

# NEW YORK CITY'S RETAIL GROCERY INDUSTRY

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## ECONOMIC RESTRUCTURING AND ITS IMPACT ON ORGANIZED LABOR

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U.S. supermarket chains launched aggressive growth and acquisition strategies in the 1990s, resulting in a wave of corporate consolidation. That, in turn, destabilized the collective bargaining system that had prevailed in prior decades, and radically shifted the balance of power between management and labor in favor of the former. Whereas in the post-World War II era labor relations in the grocery industry had been geographically decentralized, with the restructuring that took place in the 1990s, “each local market area has come to count for a smaller part of the companies’ revenues and profits,” as Richard W. Hurd explained in a trenchant analysis. Employers thus became less and less financially vulnerable to strikes and other types of pressure from unions, yet for their part the unions remained locally (or in some cases regionally) oriented.<sup>2</sup>

This reduction in leverage of the nation’s retail grocery unions was part and parcel of the broader neoliberal transformation driving the relentless decline of the U.S. labor movement as a whole that took off starting in the late 1970s. Initially, the retail grocery industry was insulated from some of the forces propelling that transformation. For example, while deregulation weakened unions dramatically in many other major industries (trucking, for example), the retail food sector remained highly regulated, at least on paper.<sup>3</sup> Moreover, brick-and-mortar food

retailing is inherently place-bound: New York City residents cannot do their grocery shopping in China or Mexico, or even in Arizona or Texas. It follows that the industry is largely invulnerable to de-unionization through capital flight or outsourcing to other U.S. regions or abroad, processes that ravaged the manufacturing sector in New York and elsewhere in the late 20<sup>th</sup> century.

Globalization has impacted some key aspects of the grocery industry, however. Produce and seafood sold in American food stores are increasingly imported from other parts of the world. And several major U.S. supermarkets, including nonunion Trader Joe’s and Aldi (both German-owned), and the unionized chain Stop&Shop (part of a Dutch transnational conglomerate) are foreign-owned.<sup>4</sup> At the retail level, however, the industry is still overwhelmingly locally oriented, simply because the cost of shipping perishable items directly to consumers from distant locations is prohibitive.

The rapidly expanding (and largely non-union) on-line grocery delivery business is also relatively place-bound, heavily dependent on local distribution centers—although the non-perishable, packaged products that fill the shelves in the central aisles of today’s modern supermarkets may well be captured by the home delivery sector in future years. “If Amazon has its way, that stuff in the center of the store will all

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be delivered to your door,” one supermarket owner predicted. “We’ll go back to the old days... We’ll be prepared food and specialty products and everything else will be so commoditized that we won’t be able to compete from a price perspective.”<sup>5</sup>

The grocery industry has not been insulated entirely from the effects of technological change, although to date it has had surprisingly limited impact on employment levels. In the 1980s, barcode scanners became ubiquitous, and soon afterward many stores began to introduce self-checkout machines. These technologies were widely expected to increase productivity and thus enable grocery companies to reduce employment levels, but that did not occur. The key countervailing factor was the simultaneous enhancement of traditional supermarket offerings to include “ready-to-go” and other prepared foods, along with seafood, flowers, and general merchandise—all intended to promote customer convenience and “one-stop shopping.” From the 1950s to the 1970s, the average supermarket carried about 9,000 items; by the 1990s many of them stocked up to 60,000. Adding so many goods and services led to increased need for labor—often highly skilled labor, canceling out the effects of new technology on productivity.<sup>6</sup> And while many retail employers did make efforts to streamline labor costs, there were notable exceptions, including Trader Joe’s and Costco, which adopted a different approach: hiring more workers, paying them relatively well, and investing in training to improve customer service. These companies are more profitable than their competitors and have more sales per worker and per square foot—in part because they stock many fewer items than traditional supermarkets, selling them in large volume at discounted prices.<sup>7</sup>

Ultimately, the most important driver of change in the industry was financialization and the corporate concentration that accompanied it, and more recently, the impact of private equity. In its early days, the grocery industry had been dominated by family-owned stores, an arrangement in which, as one commentator put it in the 1960s, “the ease of entry... insures a

continuation of intense competition and low profit margins.”<sup>8</sup> But as early as the 1920s, chain supermarkets began to appear, most notably A&P, which was widely reviled at the time for undercutting local stores—just as Walmart and Amazon would be in the 2000s. Indeed, A&P became a target of antitrust litigation in the 1930s.<sup>9</sup> Even as the chain stores grew, however, the industry retained a stubbornly local orientation, with a distinct assortment of firms (some of them locally owned) in each regional market. By the 1960s, most of the chains had been organized by the UFCW and its predecessors, and collective bargaining remained geographically decentralized long after that. As Hurd observed, “All of the major unionized companies started in specific local geographical markets... and [until] the 1990s they would conduct collective bargaining on a market-by-market basis.”<sup>10</sup>

Indeed, historically wage rates in the unionized sector of the retail grocery industry varied widely among U.S. cities. In 1965, for example, union contracts guaranteed hourly wages for full-time retail clerks at \$1.90 in Jacksonville, \$2.65 in New York City, \$2.89 in Chicago and \$3.00 in Los Angeles.<sup>11</sup> Ten years later, a U.S. government survey found that unionized full-time grocery clerks in New York City had a top hourly wage rate of \$5.15 per hour, compared to \$5.51 in Philadelphia, \$6.05 in Chicago, \$6.31 in Kansas City and \$6.67 in Oakland.<sup>12</sup>

These disparities reflected the decentralization of collective bargaining, along with the fact that some local unions had more leverage than others. But across the nation, grocery worker unions benefited from supermarkets’ dependency on the good will of shoppers and the accompanying eagerness of employers to avoid strikes. A 1967 study of the industry observed that “In areas where union sympathy is strong, a lone picket can effectively keep many customers away.”<sup>13</sup> Indeed, as Hurd noted, prior to the 1990s, “as long as their labor costs were competitive within their market areas, the [grocery] companies typically would not be aggressive bargainers.”<sup>14</sup>

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By the early 21st century, however, the landscape had changed dramatically. Not only had unions in other industries suffered devastating decline from the 1980s on, but the rise of the notoriously anti-union retail behemoth Walmart, which entered the grocery business in 1988 and rapidly grew into the single largest entity in the industry, had a transformative impact.<sup>15</sup> That led the newly consolidated supermarket chains to become increasingly hostile to organized labor, demanding wage cuts and other concessions to meet the actual or potential threat that Walmart posed. By the turn of the century, unionized supermarket workers' pay and benefit costs (including health insurance and pensions) were about 30 percent higher than Walmart's.<sup>16</sup>

Walmart's footprint was geographically uneven: the stores it operated that sold groceries were highly concentrated in the South and the Midwest, with very few on the East or West Coasts.<sup>17</sup> But the traditional supermarket owners pressed for concessions from the UFCW even in regions where Walmart was absent. A case in point was Southern California, once a solid fortress of grocery unionism, where in late 2003 the large supermarket chains deliberately provoked a region-wide strike (and locked out workers in the stores that were not struck), in a months-long standoff that ended in devastating defeat for the UFCW and its members. The region's stores remained unionized, but the strike settlement included draconian reductions in wages and benefits.<sup>18</sup>

Walmart was not the only company undermining the traditional supermarkets. In the 1990s, discount stores like Target, K-Mart and Costco followed Walmart's lead and began carrying groceries; as did drugstores like CVS and Walgreens.<sup>19</sup> Some Costco stores and drugstores were unionized, but Target and K-Mart were fiercely opposed to unionism.<sup>20</sup> Further contributing to the industry's transformation was the influx of new, non-union players, most importantly Whole Foods—which started as a local store in Austin, Texas but then expanded into the national market in 1988, the same year that Walmart began

selling groceries. In sharp contrast to Walmart, these stores aimed at upmarket consumers. Whole Foods, Trader Joe's, and regional stores like Wegman's also offered workers relatively high wages (although with minimal fringe benefits), in part to discourage unionization. As these new entrants captured a growing share of the U.S. retail food market, the UFCW was further weakened. Yet another blow came in 2017, when intransigently anti-union Amazon acquired Whole Foods, dramatically expanding the firm's grocery home delivery operations and lowering prices, creating a new competitive challenge for the traditional supermarket chains.

