000 jobs in Southern California that now come with health benefits would be without any real benefits as new hires replace the current workforce.**

Third, look at what the employers propose to do to funding for current employees.

The total number of hours worked—the second part of the equation for **benefit funding —is constantly being reduced** because the hours worked by new hires don't count in the funding base for current employees. As new hires replace existing employees, funding will not be adequate to cover current benefits, even if the specified dollar amount is increased under the employers' proposal.

Within three years, according to actuarial analysis, current employees would face massive benefit cuts or unbearable co-pays—up to about $95 a week. **Most importantly, as is obvious, the funding base for current employees is being strangled as no new hours are being added, and within very few years there will not be adequate funding for any real benefits at all**.

Employers can throw numbers around— but, their proposals equal the end of meaningful health care benefits for Southern California supermarket workers. They say all they want is a $5 to $15 a week premium co-pay. They say that they are going to increase the contribution for current employees. Look at their proposal on new hires in the context of how benefits are funded and you can see their real agenda. [http://negotiations.safeway.com/vons/]

This is not about cost sharing or premium co-pays— it is about eliminating health benefits.

HOLD THE LINE FOR AMERICA'S HEALTH CARE:
Corporate Greed vs. Human Need-The Southern California Supermarket Strike/Lockout

THE SUPERMARKET GIANTS: IT'S ALL ABOUT GREED

There is no economic or market-driven need to eliminate health care benefits for Southern California supermarket workers. It's not lack of profits. It's not competition from Wal-Mart. It's not out-of-control medical costs. It is out-of-control corporate greed.

Safeway, Kroger and Albertson's are some of the largest and most profitable corporations in America:

- $9.7 billion in combined operating profits for 2002.

- 91% increase in combined operating profits since 1998.

- 60% combine market share in Southern California.

- Wal-Mart has less than 1% market share.

- One out of every 4 dollars spent on groceries in the U.S. goes to Safeway, Kroger or Albertson's. Combined they operate 7,300 stores.

Health care costs have been contained under the Southern California supermarket workers' plan:

- 28% increase in the employers' hourly health care contribution for Southern California supermarket workers was less than half the 67% national health care cost increase over the past decade.

- Profits rose 10 times faster than health care costs for Southern California supermarket workers.

Employees of the big three supermarket giants produce 39% more profit per worker than a decade ago.

If you work hard, do your job, are more productive and produce more profits for your large-and-getting-larger employer, shouldn't your benefits be secure?