CONCENTRATED CORPORATE POWER IS RAISING PRICES, HARMING MAIN STREET, AND EMPOWERING PANDEMIC PROFITEERS

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Workers, families, and small businesses around the country are feeling the pressure of higher prices for basic goods and services. Everything from groceries to medical care to the supplies small business owners need to sustain their livelihoods is more expensive. **Addressing this crisis means focusing on the real reason that prices are soaring and small businesses are struggling to stay afloat: deeply entrenched concentrated corporate power that has systematically stripped down supply chains and undermined consumers' bargaining power.**

We must reinvigorate competition in key product markets, put a stop to all large mergers, and crack down on price gouging and pandemic profiteering in order to bring down prices and put money back into the pockets of workers and small businesses. We must also put a stop to exorbitant CEO bonuses and stock buybacks and ensure that corporations are paying their fair share in taxes.

Our economy works best when it works for all of us. The more sway mega corporations have over our economy, the more power they have to gouge customers and squeeze Main Street. The best path towards an inclusive, resilient economy is to reverse course on austerity and foster competitive, decentralized markets in which consumers, working people, and smaller competitors all have meaningful bargaining power.

Concentrated corporate power is squeezing small businesses and stymieing our collective economic health.

- A handful of Wall Street-backed delivery apps like UberEats and Grubhub are charging mom and pop restaurants roughly 30 percent of every online delivery transaction, slashing already low margins and even driving them out of business. Some states and cities have stepped up to cap delivery app fees to keep restaurants in business, but these predatory middlemen have flouted the laws or sued to overturn them.

- Amid rampant supply chain shortages, the biggest players are first in line for inputs and inventory. Giants like Walmart and Amazon can absorb higher shipping costs and have the buying power to negotiate more favorable contracts with suppliers in the first place. One smaller retail competitor to Walmart and Amazon told The Washington Post that his contracts for inventory "were not worth the paper they were written on."

Pandemic profiteering by companies that deliver critical goods, from diapers to food, is widespread. Shareholders and CEOs are getting richer on the backs of parents, workers, and consumers struggling to make it through the pandemic.

- The two major diaper manufacturers, Kimberly Clark (maker of Huggies and Pull-Ups) and Procter and Gamble (maker of Pampers, Luvs, and All Good), have seen huge increases in CEO pay, stock buybacks, and dividends even as caregivers faced price hikes and empty shelves at the beginning of the pandemic. Those pressures continue today as supply chain disruptions result in elevated diaper prices. Diaper costs rose 14 percent between 2020 and 2021, straining caregivers' already precarious financial situations.

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- In April 2021, at the same time they announced price increases, Procter and Gamble also announced increased share buybacks. By July, the company reported that it had paid $19 billion to shareholders in FY 2021. And even as parents across the country are struggling to make ends meet, the CEO at Procter and Gamble continues to enrich himself. Over the course of the pandemic, the CEO to median pay ratio increased from 333-1 to 343-1.

- In March 2021, Kimberly Clark blamed commodity cost inflation for price increases after boasting that it was able to "return" $2.15 billion to shareholders through dividends and stock buybacks in 2020.

- Kroger, a grocery mega-chain, spent the summer of 2021 gloating that "a little bit of inflation is always good in our business" before citing inflation to justify price hikes. Kroger publicly acknowledged that they could get away with increasing prices on consumers as long as prices didn't rise by more than 3 or 4 percent.

    - Charging consumers more for supermarket staples has lined the pockets of Kroger executives and shareholders, even as median worker pay ***decreased*** by 8 percent in 2020. That same year, the Kroger CEO earned 909 times what the median worker earned. And while the company was publicly calling their workers heroes, they were simultaneously cutting essential hazard pay for employees during a global pandemic. Meanwhile, the company spent $1.498 billion on stock buybacks between April 2020 and July 2021 to enrich its shareholders.

- Just four meat processing conglomerates control more than 80 percent of the beef industry and more than 60 percent of the pork industry. This enables them to dictate prices that both flatten returns for farmers and ranchers and inflate prices for consumers at the meat counter. As a result, consumers have seen a 12 percent increase in the cost of beef and a nearly 10 percent increase in the cost of pork over the last year. Meanwhile, the four major meat processors doled out billions of dollars to their shareholders in dividends and bought back millions of dollars of their own stocks.

- State governments, including Minnesota, Texas, California, and New York, have sued egg producers and distributors for illegally raising the price of eggs during the pandemic. Prices have risen 9.9 percent since August 2020. As one lawsuit put it, jacking up egg prices is allowing these companies, including some of the largest producers and wholesale distributors of eggs, to "profit from the misery of millions."

Price hikes at the cash register hit those at the lowest end of the income distribution – those most affected by the pandemic – the hardest.

- Food makes up over 10 percent of consumers' overall spending, and spending on groceries has gone up 6.4 percent over the last year. Food-at-home spending has gone up 11 percent for the lowest-income quintile.

- A third of families struggle with diaper needs. As caregivers face price hikes and empty shelves, family budgets are increasingly strained. The wealthy continue to get richer at the expense of caregivers and families struggling to make ends meet.

The best way to bring down prices and get our supply chains back up and running is to make smart investments now – and make sure dominant corporations don't get to siphon them off or use them to accumulate even more market power. These investments, coupled with pro-competition safeguards, will shift power to working people, consumers, and communities, reduce costs and prices in the long run, and ensure that no one is left behind during the recovery and beyond.

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Groundwork Collaborative at info@groundworkcollaborative.org