Restructuring also led to bankruptcies of some long-unionized supermarket chains, most notably A&P, which first filed for bankruptcy in 2010. At that time the union agreed to major wage and benefit concessions in hopes of keeping the company afloat and preserving its 26,000 union jobs in states across the east coast—including many in New York—for years to come. However, five years later, the company went out of business entirely, and sold off its stores to other companies, most of them non-union. In New York, the union was able to retain over 2,000 members whose stores were acquired by Stop & Shop and other unionized firms, but many other UFCW members were displaced by this massive bankruptcy.<sup>21</sup>

As a result of the industry's restructuring, retail grocery store jobs across the nation were degraded from relatively well-paid jobs with excellent benefits into far less desirable, more precarious ones. There was also a growing shift from full-time jobs to part-time ones with unpredictable and fluctuating schedules. At the same time, many workers lost the employment security that unionization provided, and with it the ability to voice their on-the-job concerns freely to management. Not only did the share of the industry with a union presence decline, but also union power and leverage were severely eroded even where the UFCW retained a foothold. The rest of this report documents these developments in more detail, with a particular focus on the industry in New York City.

## The Anatomy of Union Decline in the Retail Grocery Industry

By 2019, only 6.2 percent of U.S. private-sector workers were union members—lower than at any time in the past century. Unionization rates vary substantially, however, across industries and sectors, as well as among geographical regions. Both New York City and New York State have had union density levels about twice the national average in recent decades.<sup>22</sup>

In the nation’s retail sector, unionization levels are well below average: in 2019, only 4.0 percent of all U.S. retail workers, and 6.0 percent of those in the New York City metropolitan area, were union members.<sup>23</sup> But *within* the retail segment, supermarkets and grocery stores stand out as exceptional, with quadruple the average retail unionization rate. About 16 percent of the nation’s grocery store workers, and 25 percent of those in the New York City metropolitan area, were union members in the 2010s.<sup>24</sup> The disparity between retail food stores and other retail segments is not new: for the past century, supermarket and grocery store unionization has consistently been more extensive than in other retail industries.

Historically, New York’s grocery and supermarket workers have been more highly organized than those in the nation as a whole, and that remains the case. As an expert who tracks trends in the supermarket industry put it in a recent interview, “New York is one of the last bastions of heavy unionization” in the retail food industry.<sup>25</sup>

That said, union density in the retail grocery sector—both nationally and in New York—has fallen sharply over recent decades. The historical peak was in the 1960s, when about 40 percent of all U.S. food store workers (and 12 percent of all retail workers) were unionized.<sup>26</sup> Precise figures for New York City are not available for that decade, but by all accounts grocery store unionization was far greater than in the nation, then as now—although New York never achieved the wall-to-wall unionization of supermarkets in West Coast cities in this period.<sup>27</sup> In 1984, 47

percent of retail grocery store workers in the five boroughs of New York City were union members.<sup>28</sup>

The largest union in the industry was the Retail Clerks International Association (RCIA), which boasted 40,000 members in its metropolitan New York unit in the early 1960s and was then the nation’s seventh largest union. Most, but not all, of those members were employed in supermarkets. The RCIA also represented workers in other New York retail industries, from department stores to subway newsstands. In addition, three other unions—the Meat Cutters; the Teamsters; and the Retail, Wholesale, and Department Store Union (RWDSU)—had thousands of New York City grocery store workers among their members at that time (although RWDSU was an insignificant presence elsewhere in the country).<sup>29</sup>

The Teamsters represented grocery warehouse workers and delivery truck drivers, and only rarely retail supermarket workers. However, because Teamsters routinely refused to cross picket lines at grocery stores that the RCIA and other unions were attempting to organize, they played a pivotal role in organizing the retail segment of the industry. As industrial relations scholar Herbert Northrup and his colleagues wrote in 1967 regarding the growth of the RCIA, “unionization has often been based on coercion, pressure, and arrangements with employers rather than upon enrollment of employees.”<sup>30</sup>

By the 1960s, unionized grocery and supermarket workers had won stable jobs, seniority rights, grievance procedures, and protection against arbitrary firings. Those who chose to spend their careers in the industry could move up to better-paying positions with more responsibility through an internal promotion system. Union contracts restricted the hours of part-time workers and regulated other aspects of scheduling. Although union grocery wages were never as high as in, say, automobile manufacturing, they rose substantially in the postwar decades, especially in the chain stores. “Union rates in supermarkets compare with those in light manufacturing union plants, and are generally superior to... comparable rates in other

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retail establishments and service,” Northrup and his colleagues wrote, adding, “Wages have risen steadily since 1950 ... among the large chains and in the large metropolitan areas—the bulwark of union strength.” At that time unionized grocery store workers also had affordable health insurance and defined benefit pension plans, and in some jurisdictions dental and vision care as well.<sup>31</sup> In short, these were the type of good, “middle class” union jobs that became increasingly scarce with growing inequality and economic restructuring in the late 20<sup>th</sup> century.

When unionization was at its height, most RCIA contracts included “accretion” clauses, under which companies agreed that all newly opened stores in the region would automatically become union shops. Multi-employer collective bargaining agreements covered 60 to 80 percent of RCIA members in the 1960s.<sup>32</sup> This arrangement took “wages out of competition”: since all employers in the area had the same labor costs, they competed on the basis of the quality of their goods and services, not by squeezing workers. In this era, the grocery unions were well entrenched in large cities across the nation, with particular strengths on the West Coast and in the Northeast. UFCW Local 1500 President Robert Newell declared in a recent interview that when he began his career in New York in the early 1980s, “If you opened a supermarket, you needed a union contract, or you didn’t open. There’d be a picket line in front of your store!” Although somewhat hyperbolic, this comment captures the stark contrast between past and present.

In the 1990s, however, the old order began to unravel, as organized labor came under attack in one industry after then next. Although in New York City the processes driving union decline unfolded more slowly

than in other parts of the United States, and with some deviations from the national pattern, the unions representing grocery workers nevertheless faced enormous challenges by the end of the 20th century.

In 1979 RCIA and the Amalgamated Meat Cutters (which had previously absorbed the meatpacking unions) merged to form the United Food and Commercial Workers (UFCW). In 1993, RWDSU became a semi-autonomous affiliate of the UFCW, which has been home to the vast majority of unionized retail grocery workers ever since. At this writing, 835,000 of the UFCW’s 1.3 million members are grocery or supermarket workers.<sup>33</sup> In the New York City metropolitan area, the unionized segment of the industry is concentrated in three UFCW locals, replicating the union divisions of the pre-merger era: UFCW Local 338 is still known as RWDSU (although it is a UFCW affiliate); UFCW Local 1500 is heir to the RCIA’s former jurisdiction; and UFCW Local 342 includes supermarket meat cutters and seafood workers.<sup>34</sup>

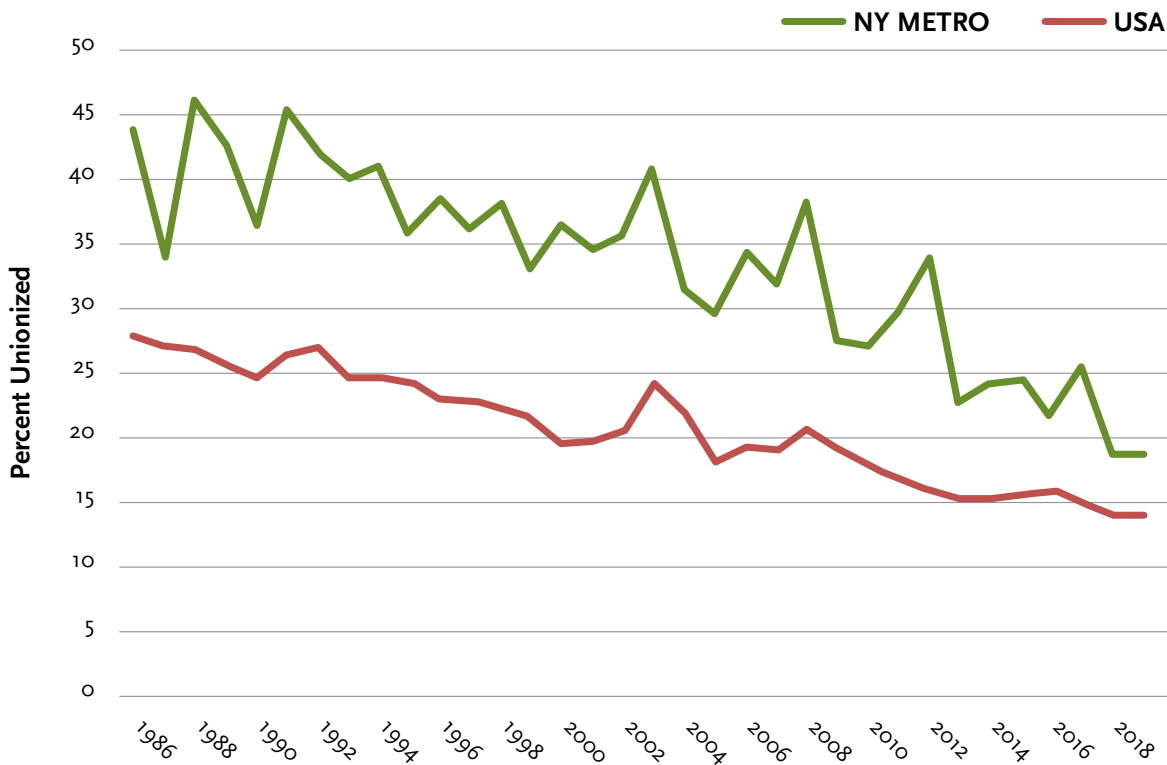
Both nationally and in New York, de-unionization took off soon after the formation of the UFCW in 1979. The downward trend from the late 1980s to 2019 is documented in the U.S. Current Population Survey data for retail grocery workers shown in Figure 1. Nationally, union density among retail grocery store workers was cut in half during the period shown, falling from 27.9 percent in 1986 to 14.0 percent in 2019. Although the industry’s unionization rate in the New York City metropolitan area was consistently higher than the national average, the gap has narrowed over this period. In the metropolitan area, union density fell more rapidly (although from a higher starting point) than in the nation as a whole: from 43.6 percent in 1986 to 18.8 percent in 2019.

