Testimony of Maggie Carter, Starbucks Barista Health, Education, Labor and Pensions Committee U.S. Senate

No Company is Above the Law: The Need to End Illegal Union Busting at Starbucks

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My name is Maggie Carter, and I am a single mother to a beautiful 8-year-old boy named Colson. Being his mother is the absolute greatest gift of my life. He's why I ended up at Starbucks, as it was the only place to offer me benefits as a part-time worker, and what I thought would be flexible scheduling while I sought out higher education. As a lesbian woman living in Tennessee, I was also drawn to Starbucks by its reputation as a progressive employer. Plus I had been a faithful customer for years.

My partnership with the company began in Jackson, Tennessee in May of 2019, where I was paid \$8.35 an hour. At first, I was eager to step into my position as a barista, despite being pretty overwhelmed with the lengthy drink menu. As I grew more comfortable making drinks and serving customers, it became clear to me that Starbucks doesn't actually uphold the values they profess to the public. Starbucks refers to us workers as "Partners," because they give us a minor share of the company through our benefits package - but they treat us more like we are problems.

However, when we as Partners wanted a true partnership in the company by organizing a union, I realized just how little depth there was to the term.

Not even one year into my tenure with Starbucks, March of 2020 came and it felt as if the world shut down, just not at Starbucks. I worked consistently from day one of the pandemic, because as a single mom, I didn't have a choice. The world was calling service workers "essential workers," but we weren't treated as if our labor was essential. I personally felt disposable in this situation. In April 2020, I told my Manager I needed to move from Jackson to Knoxville. For reasons I'll never know, she didn't respond until almost two months later. In normal times, I would have just entered the transfer pool to be transferred to a new store, but with the pandemic, transfers were frozen company-wide. Instead, she told me I had two options, and only 48 hours to decide. Option one; I could quit and risk being re-hired once I moved to Knoxville, losing all my seniority and benefits. Option two; I could take a leave of absence without pay, but retain my benefits, and enter the indefinitely-frozen transfer pool. I'd have to cross my fingers to see if I would be transferred to a Knoxville store. I couldn't risk losing my benefits, so I chose the second option, but it meant I went without pay for about three months.

When I got to Knoxville, I visited the store closest to the one bedroom apartment I now share with my son, and was lucky that the Manager there somehow got my transfer approved. I started working at my current store in August 2020. During that time, My son and I were faced with burdens that we shouldn't have had to face, and that has stuck with me throughout this process. The whole situation was a punch to the gut and the emotional impact of the disrespect I felt ultimately contributed to my belief in the need to organize a union.

Shortly after transferring to my new store, I realized that every Starbucks store has its own unique environment. There was a sort of hierarchy in my new store that didn't "inspire and nurture the human spirit" as Starbucks claims is one of its core values. Specifically, Partners were asked not to test for COVID so we wouldn't have to shut down in the case of positive tests. The veil of Starbucks "values" completely faded for me as a Partner. Partners in my new store told me working conditions deteriorated during the pandemic. We got hazard pay for a while, bringing wages up to \$12 an hour, but Starbucks cut that off even as the hazards of working in a deadly pandemic persisted.

In October of 2021 Starbucks announced starting pay would increase to 15\$ per hour company-wide, but that increase would not be made until the "end of Summer 2022".¹ I was intrigued by this announcement, as I was paid almost half that amount when I started with the company three years prior. I went to my Store Manager and asked, "Why are they announcing this raise so far ahead?" She told me Starbucks made so much money in the pandemic that

¹ An NLRB Administrative Law Judge would later find that the announcement of this increase and the implementation of it both constituted violations of workers' rights under the NLRA. *See Starbucks Corp.*, JD-17-23, NLRB Case 03-CA-285671, p. 145 (March 1, 2023).

they weren't quite sure what to do with it. Eager to learn more, I scoured the internet searching different combinations of "Starbucks wages, Starbucks benefits, and Starbucks pay increase." It was then I learned of the effort by workers in Buffalo to join together in a union with Workers United. I immediately began searching for every ounce of information I could find to teach me everything about unions and what they stand for. It seemed as if Starbucks had bumped the starting pay to decrease Partners' incentive to organize. I immediately began talking with my coworkers about the union, ultimately bringing them information I found. In November, I reached out for the first time to Starbucks Workers United and was put in direct contact with an organizer from the union.

