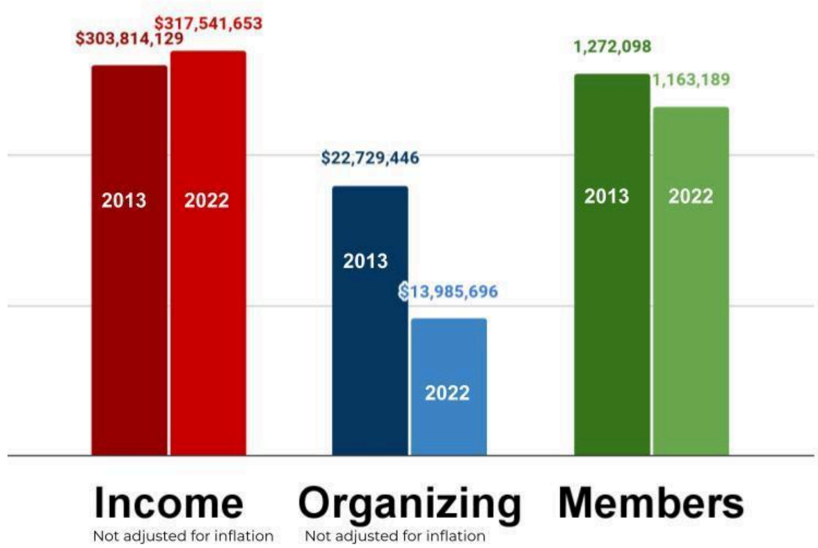
TEN YEAR FINANCIAL ANALYSIS

United Food and Commercial Workers Union (UFCW)

April 25, 2023 * Project of Essential Workers for Democracy

Summary of 2013 - 2022

- UFCW income has stayed about the same. But UFCW is putting more into financial assets instead of organizing and bargaining; **liquid assets are up by 130%**
- UFCW's spending on organizing is **down by 51%**
- UFCW's membership is **down by 108,909 members**



This issue brief examines key financial indicators and membership for UFCW International and several key locals for the past ten years (2013-2022) to understand trends affecting the union's ability to provide organizing and strike resources. The data source is annual LM-2 reports filed by all unions with the U.S. Dept. of Labor.

We recommend delegates strengthen the UFCW we love and cherish by voting YES on:

- First Day Strike Benefits
- Increasing Strike Benefits
- Increasing Organizing Spending
- Training More Workers as Organizers

UFCW International could hire **500 new organizers per year for the next five years**, at a cost of $250 million, and still have $170 million in liquid assets left over, not counting investment income.

Introduction

With public support for unions at a 60-year high and low unemployment strengthening the power of workers in most industries, it's a time of opportunity for American labor. Workers have responded with record organizing in the food/retail sector, with recent organizing successes at Starbucks, Trader Joe's, REI, Apple Stores, Chipotle, and throughout health care and other service sectors.

But overall, unionization in America has been falling, with union density falling from 11.9% in 2010 to 10.3% in 2021, with the number of union members falling by over 700,000 since 2010.

A recent national report, ***Labor's Fortress of Finance***[1], argues that many of America's major unions have been amassing large financial reserves that should be used for urgent worker organizing activity.

As one of the nation's top five largest unions[2], the **United Food and Commercial Workers (UFCW)** mirrors the national trend, with its

[1] https://www.radishresearch.org/_files/ugd/2357dd_5b4c90b0932c4a6e9aa5c0a4d9addc0a.pdf?index=true

[2] Measured by membership numbers.

membership dropping 9% over the past ten years. While some UFCW locals, particularly in the West and Southwest, have gained members, others, such as New Jersey and Illinois, have lost significant numbers of members.

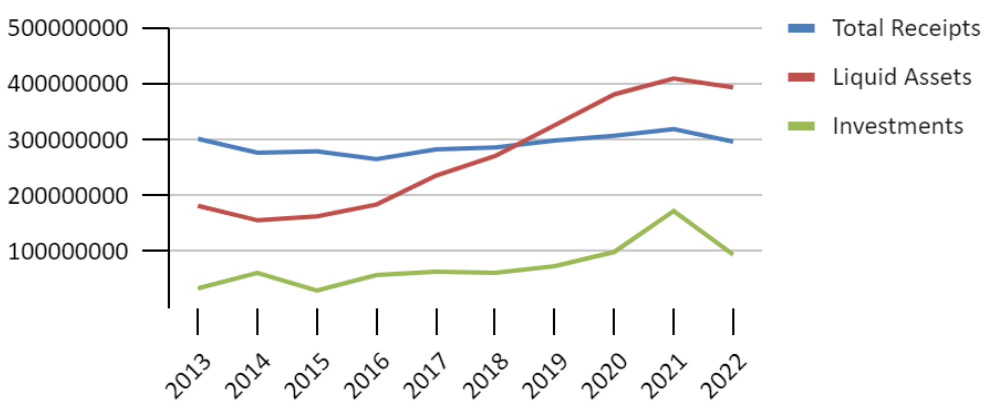
UFCW International – Investments and Assets Grow, Organizing Falling

UFCW International - Liquid Assets Grow by 130%

While the International's membership dropped by almost 10%, it doesn't seem to have affected its financial position. Over the past 10 years (2013-2022), UFCW International, based in Washington, D.C., took in $3 billion in income, mostly in union dues and investment income, and spent $2.98 billion.

Meanwhile, its liquid assets, in cash and investments, have **jumped from $181 million to $421 million over the past ten years, a 130%+ increase** (or a 70% increase after inflation[3]). This does not include pension and health care fund assets, which are in separate accounts. It also does not include income and assets held by local unions or intermediate bodies such as District, State or Regional Councils.