## New York Exceptionalism

As Figure 1 shows, New York City has lagged the rest of the nation in regard to supermarket unionism's decline. The city has several unusual features that insulated it—for a time—from many of the forces

driving de-unionization elsewhere. Manhattan and Brooklyn in particular are extremely lucrative places in which to sell groceries, with high population density and a large base of well-heeled consumers who regularly buy high-profit food items.

**Figure 1. Union Density in Retail Grocery Stores, New York City Metropolitan Area and United States, 1986-2019.**



*Source:* National Data is from unionstats.com; New York metropolitan area data is computed from U.S. Current Population Survey (CPS) Outgoing Rotation Group, using unrevised CPS sampling weights. The data shown are for wage and salary workers aged 16 and over, employed in retail grocery stores (SIC 4970). For the New York metropolitan area, the data include respondents residing in the New York-Newark-Bridgeport NY-NJ-CT-PA Combined Statistical Area (CSA), using the 2003 CSA definition.

*Note:* The CPS is based on place of residence, not place of employment; thus, some of the respondents shown for the New York metro may be employed outside the CSA. In addition, due to the relatively small CPS sample, some cell sizes for grocery store workers at the CSA level are too small to be reliable, especially for 1994, 1995 and 2004-2019. The downward trend is unambiguous, but the year-to-year data points should be interpreted with caution.



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Yet operating a supermarket in New York also presents formidable challenges. The most obvious one is the steep cost of operating in the city, and especially in Manhattan. Although in recent years real estate prices and rents have risen to stratospheric levels in cities like San Francisco and Seattle as well, that has been the case far longer in New York. In Manhattan below 96<sup>th</sup> Street, stores must pay a hefty commercial rent tax, in addition to the premium rents and insurance costs. The city's legendary traffic congestion and narrow streets make trucking (both food deliveries to the stores and trash disposal from them) unusually time-consuming and expensive. "The costs of doing business in the City of New York are prohibitive," an industry expert commented, "and then there are the restrictions, the inspections, the health department and so on—it's all more complicated within the five boroughs."

Reflecting these realities, the supermarkets that took root in the city have tended to be relatively small, typically only 10,000 square feet or less—much smaller than the gargantuan stores elsewhere in the United States that the country is famous for worldwide. Historically, New York grocery stores were also disproportionately locally owned, although that gradually became less typical over time. A short-lived resurgence in local ownership followed A&P's 2010 bankruptcy. In 2007, A&P acquired its former rival, Pathmark, whose New York stores were bought and rebranded by the locally-based Allegiance following the A&P bankruptcy.

Whole Foods and Trader Joes, which often rival conventional supermarkets in square footage, became major players in New York City in the 21<sup>st</sup> century. Many CVS, Rite Aid and Walgreens drugstores, ubiquitous across the city, also began to carry groceries. These are all nonunion operations (although some CVS stores are unionized on the West Coast), with the partial exception of Walgreens, whose recently acquired Duane Reade and Rite Aid branches are unionized. K-Mart, BJ's, and Target—all

nonunion—also have a growing presence in the city, as does Costco (which has some unionized stores).

Walmart operates a few stores in the New York suburbs, but its regional footprint is miniscule compared to other parts of the country. As the industry expert quoted earlier noted, "What we call the 'alternate channels'—Walmart and club stores like Sam's Club and Costco, have a much lower market share in metro New York than in the rest of the country." Nationally, Walmart accounts for over 25 percent of the grocery market; but in the Northeast as a whole, its market share is only 5 percent.<sup>35</sup> It has *no* stores in the five boroughs, reflecting a history of vigorous political opposition from the UFCW and its allies; its brief foray into the city's food delivery market was abandoned in late 2019.<sup>36</sup>

Kroger, a unionized chain whose national market share is second only to Walmart's, is also conspicuously absent in New York City, where relatively small supermarket chains and cooperatives, along with a few local firms, like the legendary Fairway, have dominated the industry.<sup>37</sup> "Some of the newer and emerging retailers that have operated in other markets for twenty years have never set foot in Manhattan or Brooklyn and don't plan to," the expert noted. "That also holds true with a lot of national chains. They just don't do business in the City of New York because of cost, because of union fear, and because of the quirky competition from bodegas and small supermarkets—some of them no bigger than 3,000 square feet."

As Table 2 shows, in the year ending in March 2020, six traditional supermarket companies and retailers' cooperatives (Krasdale, Shoprite, Key Food, Stop & Shop, ASG stores, and Allegiance/Foodtown) accounted for 43 percent of the market in the five boroughs. All six are at least partly unionized; one—Stop & Shop—is fully unionized. In the Northeast as a whole, these six chains had a somewhat smaller share (33 percent) of the market. An even smaller but significant share was held by locally-owned

union stores, like Fairway (with 2.8 percent of the New York market prior to its January 2020 bankruptcy), and Morton-Williams (0.9 percent). FreshDirect, a New York-based grocery home delivery service, is not included in the data source that is the basis of Table 1, but it also has a union presence, with delivery workers represented by the UFCW.<sup>38</sup>

Union decline in the New York retail grocery sector lagged behind that of the nation as a

whole (see Figure 1), but by the end of the 2010s, nonunion players had expanded their market share substantially. By then Walgreens, CVS, and Rite Aid together accounted for 21.5 percent of the New York City market, and nonunion Whole Foods and Trader Joe's together had another 6.4 percent (See Table 2). Appendix B provides a detailed listing of New York retail grocery stores by borough, square footage, and union presence in 2019.

**Table 1. Grocery Market Share for Selected Retailers in New York City and the Northeast, 2020.**

	New York City	Northeast <sup>a</sup>
<b>Chain Supermarkets and Cooperatives with a Partial or Full Union Presence<sup>b</sup></b>	43.5%	33.2%
Krasdale	13.9	4.1
Key Food	11.5	2.9
Stop & Shop	5.7	7.9
ASG	5.2	1.5
Allegiance	4.2	1.2
ShopRite	3.0	15.6
<b>Locally-Owned Unionized Stores</b>	3.8%	0.9%
Fairway	2.9	0.7
Morton Williams	0.9	0.2
<b>Nonunion Nationally-Owned Stores</b>	6.4%	3.5%
Whole Foods	3.8	2.3
Trader Joes	2.7	1.2
<b>Drugstore Chains</b>	19.5%	13.7%
CVS	5.2	6.0
Walgreens (incl. Duane Reade)	10.8	5.1
Rite Aid	3.5	2.7
<b>Big Box Stores</b>	12.1%	15.7%
Costco (partially unionized)	5.9	4.3
Walmart	0	5.2
Target	3.1	3.1
BJs	3.1	3.1

<sup>a</sup> "Northeast" includes 70 counties in Connecticut, New York, New Jersey, Pennsylvania, and Delaware.

