



February 1, 2021

Dear Local Elected Leaders:

Our coalition of local grocers, community advocates, and business leaders strongly urge our region's local elected leaders to undertake a complete economic impact assessment to fully understand the consequences of any proposed mandatory grocery worker wage-increase ordinances before moving forward.

Local grocery stores are committed to paying competitive wages and benefits to their employees. Since the start of the COVID-19 pandemic, **grocers have invested significantly in infrastructure and enhanced safety protocols to protect frontline essential workers and shoppers, as well as to provide incentive pay, bonuses and additional health benefits for grocery workers.**

The proposed emergency pay mandates ignore this commitment and ongoing efforts, and would have significant, negative impacts at the worst possible time.

The proposed increases in grocery worker pay would substantially increase the cost of food and groceries for our region's residents and families by an estimated \$400 per year for a family of four. Higher grocery costs would hurt Californians at a time they are already struggling to put food on the table – and would be especially harmful to low-income, people of color and disadvantaged communities.

According to a recent Public Policy Institute of California survey, 29% of Bay Area residents earning less than \$40,000 per year have had trouble paying some kind of bill as a result of COVID-19. Forty-seven percent (47%) of the region's low-income residents report cutting back on food. Increasing the cost of groceries and other essentials would only compound these already-concerning statistics.

Extra pay mandates could also harm the very workers they are intended to help. Higher costs could force grocers to reduce the number of workers, available hours, and even store locations.

In addition, extra pay mandates could make it more difficult for many grocers to stay afloat, especially independent grocers, small markets, ethnic grocers and grocery stores in disadvantaged communities already struggling to keep their doors open. Most grocers operate with thin margins, even during the pandemic. **Shutting down grocery stores will result in**

increased food insecurity and food deserts, especially in low-income and disadvantaged neighborhoods.

These ordinances are rushed and not adequately researched. We urge our local elected leaders to pause the vote on any local extra pay ordinance until you complete a full analysis of the costs, impacts on local families and our community, and input from local businesses.

Additional, extra pay mandates will not make grocery workers any safer.

Sincerely,

Ron Fong, President & CEO
California Grocers Association

Robert Rivinius, President
Family Business Association of California

Elizabeth Graham, Executive Director
California Fuels & Convenience Alliance

Jay King, President
California Black Chamber of Commerce

Faith Bautista, Chief Executive Officer
National Diversity Coalition

Doug Kessler, Executive Director
Si Se Puede Foundation of Fresno, Kern, Kings and Tulare Counties

Ruben Guerra, Chairman & CEO
The Latin Business Association

Mark Turner, President & CEO
Gilroy Chamber of Commerce

Rachel Michelin, President & CEO
California Retailers Association

Robert C. Lapsley, President
California Business Roundtable

Pat Fong Kushida, President & CEO
CalAsian Chamber of Commerce

Julian Canete, President & CEO
California Hispanic Chambers of Commerce

Faith Bautista, President & CEO
National Asian American Coalition

Lily Rocha, Board Chair
Latino Restaurant Association

Catherine Somers, Executive Director
Los Gatos Chamber of Commerce