UFCW ASSETS MOVING FROM PEOPLE TO STOCKS



UFCW International - Spending on Worker Organizing Drops 51%

To measure how much UCFW Intl. has been spending on organizing, we counted salaries, overhead and benefits for every person on the UFCW International staff whose job title included organizing or organizing

[3] This analysis uses a 26% inflation factor, based on the 10 year change in the national Consumer Price Index (CPI).

supervision. This is a generous estimate since not all these staff spent 100% of their time on organizing. We also counted all organizing-related payments from the International to vendors and organizing subsidies sent back to UFCW locals.

UFCW MEMBERSHIP & ORGANIZING SPENDING PLUMMETING

Year	Total Receipts	Organizing Expense as % of Total Expenses	Org. Staff as % of Total Staff/Off.	Active Members
2013	301,814,129	9.0%	13.7%	1,272,098
2014	279,187,175	6.1%	11.6%	1,269,760
2015	281,479,788	6.9%	10.1%	1,269,104
2016	271,319,138	7.6%	10.7%	1,254,388
2017	288,958,939	6.1%	7.5%	1,253,693
2018	292,225,555	5.1%	10.1%	1,245,411
2019	306,011,007	5.1%	11.4%	1,226,551
2020	311,826,258	4.0%	10.9%	1,212,196
2021	343,513,105	3.5%	11.0%	1,156,539
2022	**317,541,653**	**4.6%**	**9.4%**	**1,163,189**

Full data

Spending on national organizing staff, including overhead and benefits, dropped from $8.8 million in 2013 to $4.8 million in 2022, a 60% reduction adjusted for inflation. Spending on organizing subsidies to UFCW Locals and outside organizing-related vendors sank from $5.2 million in 2013 to $4.5 million in 2022, a 36% reduction after inflation. Combined, total spending on organizing fell from $22.7 million in 2013 to $14 million in 2022, a 54% drop adjusted for inflation.

As a percentage of the national budget, organizing spending dropped from 9% of expenditures in 2013 to 4.6% in 2022. International strike fund expenditures, an organizing-related cost, also fell, from $931,000 in 2013, to $259,000 in 2022, an 80% drop after inflation. While total staff/officer spending by the Intl. fell from $32.7 million to $26.9 million, spending on officers and top employees[4] jumped from 32% of the personnel budget to 44% over the same period. See Table 1 for details.

UFCW Locals – Assets Growing, Organizing Dollars Shrinking

To find out if the same trends are happening at the local union level, we did the same financial analysis of five large UFCW locals across the country: New Jersey (Local 464), Illinois (Local 881), Texas (Local 1000), Arizona (Local 99) and Oregon (Local 555).

As a measure of financial capacity for additional organizing, inflation-adjusted liquid assets grew in all but one Local – Local 1000 in Texas. In Oregon, these assets grew almost ten-fold in nominal terms, from $760,000 to $7,630,000—a 640% increase adjusted for inflation. Annual investment rates grew as well in three of the five locals—New Jersey, Illinois and Oregon. Oregon's annual investments grew from $57,000 in 2013 to $2.4 million in 2022—a 3,000 % increase adjusted for inflation.

Where Does UFCW Dues Money Go?

Where was the dues money spent in these local unions? Not on organizing—in all five locals reported organizing spending dropped in nominal and real dollars from 2013 to 2022—in New Jersey and Texas, the organizing expense dropped to zero by 2022. In addition, not all staff reported as organizers spent 100% of their time on organizing. For example, many staff positions at Local 881 in Illinois are combined Business Representative and Organizer positions. (Note: it's possible some of these locals are not reporting or misreporting their organizing spending.)

In addition to the locals, we examined the spending of the UFCW District/State/Regional Councils for the locals listed above. With the exception of the NJ/NY District Council, which spent about $2 million on organizing from 2013 to 2022 (about 40% of its income), none of the relevant Councils reported spending significant funds on organizing.

With the exception of New Jersey, the locals reported large inflation-adjusted increases in spending on officers and top staff, led by Oregon, which

[4] Top employees defined as staff with salaries exceeding $125,000 per year.

increased its spending from $131,000 in 2013 to $1.6 million in 2022. Even with adjusting the definition of 'top staff' for inflation, this would still be a large increase in real terms. New Jersey does have the distinction of paying its President and Sec. Treasurer more than any other UFCW officer, including International President Anthony Perrone. See Table 2 for more details on local finances.

Speaking of top salaries, here's how the locals compare in current (2022) pay for their top officer: New Jersey Local 464 tops the list by far, with President John Niccollai at $700,941 in total payments, followed by Oregon Local 555 President Daniel Clay at $321,998, Arizona Local 99 President James McLaughlin at $308,134, Texas Local 1000 President Richard Burris at $294,231, and Illinois Local 881 President Steven Powell at $270,402.

Conclusion

UFCW International could hire 500 new organizers per year for the next five years, at a cost of $250 million, and still have $170 million in liquid assets left over, not counting investment income. The Intl. could also dramatically increase strike benefits over the next five years with $250 million, instead reducing strike benefits by 80%, accounting for inflation, as it has over the past ten years.

UFCW's local unions could also support far higher levels of organizing and strike activity. With the exception of Oregon Local 555 in 2022, none of the five locals we examined have paid any strike benefits in the past ten years. Locals sitting on large holdings of liquid assets, such as New Jersey and Illinois, could also support major increases in spending on organizing and strike benefits.

Paid for by UFCW Project of Essential Workers for Democracy (EW4D.org)

Analysis provided by David L. West, an independent labor and employment policy researcher based in Seattle. West was most recently the Research Analyst for the Washington State Labor Education and Research Center, and has authored numerous labor policy and research papers.