<sup>b</sup> Krasdale is a retailers' cooperative that includes C-town, Bravo and Stop & Shop); Key Food includes Urban Market, Food Universe and Food Emporium; ASG includes Associated, Compare, Met Foods and Pioneer; Shoprite includes Gourmet Grocer and Price Rite; Allegiance is a cooperative that includes Gristedes and D'Agostinos as well as Foodtown.

Note: Totals do not add to 100 because not all stores are shown.

Source: Food Trade News, 2020 Market Study Issue, pp. 24, 79. <https://www.foodtradenews.com/food-trade-news-2020-market-study-issue/>

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## The Hollowing Out of Unionism in the New York Grocery Industry

In the 20<sup>th</sup> century, few New York food store owners were overtly anti-union. On the contrary, many “took pride in their relationships with their employees,” a local UFCW staffer declared. “They took care of their people. They understood the union. When they gave you their word, you knew you had a contract.” The CEO of a small unionized supermarket chain who has worked in the industry for thirty years articulated this orientation in a recent interview: “Labor is an investment: the people in the stores make all the difference in the world. So they’re really an asset,” he explained. He also praised the union officials with whom he interacts. “They’re extremely professional and they understand the business. It’s a partnership: our futures are tied together.”

As a second-generation supermarket owner recalled, in the 1970s and 1980s “there was a lot less competition in the city, so it was easier for union stores to thrive. The market was different back then. Being an independent grocer was a good thing. It was tough and it was competitive, but you could make a living, worst case; or best case, you could do really well and grow your chain over time. It doesn’t work that way anymore. For the legacy store, it’s a challenge, to be a traditional union store and do well.” The transformation was a gradual one, with multiple causes, or what one store owner called “death by a thousand cuts.”

In the 1970s and 1980s, “if you had a union election, it was more than likely you would win it,” UFCW Local 1500 President Robert Newell recalled. “But we didn’t grow as much from organizing new companies as through our companies growing. Our contracts had accretion clauses. An employer could always challenge it, especially during an acquisition, but if you had a decent bargaining relationship, it usually would hold fast. We never imposed an accretion clause on a group of members, we had them sign authorization cards, but we had neutrality from the employer.”

The corporate consolidation that transformed the national supermarket industry in the 1990s occurred later in New York, but by the 2010s, as one local unionist declared, “consolidation is affecting everything we do.” Supermarket mergers and acquisitions, along with the entry of multinational firms and private equity into the New York market, dramatically changed the landscape. “The first generation of store owners established the companies, and they brought their sons and daughters into the business, but as the generations passed, there was less attachment to the business that made your family wealthy.” That often led them to sell their stores, sometimes to nonunion entities. The 2007 sale of the beloved and highly profitable Fairway stores, long unionized, to the private equity firm Sterling Investment Partners, is an oft-cited cautionary tale. After being stripped of its assets, Fairway declared bankruptcy, first in 2016 and finally in early 2020, when its stores were sold off to competitors.<sup>39</sup>

Meanwhile, large national companies like Target, Whole Foods, and Trader Joes, already well established elsewhere in the United States, had begun to open stores in New York. They were intransigently opposed to unionization. “They can outspend any independent labor organization, and it’s always going to be in their interest to do that,” a unionist explained. As competition from these nonunion stores ramped up, the UFCW came under growing pressure to make concessions to the unionized employers, whose business model became increasingly untenable. Traditional supermarkets had notoriously thin profit margins; although that was less often true of the upscale nonunion stores selling highly priced specialty items to the city’s most affluent consumers. Moreover, as a UFCW staffer explained, “the union operators have higher costs, because they’re actually investing in their workforce. They’re providing better wages and benefits than the nonunion employer. The union employer is assuming most of the cost of the health insurance and all the other benefits.”

Trader Joe’s and Whole Foods offer *higher* entry-level wages than union supermarkets do—a few

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dollars above New York City's \$15 per hour minimum wage. However, workers who stay long enough to accumulate seniority in unionized stores eventually attain much higher wage rates, and the union stores also have far superior benefits. Many full-time workers at Trader Joe's and Whole Foods are offered 401(k) plans and employer-sponsored health insurance (as are some Trader Joe's part-timers), but the health plans have high premiums and/or limited coverage relative to those provided to workers in union stores.<sup>40</sup>

Prior to the passage of the Affordable Care Act (ACA), UFCW contracts provided extensive benefits not only for full-time workers, but also for part-timers. "They had dental, they had medical, they had prescriptions," a union staffer recalled, although typically coverage was less comprehensive for part-timers than under the full-timers' "Cadillac plan." But when the ACA came into effect, requiring employers to offer health insurance only to employees averaging 30 hours or more a week, "the employers turned around and ended it for part-timers. Thousands lost all their benefits." Back in the 1960s, grocery employers had considered part-time workers to be "an expensive necessity," and union contracts had strictly specified the terms under which they could be employed.<sup>41</sup> But once part-time benefits were eliminated, union employers had every incentive to increase the part-time share of their workforce, and did precisely that. Indeed, in the mid-1960s part-timers had been nearly half of all supermarket workers; but by the 2010s, UFCW Local 1500 President Robert Newell estimated, over three-quarters were.<sup>42</sup>

In the 1970s and 1980s, one union official recalled, "medical benefits didn't cost what they cost today, and multi-employer pension funds were in their infancy. The cost of pension benefits back then was almost nothing. But soon the cost of pensions rose, the cost of health benefits rose, and the drug companies were allowed to charge whatever they wanted, so the cost of doing business for the [union] employers became astronomical," making it even more difficult for them to compete with the nonunion stores. In the 21<sup>st</sup> century, multi-employer pension funds in particular

became "a hot mess," increasingly in the red—and when firms went bankrupt, those union-managed funds often lost large sums the employers owed them.

To help restore competitiveness in the unionized sector of the industry, the UFCW increasingly agreed to two-tier (or in some cases multi-tier) collective bargaining agreements under which senior full-time workers retained their health and pension benefits, while new hires' benefits were scaled back. "The unions and the unionized employers have done it to themselves. They wanted to get more competitive, so they've had a tiering of engagement in terms of hiring," an industry expert explained. "That 15-year cashier is at Tier 1, that person starting out as a courtesy clerk is typically a Tier 3; some contracts even have Tier 4."<sup>43</sup> While the upper tier retained a defined benefit pension plan, for example, new hires had only a 401(k) plan. In this respect, the union's power was reduced far more than the decline in density shown in Figure 1 suggests; it was unable to deliver the high wages and benefits to its new recruits that it had in the past.

The new nonunion companies, moreover, "have done their homework," as an industry expert put it. For many if not most of their workers, who tend to be disproportionately young, "benefits aren't the most important part of the story. Working for Whole Foods or Trader Joe's is thought of as kind of cool, and they're not necessarily looking for a long-term career in the retail food realm. A higher starting wage and lesser benefits, that's a more attractive package to them than what the union stores offer." In contrast, he added:

For the union, the benefit piece is kind of baked in. If you're a cashier who's worked at a Shop Rite for fifteen years, you're getting very favorable benefits, and probably at that point a better-than-decent hourly wage too. But for the employers, the labor pool is not typically good, and it becomes even worse when you're starting somebody off with a lower base wage with the promise of greater payoff down the road. And

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meanwhile they're also paying union dues. That's not an easy sell.

He also pointed out that many of the traditional, unionized stores have not kept up with the changes introduced by new entrants:

In New York, the new is *really* new. For a long time, it was like a market frozen in time. Whole Foods and Trader Joes and Wegman's have changed that. They emit a vibe that it's a fun place to shop; it's a treasure hunt kind of experience. In response, some of the unionized players were able to grow from within. Morton-Williams is one that has re-identified itself and has grown. But there are also the bodegas, and others, like Gristedes, that if you came out of a time capsule from 1978, you'd be right in step!

A UFCW representative agreed, adding that one reason for the lag is that "Whole Foods and Trader Joe's are much more highly capitalized than a Morton-Williams. If Trader Joe's or Whole Foods has a bad day, a bad month, they can absorb that. They also have the capital to reinvest in their stores that a Morton-Williams, a Gristedes, or even some of the smaller C-Towns and Foodtowns, don't have, to reinvest in their stores, modernize, to keep up with trends."

The nonunion stores have other advantages too. "Sales per employee hour at the union shops are significantly lower than sales per employee hour at the nonunion shops," a store owner noted. "The operating expenses in New York are so high, if you have more sales per square foot, and you have more flexibility in terms of labor, and on top of that, you're offering a format that's hot and that people distinguish from old, boring, plain vanilla. That's the winner. Today, you can't just throw prepackaged products on the shelf, you have to entertain people!"