I wasn't sure unionizing was possible for workers in the South. How was I going to take on all of this work of educating myself and then relaying that to my coworkers? In spring of 2021 we started to notice a persisting horrendous odor of what smelled like mold coming from the grout in our floors. It got worse and worse as the grout was scrubbed away during each night's cleaning. We reported the smell to our superiors, but there was never any movement from management to address the issue.

In November of 2021, we were going through an increasingly tough period due to an influx of customers around the holidays. Pumpkin spice is the precursor to the full holiday beverage launch, and we were bombarded with customers on Starbucks's so-called "Red Cup Day," the day when many Starbucks stores give out reusable red cups. Overworked and feeling unheard, we realized the people above us didn't have our best interests at heart. It was the second week of December when my Partners told me they wanted to stand together and file for a union election, like the workers in Buffalo.

At first, only a few of us were willing to put ourselves at risk to lead this effort for fear of being fired. But we began meeting and planning how we would go about organizing our coworkers. Just days before Christmas, we started talking to fellow Partners and on Christmas Eve, reached a majority on cards to officially petition for an election with the National Labor Relations Board. It was then when we went public with our campaign and officially announced our intent to become the first unionized store in the South, which I am proud to say we eventually accomplished.

But it wasn't without an epic fight because Starbucks resisted us every step of the way. Just five days after announcing our union drive, I received a text from Partners that our Regional Director was at our store, working alongside my Partners on bar, attempting to make beverages. Bar is a planted position on the floor where your sole responsibility is to make each drink that comes out of the ticket printer. It is highly abnormal for any supervisor to be working in this planted position. This is not only uncharacteristic of the Partner experience, it's the first time in my entire time with the company at two different stores that I've met a Regional Director in person. Soon, it also became routine to see our District Manager in our store. Prior to this point, he would come by our store and chat with our Store Manager outside without ever even entering to speak with us. Suddenly, we had full access to contact him and chat anytime we wanted. It also felt as if every aspect of our performance was now under a microscope. Partners suddenly started getting disciplined for minor dress code violations and being five or so minutes late, which didn't happen before we went public with our intent to unionize. Every day it felt as if there was a concerted effort put forth to build a case against Partners who showed even the smallest bit of support for the union.

Our Regional Director also sent an email to Partners across both districts in Knoxville explaining that "Starbucks had no choice but to petition for every one of you to have a vote in this union election." The company was trying to expand the bargaining unit beyond our store in a misguided effort to attempt to crush support for our organizing drive. We had to have a hearing before the National Labor Relations Board to fight for the right for our store to vote as a unit. In this hearing, I testified and it felt like I was being interrogated by the company's legal representatives about my private conversations with Partners in Buffalo who helped us organize. Starbucks' legal team even interrogated me about tweets posted on my social media.

The judge ruled in our favor, but the company's anti-union campaign was just getting started. The very next day after the hearing, my coworkers and I were called to our first captive audience meeting. We were split into two groups with the same four Managers in the room for both meetings. It's difficult preparing for a captive audience meeting, because it's challenging to know what to expect. Starbucks chose the path of trying to paint distrust amongst Partners, referring to those leading the organizing as "outsiders," or "third parties," when just one day prior these same Managers saw two of the Partners in the room testifying against them to win our right to organize our store. It felt as if we were being taken advantage of and bullied by a

company who calls us "Partners," but refuses to listen to us when we are quite literally begging to simply be heard.

The "progressive" brand that Starbucks marketing aspires to represent completely faded from our view, and it truly felt as if we were at a standoff. Our store was the only one in our district to stay open throughout the entirety of the pandemic. Unfortunately, this captive audience meeting exposed both groups in both meetings to COVID and our store had to be shut down for five days. Multiple Partners caught COVID as a result of this meeting, but this careless mistake definitely didn't deter Starbucks from forcing us to endure more.

Just two days before the captive audience meeting, January 17th to be exact, I was first introduced to Partners organizing at the Poplar and Highland store in my hometown of Memphis, Tennessee. I was so excited to work with them because after growing up there, Memphis has always been a place that is so dear to me. These Partners were so excited to organize, and mentioned that the majority of their store was on board too. They decided to go public with their campaign on Martin Luther King Jr. Day to honor Dr. King, and it was truly a beautiful moment to witness. Part of their motivation to unionize included COVID-related policies, exposed electrical lines that cold brew leaked on frequently, and being told to operate business in a store where standing water was present. In their letter to former Starbucks CEO Kevin Johnson, these workers asked Starbucks to honor Martin Luther King Jr. Day by signing the Fair Election Principles² and ending their union busting campaign. Instead, Starbucks only doubled down.

