

**Fw: Grocery Pay Ordinance - 2-23-21 Agenda**

City Clerk &lt;city.clerk@sanjoseca.gov&gt;

Tue 2/23/2021 11:21 AM

**To:** Agendadesk <Agendadesk@sanjoseca.gov> 1 attachments (32 KB)

02-23-21 ICYMI City of LA Analysis[5].docx;

Forwarding ...

**Office of the City Clerk | City of San José**200 E. Santa Clara St., Tower 14<sup>th</sup> Floor

San Jose, CA 95113

Main: 408-535-1260

Fax: 408-292-6207

*How is our service? [Please take our short survey.](#)*

---

**From:** Tim James [REDACTED]**Sent:** Tuesday, February 23, 2021 11:18 AM**To:** The Office of Mayor Sam Liccardo <TheOfficeofMayorSamLiccardo@sanjoseca.gov>; District1 <district1@sanjoseca.gov>; District2 <District2@sanjoseca.gov>; District3 <district3@sanjoseca.gov>; District4 <District4@sanjoseca.gov>; District5 <District5@sanjoseca.gov>; District 6 <district6@sanjoseca.gov>; District7 <District7@sanjoseca.gov>; District8 <district8@sanjoseca.gov>; District9 <district9@sanjoseca.gov>; District 10 <District10@sanjoseca.gov>**Cc:** City Clerk <city.clerk@sanjoseca.gov>**Subject:** Grocery Pay Ordinance - 2-23-21 Agenda

[External Email]

Councilmembers, please see the attached document. The Los Angeles City Legislative Analyst confirms numerous negative consequences to grocery workers, neighborhoods, and the grocery industry of additional grocery pay. Tim

This message is from outside the City email system. Do not open links or attachments from untrusted sources.



**For Immediate Release:** February 23, 2021

**Contact:** Nate Rose, Senior Director of Communications, CA Grocers Association

(916) 628-8122 [nrose@cagrocers.com](mailto:nrose@cagrocers.com)

Kathy Fairbanks (916) 813-1010 [kfairbanks@bcfpublicaffairs.com](mailto:kfairbanks@bcfpublicaffairs.com)

## In Case You Missed It

### Los Angeles City analysis acknowledges negative consequences of extra pay mandate

**“could raise prices” “lead to store closures.”**

**Sacramento** – An [analysis](#) by the Chief Legislative Analyst for the City of Los Angeles found that the \$5/hour extra pay mandate could result in various unintended consequences impacting workers and customers. From pages 10-11:

- “Companies would be required to take action to reduce costs or increase revenue as the labor increase will eliminate all current profit margin.”
- “Affected companies could **raise prices** to counteract the additional wage cost.”
- “More pressure on struggling stores (especially independent grocers), which **could lead to store closures.**”
- “The closures of stores could lead to **an increase in “food deserts”** that lack access to fresh groceries.”
- “To offset higher labor costs, companies might **reduce working hours, benefits, wage rates, or lay-off employees.**”

“Extra pay mandates will have severe unintended consequences on not only grocers, but on their workers and their customers,” said **Ron Fong, president & CEO, California Grocers Association**. “A \$5/hour extra pay mandate amounts to a 28 percent increase in labor costs. That’s huge. Grocers will not be able to absorb those costs and negative repercussions are unavoidable.

“One unintended consequence would be higher costs for groceries. A recent study found that the \$5/hour increase would amount to a \$400/year increase in grocery costs for a family of four. This

additional cost could lead to more food insecurity and will disproportionately hurt low-income families, seniors and disadvantaged communities already struggling financially.

“Alternatively, stores could close down. We’ve already seen that happen in Long Beach where two stores announced closures this week. Council members’ misguided actions backfired on about 200 grocery workers at those two stores who lost jobs.

“Grocery store workers are frontline heroes, and that’s why grocers have already undertaken a massive effort to institute measures to make both workers and customers safer in stores. These ordinances will not make workers any safer.”