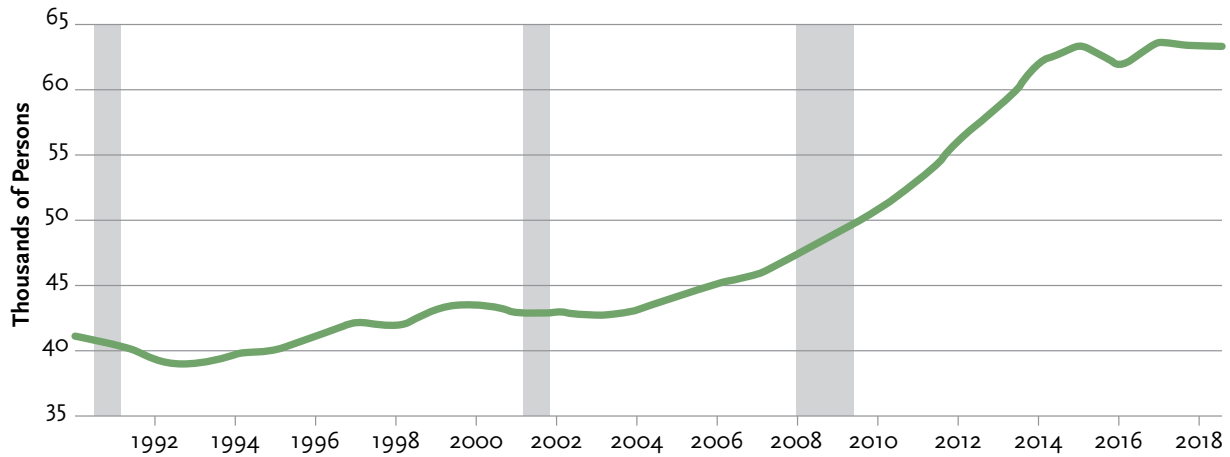
At the same time, one of the union stores' historical advantages was lost in the 2010s with the explosion in demand for home delivery. In the past, those stores often had been the only ones that delivered groceries to customers' homes—an especially important option in a city where few residents own cars. "That was a value-added service that gave the independents an edge: 'We deliver, they don't,'" a store owner recalled. "But now, everybody delivers, and it's expensive. It's something retailers of all sizes have to do—but whether or not it's profitable is an open question." The owner of a store that had begun offering home delivery via Instacart agreed that "this is something you really have to have in this day and age," but rued the fact that Instacart took 13 percent of the price of each order, cutting into already razor-thin margins.

## Employment and Wages in New York City Supermarkets

Employment in the city’s grocery sector has grown in the 21st century, as Figure 2 shows. Yet at the same time, largely thanks to union decline, the period has been one of earnings stagnation for New York City

retail grocery workers, union and nonunion alike, as Table 2 shows. In all five boroughs, and especially in Manhattan, real annual earnings in 2018 were only slightly higher than in 2001. One reason for the lack of earnings growth was increased part-time employment in the industry, mentioned earlier: stagnation in annual earnings masked increases in hourly earnings. Indeed,

**Figure 2. Employment in Retail Grocery Stores in New York City, 1990-2019.**



Source: U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/SMU36935614244510001A>

**Table 2. Average Real Annual Earnings in New York City Grocery Stores, by Borough, 2001-18.**

	2001	2008	2012	2018
Manhattan	\$30,022	\$31,404	\$29,847	\$30,054
Brooklyn	\$24,029	\$23,804	\$21,699	\$25,584
Queens	\$24,166	\$26,611	\$23,927	\$26,213
Bronx	\$21,999	\$21,939	\$19,985	\$24,117
Staten Island	\$27,055	\$26,534	\$26,392	\$27,196
New York City	\$25,454	\$26,058	\$24,370	\$26,633

Note: Earnings shown are for NAICS 4451, in 2018 dollars, indexed using CPI-U-RS, available at: <https://www.bls.gov/cpi/research-series/home.htm>  
 Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at: <https://data.bls.gov/PDQWeb/en>.

the number of retail grocery establishments increased from 4,699 to 6,471 citywide over the 2001-18 period, while employment rose from 42,242 to 62,694 (see Appendix C). The devastating impact of the Great Recession on earnings is also evident in Table 2, with a sharp decline in earnings in all five boroughs following the 2008 crisis. However, data for the period after the city’s legal minimum wage was raised to \$15 per hour (at the end of 2019) is not included in Table 2. Nor does it reflect the additional hours—and briefly, increased pay—that many grocery workers received in spring 2020 as supermarket purchases surged with the COVID-19 pandemic.

As in the labor market as a whole, earnings are considerably lower for women and workers of color than for men and white workers in the industry, as

Table 3 shows. Workers 35 years and older—more than 62 percent of the retail grocery workforce—earn substantially more than their younger counterparts, but even for that older group, average earnings were far short of the median per capita income of New York City residents in 2014-18, which was \$37,693.<sup>44</sup>

The era when New York City supermarket workers earned “middle class” incomes had come to an end, largely due to the shrinking union share of the city’s retail grocery workforce over recent decades, and the accompanying hollowing out of union power in the industry. As a result, moreover, fewer retail food workers have employment security, or the accompanying freedom to express their concerns about problems they encounter on the job.

**Table 3. New York City Grocery Workers, by Gender, Race/Ethnicity Age, by Borough, 2019.**

	Manhattan	Brooklyn	Queens	Bronx	Staten Island	New York City Total	Average Annual Earnings
<b>Number of Workers</b>							
<b>Gender</b>							
Male	11,114	9,503	7,588	4,377	1,893	34,475	\$32,208
Female	7,880	6,087	5,015	2,671	1,515	23,168	\$26,772
<b>Race/Ethnicity<sup>a</sup></b>							
White	4,863	5,768	3,782	1,655	1,886	17,954	\$33,204
Latinx	6,964	4,751	3,806	4,050	717	20,288	\$27,540
Black	4,054	2,257	1,274	708	376	8,669	\$28,188
Asian	2,757	2,484	3,485	496	322	9,544	\$28,404
Other	355	330	257	137	54	1,133	\$25,848
<b>Age</b>							
14-21	1,591	1,442	1,223	582	510	5,406	\$17,947
22-34	6,294	4,567	3,015	1,894	870	16,645	\$25,241
35-54	7,401	6,380	5,266	3,071	1,160	23,315	\$32,917
55 and up	3,708	3,200	3,100	1,501	815	12,277	\$34,255

<sup>a</sup> Race/Ethnicity data for White, Black, Asian, and Other exclude Hispanics.

Note: Earnings shown are for NAICS 4451.

Source: U.S. Census Bureau, Center for Economic Studies, Quarterly Workforce Indicators (2Q), available at: <https://ledextract.ces.census.gov/static/data.html>

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## The Future of Supermarket Unionism in New York City

The UFCW has not stood by passively in the face of the decades-long decline in union density and power in its former stronghold of New York City. Defying any notion that it is in a death spiral, it has launched a steady series of efforts to organize nonunion stores in recent years, albeit with mixed results. “I’ve got to give the UFCW locals in New York credit,” an industry expert said. “They have really done a good job over the years of organizing retailers that in other markets would go under the radar.” But it has been an uphill battle. A veteran UFCW official declared, “New organizing is more difficult than at any time during my career.”

One of the most successful organizing efforts was launched in 2010, when Local 338 RWDSU-UFCW, partnering with the community-based organization New York Communities for Change (NYCC), targeted immigrant workers (many of them undocumented) employed in nonunion supermarkets in the Flatbush section of Brooklyn. The issue of wage theft—employers paying workers less than the legal minimum wage, and other violations of wage and hour laws—had begun to attract widespread public attention, and violations in these Brooklyn grocery stores in particular had been documented. Wage theft posed an even greater threat to the viability of nearby union stores than did competition from other nonunion operators who obeyed the law. “You have customers on tight budgets, and if they are going down the street to the nonunion guy who is not complying with the minimum wage and has lower prices, we simply become uncompetitive,” an employer explained. “It’s a domino effect. If they don’t pay minimum wage, then they’re not paying their share of FICA, Social Security, workers’ comp, and so on. That means I’m actually subsidizing them. I don’t think that’s fair. I want a level playing field.”