A few weeks later these Partners participated in a media interview inside their store, a matter in which Starbucks normally would take no issue with. Starbucks regularly reposts or shares videos taken in their stores by outside parties on their website and social media. These Partners confided in me once their District Manager began interrogating them about the interview with a member of Starbucks Partner Resources. They were fearful they would be fired. On February 8th, 2022, the Poplar and Highland store lost power during an ice storm when many Memphis residents were without power. Starbucks Managers decided to open the doors of the store anyway, powering the store with a generator They then proceeded to terminate seven Partners - almost all of them core members of the store's organizing committee, alleging minor violations of policy that are typically not enforced in most Starbucks stores across the

² See the attached copy of the Fair Election Principles workers sent to Starbucks.

nation. Prior to the Memphis 7 firings, I was helping organize a store from my home district in Jackson which just so happened to be under the same Regional Director that testified for Starbucks in the Memphis 7 10(j) injunction hearing.³ This store was excited to organize, but once the Memphis 7 were fired, the Partners shared their fear and would no longer have contact with us. The impact of those firings, and the over 200 more firings that have followed since then, have had a very broad reach and significant chilling impact on people's willingness to speak up or express themselves for fear of facing retaliation.

Throughout all of the chaos around the Memphis 7 firings, Starbucks was still aggressively trying to fight off the threat of unionization in my store. Suddenly, our moldy grout lines were swiftly repaired and COVID was the sole blame for no contractor being able to fix it for over 6 months. It felt like every day we were walking into a different one-on-one meeting with our Store Manager, where she would highlight all of the "lovely" benefits Starbucks provided. But these benefits have become so costly over the years that most Partners can't even truly afford to use them. For example, when I surveyed my store, only one Partner used the Starbucks health insurance plan. What Starbucks failed to realize is that they should have been listening to us all along, and they were actually showing some of our Partners that by standing together we can facilitate change at the store level.

Days prior to ballots being mailed out for our election, Managers closed our store for hour-long periods, most during peak operating times, to hold impromptu captive audience meetings. There were even more Managers from the area in these meetings to speak at us about the Partner experience. One Store Manager spoke about working in a job that had a union and signing the contract to become a member without realizing it. It was clear this was a distant memory as she talked of being "forced" to pay dues, but when asked what the terms of her contract was she couldn't share a single detail and ceased speaking for the rest of the meeting. It felt like the company was suddenly paying full attention to us, but not listening to us, and were willing to throw absolutely anything at us to deter us from successfully organizing.

³ Section 10(j) of the National Labor Relations Act authorizes the National Labor Relations Board to seek temporary injunctions in federal district courts to stop unfair labor practices while a case is being litigated before administrative law judges and the Board. https://www.nlrb.gov/what-we-do/investigate-charges/10j-injunctions#:~:text=Section%2010(j)% 20of%20the,law%20judges%20and%20the%20Board.

Throughout the campaign, I personally faced numerous accusations from my Store Manager about my motives for organizing, with some comments even taking aim at my character. Partners were pulled aside while on the clock to have conversations that were supposed to be geared towards "performance development." Rather than focusing on Partners' concerns and development with the company, Partners told me that these conversations were mostly centered around my presence in the organizing drive. They tried to turn the Partners who I care about so deeply and share the floor with day in and day out against me, and unfortunately it was successful with some, which pains me still to this day.

My Store Manager began working on the floor regularly on shifts I worked, something that only happened maybe once in my two years at this store prior to organizing. She would heavily scrutinize my performance to the extent that my Partners would check in with me, and ask if I was mentally okay. It's a lot of pressure to be under, feeling as if every aspect of your performance is suddenly under a microscope. My Store Manager made unprovoked comments like, "I don't have time to retrain you on bar," in front of a cafe full of customers whose names and drinks I know and make daily. I remember feeling powerless, and, quite frankly, pretty embarrassed that customers witnessed my Manager unfairly lambasting my performance. One Partner told me that our Manager even told them that she believed the union organizers "would walk straight past her if she was passed out on the floor," and referred to me personally as a narcissist for helping our store file the paperwork to organize. The Partner who was told this ended up getting fired from her six-year position, and we will take part in a federal hearing pursuing immediate reinstatement for them next month.