This campaign began as a traditional one, focusing on winning union representation elections under the supervision of the National Labor Relations Board

(NLRB), as Local 338 had done with some success the previous year in another part of Brooklyn. But when the initial Flatbush election results proved disappointing, the union turned to a community-based, rank-and-file intensive strategy, with NYCC’s bilingual organizers taking the lead. They adopted an industry-wide approach, targeting all the nonunion stores in the neighborhood, gaining additional leverage by threatening employers with lawsuits to rectify wage and hour violations. The organizers also engaged the local community, picketing the stores and creating neighborhood petitions supporting the union drive. Using this multi-pronged approach, the union was able to win the next round of NLRB elections.<sup>45</sup>

Other organizing efforts in the 2010s were less successful. For example, while the Flatbush campaign was still underway, UFCW Local 1500 embarked on a union drive at a Target store just outside the city, in Valley Stream, Long Island. The store employed over 250 workers, mostly West Indian immigrants. After a few of them approached Local 1500 for help, the union assigned a dozen organizers to the effort. Not a single one of Target’s many stores across the country was unionized, and management was determined not to allow Valley Stream to become an exception. The company enlisted the help of anti-union legal consultants, and then bombarded workers with letters and flyers opposing the union, while requiring them to attend “captive audience” meetings on company time. In a 2011 representation election, most workers voted against the union, but later the results were thrown out when the NLRB ruled that management had engaged in illegal intimidation. Target then closed the store for “renovations” for six months, dispersing the workforce, and the effort was abandoned.<sup>46</sup>

A few years later, a Local 338 campaign to unionize a Brooklyn CVS store had a similar outcome. Although many CVS stores in California are unionized, this would have been the first inroad on the East Coast. The union won an NLRB election at the store in 2015, and when the company attempted to overturn the result, the NLRB ruled in favor of the union. Contract negotiations began in 2017, but management



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stonewalled, and three years later there was still no agreement.<sup>47</sup> Then CVS unceremoniously closed the store. “They said the lease ran out and they closed it,” an organizer recalled. “It was one of their most profitable stores.”

Another organizing effort at a Trader Joe’s store on Manhattan’s Upper West Side fizzled in 2016 after the company fired a worker who was part of a group that had reached out to Local 338 for help unionizing the store. Trader Joe’s has successfully resisted organizing at its other stores as well, both in New York and around the country, most recently in response to unionizing efforts during the COVID-19 pandemic in the spring of 2020.<sup>48</sup>

Although not for want of trying, the union has yet to find a winning formula to restore its former power in the city’s rapidly changing retail grocery industry. “UFCW has not been very successful in organizing the new and emerging players,” an expert noted. “Companies like Trader Joe’s and Whole Foods are much more prepared to fight back than the traditional supermarkets were back in the day. And here in New York the union has the same problem that every other UFCW local in the country has: creating a compelling story for these new market entrants to become organized, convincing workers that it’s worth it to pay union dues.”

Ironically, New York’s \$15 minimum wage and paid sick days laws may have added to the challenges. As a union employer suggested, “If the union is campaigning, and they say, ‘Here’s a basket of things we’ve gotten for other workers: we’ve won higher wages, we’ve gotten paid sick time.’ If workers are already getting those things, why should they vote for a union and pay dues? I realize those laws are meant

to help all working people, but they’re a double-edged sword. The more this kind of legislation gets passed, the more it hurts the unions.”

Yet the unions refuse to die. As UFCW Local 1500 President Robert Newell suggested in a recent interview, the COVID-19 pandemic has had a silver lining, making grocery workers more publicly visible than ever before and potentially giving them new leverage that might be parlayed into organizing success:

Our industry has been on the front page of every newspaper. All of a sudden, supermarket workers are sexy! We’re “essential.” Everyone’s talking about us. We’ve been in your communities all along, but no one noticed us until COVID-19 hit, and there was no toilet paper. So now our members have achieved a status that, quite frankly, they deserved long ago. And so help me God, it’s our job to make sure they never look down their noses at them again, and they never stop recognizing how important they are to their communities. Maybe now they’ll stop calling our members unskilled, replaceable, disposable. Because no matter how much money you have, what kind of car you drive, or how expensive your apartment is, when you walk through the door of a supermarket, you’re exactly the same as everybody else. You need to be given a service, to feed your family. We can never allow this moment in time to be lost!

Whether that vision can be fully realized remains to be seen, but one thing is certain: the UFCW will continue to struggle to improve the lives and livelihoods not only of its existing membership, but also of retail grocery workers generally.

## NOTES

- 1 Many thanks to Jake Head for research assistance, to Stephanie Luce for help with data analysis, and to Alex Gleason and Nikki Kateman for assistance in arranging interviews. I am also grateful to Joshua Freeman, Peter Ikeler, E. Tammy Kim, and Stephanie Luce for comments on an earlier version of this report.
- 2 Richard W. Hurd, “Collective Bargaining in the Era of Grocery Industry Restructuring,” July 2, 2008, available at: <https://digital-commons.ilr.cornell.edu/articles/284/>
- 3 Enforcement of regulations is poor, especially for imported foods. See Marion Nestle, “The FDA’s Food Inspection Problem,” *The Atlantic*, Dec. 22, 2011 <https://www.theatlantic.com/health/archive/2011/12/the-fdas-inspection-problem-one-reason-our-food-supply-isnt-safe/250111/>
- 4 Benjamin Lorr, *The Secret Life of Groceries* (Avery, 2020), p. 190; Michael Ruhlman, *Grocery: The Buying and Selling of Food in America* (Abrams Press, 2017), ch. 16.
- 5 Quoted in Ruhlman, *Grocery*, p. 272.
- 6 Nelson Lichtenstein, *The Retail Revolution: How Wal-Mart Created a Brave New World of Business* (Metropolitan Books, 2009), p.42; Jenny Rudd, “Checking Out Productivity in Grocery Stores,” *Beyond the Numbers* vol. 8, no. 15, U.S. Bureau of Labor Statistics, Dec. 2019. [https://www.bls.gov/opub/btn/volume-8/checking-out-productivity-in-grocery-stores.htm?view\\_full](https://www.bls.gov/opub/btn/volume-8/checking-out-productivity-in-grocery-stores.htm?view_full)
- 7 James Surowiecki, “The More the Merrier,” *The New Yorker*, March 19, 2012. <https://www.newyorker.com/magazine/2012/03/26/the-more-the-merrier> See also Lorr, *The Secret Life of Groceries*.
- 8 Herbert R. Northrup and Gordon R. Storholm, with Paul A. Abodeely, *Restrictive Labor Practices in the Supermarket Industry* (University of Pennsylvania Press, 1967), p. 17.
- 9 Ruhlman, *Grocery*; Northrup et al, *Restrictive Labor Practices*, p. 27.
- 10 Hurd, “STET.” See also Northrup et al, *Restrictive Labor Practices*, p. 123.
- 11 Northrup et al, *Restrictive Labor Practices*, p. 45.
- 12 U.S. Bureau of Labor Statistics, Bulletin 1925, *Union Wages and Hours: Grocery Stores*, July 1, 1975. (Washington, D.C., 1976), pp. 2, 6. [https://fraser.stlouisfed.org/files/docs/publications/bls/bls\\_1925\\_1976.pdf](https://fraser.stlouisfed.org/files/docs/publications/bls/bls_1925_1976.pdf)
- 13 Northrup et al, *Restrictive Labor Practices*, p. 121.
- 14 Hurd, “Collective Bargaining.” Emphasis added.
- 15 See Lichtenstein, *Retail Revolution*.
- 16 Lichtenstein, *Retail Revolution*, p. 133.
- 17 Stacy Mitchell, *Walmart’s Monopolization of Local Grocery Markets*, Institute for Local Self-Reliance, June 2019. [https://ilsr.org/wpcontent/uploads/2019/06/Walmart\\_Grocery\\_Monopoly\\_Report-\\_final\\_for\\_site.pdf](https://ilsr.org/wpcontent/uploads/2019/06/Walmart_Grocery_Monopoly_Report-_final_for_site.pdf)
- 18 Ruth Milkman, “Win or Lose: Lessons from Two Contrasting Union Campaigns,” *Social Policy*, vol. 35, no. 2 (2004-05), pp. 43-47.
- 19 Ruhlman, *Grocery*, p. 55.
- 20 Target defeated a 2011 UFCW organizing drive on Long Island. Benjamin Becker, “Taking Aim at Target: West Indian Immigrant Workers Confront the Difficulties of Big Box Organizing,” in Ruth Milkman and Ed Ott, *New Labor in New York: Precarious Workers and the Future of the Labor Movement* (Cornell University Press, 2014), pp.25-
- 21 See Bruce Vail, “More Bad News for A&P Supermarket Workers as Judge Oks Assault on Union Contracts,” *In These Times*, Sept. 3, 2015, <https://inthesetimes.com/article/ap-grocery-bankruptcy-layoffs>; Jon Springer, “UFCW rips A&P giveback request,” *Supermarket News*, Aug. 14, 2015, <https://www.supermarketnews.com/ap-bankruptcy-2015/ufcw-rips-ap-giveback-request>; Tony Speelman, “Our New Union,” Dec. 15, 2015, <https://www.ufcw1500.org/as/dec15>
- 22 “Union density” refers to the proportion of workers in a given category who are union members. For details, see [www.unionstats.com](http://www.unionstats.com) and Ruth Milkman and Stephanie Luce, *The State of the Unions 2020: A Profile of Organized Labor in New York City, New York State, and the United States* (CUNY School of Labor and Urban Studies, 2020), <https://slu.cuny.edu/public-engagement/research-publications/state-of-the-unions/>
- 23 [www.unionstats.com](http://www.unionstats.com)
- 24 Milkman and Luce, *State of the Unions 2020*, pp. 12-13. The data in the text for retail grocery workers in “the 2010s” is the average for the Jan. 2009-June 2020 period—roughly quadruple (but not strictly comparable to) the 4 percent unionization rate in the national retail sector in 2019. For annual figures see Figure 1 below
- 25 This interview and the others cited below were conducted by the author and Jake Head between February and May 2020.
- 26 Marten Estey, “The Grocery Clerks: Center of Retail Unionism,” *Industrial Relations* 7 (1968), p. 252. In an earlier study, Estey estimated that in the late 1940s between 25 and 30 percent of all food store workers were unionized, compared to 7 percent in the retail trades overall. See Marten Estey, “Patterns of Union Membership in the Retail Trades,” *Industrial and Labor Relations Review* 8 (1955), p. 561.

- 27 In the 1960s, 90 percent of the industry was unionized in Los Angeles and San Francisco. See Northrup et al, pp. 6, 57.
- 28 U.S. Current Population Survey, Outgoing Rotation Group. Note that this figure is for New York City only, whereas the data shown in Figure 1 for 1986-2019 is for the New York City metropolitan area.
- 29 Estey, “The Grocery Clerks,” and Michael Harrington, *The Retail Clerks* (New York: John Wiley and Sons, 1962), p. 58. The RCIA, founded in 1890, and the MeatCutters, founded in 1896, were affiliated with the American Federation of Labor, while RWDSU, founded in 1937, was affiliated with the Congress of Industrial Organizations. In 1955, both unions became part of the merged AFL-CIO. See Estey, “Patterns of Union Membership,” pp. 558-59.
- 30 Northrup et al, *Restrictive Labor Practices*, pp. 35, 37-38
- 31 Northrup et al, *Restrictive Labor Practices*, pp. 45, 56.
- 32 Northrup et al, *Restrictive Labor Practices*, pp. 38, 124-25.
- 33 <http://www.ufcw.org/who-we-represent/grocery> These figures include both U.S and Canadian UFCW members.
- 34 Appendix A shows membership data for these three locals from 2001 to 2019. Although there were considerable year-to-year fluctuations, the overall downward trend is unmistakable. For the three locals combined, membership declined 13.4 percent over this period.
- 35 For national data on Walmart see Mitchell, *Walmart’s Monopolization*. For the Northeast see Table 2.
- 36 Michael Corkery, “Walmart Finally Makes it to the Big Apple,” *New York Times*, Sept. 16, 2018; Matthew Boyle, “Walmart’s Jet to Cease its New York City Fresh Grocery Business,” *Bloomberg.com*, Nov. 22, 2019, <https://www.bloomberg.com/news/articles/2019-11-22/walmart-s-jet-to-cease-its-new-york-city-fresh-grocery-business>
- 37 Kroger recently acquired a small gourmet cheese shop in Manhattan. Nick Turner and Craig Giammono, “Kroger makes New York City Debut with Murray’s Cheese Purchase,” *Bloomberg.com*, Feb. 7, 2017, <https://www.bloomberg.com/news/articles/2017-02-07/kroger-makes-new-york-city-debut-with-murray-s-cheese-purchase> As discussed below, after being purchased by a private equity firm, Fairway overexpanded and then went into bankruptcy in early 2020.
- 38 FreshDirect delivery drivers were initially represented by UFCW Local 348S, which negotiated what some critics call a “sweetheart contract,” following unsuccessful organizing drives by the Teamsters in the mid-2000s. In 2012 Local 348S’ top leaders were imprisoned for racketeering. It was succeeded by UFCW Local 2013, which currently represents about 1000 FreshDirect delivery drivers, among a total membership of about 14,000 (in health care and other industries). FreshDirect warehouse workers remain nonunion, despite several attempts to organize them. See Tom Robbins, “Panic at FreshDirect,” *The Village Voice*, Dec. 11, 2007; Joe Maniscallco, “How Local 2013 is Rising out of the Ashes of 348S,” *Labor Press*, Oct. 14, 2015, available at: <http://laborpress.org/how-ufcw-local-2013-is-rising-out-of-the-ashes-of-348-s/> UFCW Local 1500 represents New York area PeaPod grocery “pickers,” who select items from store shelves, and Local 342 represents the delivery drivers (both groups are employed by the unionized supermarket chain Stop & Shop and thus included in the table).
- 39 See Eileen Appelbaum and Andrew W. Park, “How Private Equity Ruined a Beloved Grocery Chain,” *The Atlantic*, Feb. 16, 2020. <https://www.theatlantic.com/ideas/archive/2020/02/how-private-equity-ruined-fairway/606625/>
- 40 Trader Joe’s employees pay premiums of \$85 per month for individual health insurance coverage. <https://www.traderjoes.com/careers>. At Whole Foods, full-time workers have access to a high-deductible plan with limited benefits. In 2019, soon after Amazon acquired Whole Foods, it eliminated health benefits for part-timers. See Lorr, *Secret Life*, p. 270.
- 41 Northrup et al, *Restrictive Labor Practices*, pp. 99-100.
- 42 Ibid p. 32.
- 43 For a critique of two-tier union contracts in both retail supermarkets and other industries, see Ken Jacobs, “A Tale of Two Tiers: Dividing Workers in the Age of Neoliberalism,” *New Labor Forum*, 18:1 (2009), pp. 67–77.
- 44 <https://www.census.gov/quickfacts/fact/table/newyorkcitynewyork/PST040219>
- 45 Ben Shapiro, “Organizing Immigrant Supermarket Workers in Brooklyn: A Union-Community Partnership,” in Ruth Milkman and Ed Ott, *New Labor in New York: Precarious Workers and the Future of the Labor Movement* (Cornell University Press, 2014), pp. 49-69; Kirk Semple, “Union Efforts over Conditions at Grocers Split Two Immigrant Groups,” *New York Times*, July 15, 2012. About a decade earlier, several small Korean greengrocers in New York City were successfully organized by Local 169 of the Union of Needletrades, Industrial and Textile Employees, documented by Immanuel Ness in chapter 4 of his *Immigrants, Unions and the New U.S. Labor Market* (Temple University Press, 2005).
- 46 Becker, “Taking Aim at Target.”
- 47 [https://www.rwdsu.info/brooklyn\\_cvs\\_workers\\_demand\\_first\\_contract](https://www.rwdsu.info/brooklyn_cvs_workers_demand_first_contract)
- 48 Noam Scheiber, “At Trader Joe’s, Good Cheer May Hide Complaints,” *New York Times*, Nov 3, 2016; David Yaffe-Bellany, “Employee Efforts to Unionize Collide with the Pandemic at Trader Joe’s,” *New York Times*, April 3, 2020.

# Appendix A

Membership in Selected New York area UFCW Local Unions, 2001-2019.

	LOCAL 1500	LOCAL 338 (RWDSU)	LOCAL 342
2020	17,989	11,771	7,893
2019	18,094	11,601	7,791
2018	18,232	11,615	7,943
2017	20,429	11,902	7,843
2016	20,142	11,810	7,659
2015	23,591	14,644	9,012
2014	22,838	14,729	9,149
2013	22,718	14,514	9,292
2012	22,746	14,542	9,483
2011	22,966	14,797	9,493
2010	22,659	14,234	9,236
2009	22,659	13,520	9,736
2008	22,073	14,620	9,465
2007	21,985	14,423	9,488
2006	21,856	15,536	10,238
2005	22,742	15,570	10,071
2004	21,773	16,154	10,259
2003	22,119	15,037	10,205
2002	21,939	14,304	8,068
2001	21,321	14,031	8,142

Source: LM-2 reports, available at <https://olmsapps.dol.gov/olpdr>

# Appendix B

## Leading New York City Grocery Stores, by Union Presence, Number of Stores, and Square Footage, by Borough, Ranked by Square Footage, 2018.