We ultimately went on to win our vote one year ago today, March 29, 2022. We won by a vote of 8-7. Since then, we've consistently attempted to try to bargain in good faith with the company. Our store's bargaining committee first sent our request to bargain on April 7, 2022. To date, the company has scheduled one bargaining session with our store that took place on December 6, 2022, in which the company walked out on us within 30 minutes of the session starting. I have been able to attend a few virtual bargaining sessions with the Elmwood and Genesee Street locations in Buffalo, New York. These sessions were usually around three to four hours, and being in them felt exhausting. We came to the table with proposals in hand, eager to finally bargain and it seemed as if the company wasn't willing to participate in any meaningful way. It felt as if they were checking a legal box, only agreeing to bargain on what appeared to be a surface level.

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Shortly after my store voted successfully to join Starbucks Workers United, the company announced that Partners who voted to join the union before May 3rd would not receive the \$15 per hour wage increase first announced in October 2021. The company also announced an entirely new and generous benefits package that, coincidentally, included core proposals we had brought up at the bargaining table in Buffalo, such as credit card tipping, a more lax dress code, and a larger percentage wage increase for tenured workers. At the bottom, Starbucks wrote, "New pay and benefits changes will be applied to stores where Starbucks has the right to unilaterally make these changes, not where Starbucks lacks the right to make these changes"--meaning it would not apply to unionized stores. My Partners and I spoke about feeling like the company was using this new package like a cat toy, dangling them in front of our faces as reasons why we should be completely comfortable not having a voice in the workplace.

It's hardly a coincidence that these generous benefits were announced at a time where unionized stores were growing in numbers. I'll never forget the day that I watched over Zoom as 16 stores won their union elections. My Partners, along with thousands of Partners across the country, still do not have access to these benefits, and it doesn't appear as if we have a company that is willing to sit across the table from us and bargain for them.

This is part of my store's campaign story, but if you look to the 7,500 plus members of Starbucks Workers United, you will find thousands of stories that detail similar or more grotesque accounts of Starbucks' behavior during their scorched earth union busting campaign. My co-worker Michelle Eisen stated it perfectly when she testified before the House Committee on Education and Labor last year, "it should NOT take an act of bravery to ensure that we have a voice at work." The laws in place now allow so much room for companies to harshly assert themselves over their workers. Unequal resources combined with unbalanced power dynamics and inadequate labor laws ensure that the company's voice will often be louder than the collective voice of workers.

We as a movement are challenging that notion, and are therefore in turn challenging the world to stand with us against billionaire bullies. We desperately need action in the form of updated labor law, such as passing the Protecting the Right to Organize Act, to attempt to level the unequal balance of power between workers and billion dollar corporations and their wealthy CEOs. Workers need the National Labor Relations Board to have a larger budget, so that when

companies do choose the worst form of retaliation possible, termination, they won't have to wait months or years for their lives to return to a semblance of normal. Most of all, we need stronger protections to be able to hold greedy CEOs like former Starbucks CEO Howard Schultz accountable.

Schultz has made a career trying to sell the myth of him offering benefits to part-time workers because he wanted to operate a "different kind of company" after being raised by a struggling father. I am a single mother working tirelessly for this company to support my family for four years, and I'm certainly not alone in feeling nothing but left behind by the company during a time where everything we knew about the world was uncertain. Starbucks is not building a "Partner-first" culture, nor are they showing a "commitment to support the shared success of all Partners," by essentially refusing to negotiate with the workers who sought union representation. I don't believe you can be pro-Partner and anti-union, and it's well past time for the company to meet us at the table and bargain a fair contract with their workers. Help us hold them accountable. Thank you for allowing Partners to have a seat at this table alongside Howard Schultz, because that is significantly more than he has been willing to offer.

To Starbucks' new CEO, Laxman Narasimhan, you have an opportunity to chart a different course, to truly make Starbucks the "different kind of company" Schultz promised, but failed, epically, to produce. The transition in the C-Suite is a chance for your company to stop its unprecedented campaign of union busting and instead partner with us, your so-called Partners, and our union, to build a company that truly lives up to its stated progressive values.