### I. Manhattan

Company Name	Union Presence	Number of Stores	Square Footage
Duane Reade	Yes	131	1,008,493
CVS	No	53	498,421
Gristedes	Yes	26	374,296
Whole Foods	No	8	296,000
Rite Aid	Yes	29	257,911
Fine Fare	Yes	13	185,500
Fairway Market	Yes	5	170,080
7-Eleven	No	51	162,505
Key Food	Some	11	142,340
Kmart	No	2	135,000
Morton Williams	Yes	12	131,232
Associated	Some	8	129,500
C Town	Some	10	121,000
D'Agostino's	Yes	9	117,000
Foodtown	Some	4	106,667
Costco	Some	1	106,000
Trader Joe's	No	6	96,000
Walgreens	N	9	87,975
Food Emporium	yes	3	66,000
Compare	No	4	51,000
Pioneer	No	3	42,000
Western Beef	N	2	39,000
Met Foods	Some	3	32,000
Bravo	Some	4	29,900
Target	N	5	25,000
Food Universe	Yes	3	23,000
Best Market	No	1	22,000
Stop 1	No	8	9,829
Aldi	N	2	3,600
Urban Market	No	1	2,000
<b>Total for Companies Shown</b>	—	<b>427</b>	<b>4,471,249</b>
<b>Total for all Stores in Borough</b>	—	<b>2,018</b>	<b>8,398,798</b>

## II. Brooklyn

Company Name	Union Presence	Number of Stores	Square Footage
Key Food	Some	38	694,133
Rite Aid	Yes	52	541,718
Target	No	5	470,000
CVS	No	27	280,800
BJ's Wholesale Club	No	3	277,000
C Town	Some	28	252,000
Walgreens	No	28	226,367
Food Bazaar	Yes	6	208,800
Stop & Shop	Yes	4	178,667
Associated	Some	16	160,571
ShopRite	Yes	2	160,000
Bravo	Some	12	155,400
Costco	No	1	143,300
Duane Reade	Yes	22	131,890
Foodtown	Some	10	114,625
Whole Foods	No	3	106,500
Fairway Market	Yes	2	93,000
Western Beef	No	2	87,000
Met Foods	Some	10	69,444
Fine Fare	Some	8	61,800
7-Eleven	No	28	60,144
Food Universe	Yes	9	59,288
Pioneer	No	6	50,000
Aldi	No	2	33,000
Trader Joe's	No	2	32,000
Food Dynasty	Some	2	20,000
Stop 1	No	10	14,571
Shop Smart	No	4	13,900
Urban Market	No	1	10,000
Food World	No	1	10,000
Compare Foods	No	1	5,000
<b>Total for Companies Shown</b>	—	<b>345</b>	<b>4,720,918</b>
<b>Total for All Stores in Borough</b>	—	<b>4,110</b>	<b>13,011,522</b>

### III. Queens

Company Name	Union Presence	Number of Stores	Square Footage
Rite Aid	Yes	72	706,738
Key Food	Yes	40	627,318
Target	No	4	553,333
Stop & Shop	Yes	13	443,625
BJ's Wholesale Club	No	3	345,000
CVS	No	39	344,814
Costco	No	2	246,000
Walgreens	No	24	224,178
C Town	Some	22	166,737
Food Bazaar	Yes	6	161,000
Western Beef	No	3	156,000
Duane Reade	Yes	19	131,987
Food Universe	Yes	8	129,600
Associated	Some	9	85,200
Food Town	Some	7	82,000
Bravo	Some	9	72,257
Fairway Market	Yes	1	56,000
Waldbaum	No	1	40,000
Fine Fare	Some	7	39,083
Compare	No	7	35,875
Food World	No	2	35,000
Met Foods	Some	4	25,000
Food Dynasty	Some	1	20,000
ShopRite	Ye	1	20,000
Pioneer	No	4	18,400
Stop 1	No	9	12,471
Trader Joe's	N	1	9,000
Market Fresh	No	1	1,500
<b>Total for Companies Shown</b>	—	<b>319</b>	<b>4,788,116</b>
<b>Total for All Stores in Borough</b>	—	<b>2537</b>	<b>9,373,209</b>

#### IV. The Bronx

Company Name	Union Presence	Number of Stores	Square Footage
Fine Fare	Yes	21	233,333
C Town	Some	27	220,275
Rite Aid	Yes	36	220,114
Stop & Shop	Yes	5	208,000
Key Food	Yes	15	204,231
Food Bazaar	Yes	5	182,000
Western Beef	No	5	167,500
Associated	Some	11	153,000
Foodtown	Yes	9	127,000
Walgreens	No	13	116,033
Kmart	No	2	112,100
Food Universe	Yes	6	75,500
Bravo	Some	7	70,000
Morton Williams	Yes	2	55,000
CVS	No	11	52,900
Target	No	3	51,000
ShopRite	Yes	1	45,000
Compare	No	8	32,000
Food Dynasty	Some	2	30,000
Pioneer	No	2	26,444
Duane Reade	Yes	3	24,705
7-Eleven	No	10	16,800
BJ's Wholesale Club	No	2	8,000
<b>Total for Companies Shown</b>	—	<b>206</b>	<b>2,430,935</b>
<b>Total For All Stores in Borough</b>	—	<b>2,</b>	<b>5,742,531</b>



## V. Staten Island

Company Name	Union Presence	Number of Stores	Square Footage
Stop & Shop	Yes	5	281,250
Target	No	2	280,000
CVS	No	18	273,000
Costco	No	1	116,000
ShopRite	Yes	3	75,057
Western Beef	No	2	70,000
Walgreens	No	8	59,200
Rite Aid	Yes	3	57,450
Key Food	Yes	5	50,625
Duane Reade	Yes	5	34,200
7-Eleven	No	13	32,407
Met Food	Some	2	20,500
Trader Joe's	No	1	16,500
C Town	Some	2	13,000
Market Fresh	No	1	10,000
Shop Smart	No	1	2,400
<b>Total for Companies Shown</b>	—	<b>72</b>	<b>1,391,589</b>
<b>Total for All Stores in Borough</b>	—	<b>474</b>	<b>2,050,937</b>

*Source:* Data on square footage and number of stores were extracted from the New York State Department of Agriculture and Markets database, updated August 2018, available at: <https://data.ny.gov/Economic-Development/Retail-Food-Stores/ga8c-vfzj>. The companies listed are those included in *Food Trade News* "Market Study" 2019 issue, which covers the period from April 1, 2018 to March 31, 2019, available at: <https://www.foodtradenews.com/food-trade-news-2019-market-study-issue/>.

*Note:* For stores with missing data, square footage was imputed from the average for other stores in the same borough owned by the parent company. *Food Trade News* listings include supermarkets operating at least two U.S. stores, drugstores operating at least five U.S. stores, and convenience stores with at least twenty U.S. stores.

# Appendix C

## New York City Grocery Stores (NAICS 4451), Number of Establishments by Borough, 2001-18.

	2001	2008	2012	2018
Manhattan	1,311	1,207	1,332	1,218
Brooklyn	1,296	1,557	2,127	2,227
Queens	1,101	1,285	1,539	1,563
Bronx	820	960	1,153	1,209
Staten Island	171	208	229	254
<b>Total for New York City</b>	<b>4,699</b>	<b>5,217</b>	<b>6,380</b>	<b>6,471</b>

Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, available at: <https://data.bls.gov/PDQWeb/en>.

## Employment in New York City Grocery Stores (NAICS 4451), by Borough, 2001-18.

	2001	2008	2012	2018
Manhattan	12,665	16,126	18,222	19,755
Brooklyn	9,923	10,470	13,720	17,017
Queens	11,054	11,312	12,783	13,888
Bronx	5,762	5,921	7,267	8,059
Staten Island	2,838	3,521	3,529	3,975
<b>Total for New York City</b>	<b>42,242</b>	<b>47,350</b>	<b>55,521</b>	<b>62,694</b>

Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, available at: <https://data.bls.gov/PDQWeb/en>.



## ABOUT THE AUTHOR

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