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One Kaiser; One Wage Tier!

Kaiser has pushed several proposals at the bargaining table which has led the Coalition to consider a strike. One of these proposals is a two-tier wage system that makes a permanent lower wage level for new hires. These two-tier wage systems are harmful to our workplaces and communities.

What is a two-tier wage system?

A wage system where one group of employees receives lower wages and/or benefits than other employees:

- Senior employees make a higher rate of pay than new hires.
- New hires permanently stay on a wage scale which is anywhere from 10%-50% less than the senior employees. They never move to the wages earned by the senior employees.

While in some cases a temporary two-tier system that includes a progression to the top rate might be acceptable if the company can show a legitimate financial need- that is certainly not the case for Kaiser.

Why do employers want two-tier wage systems?

Lower Costs-This type of system can lower labor costs for employers.

- Employers use two-tier wage systems to save money on wages. Over time, as senior people leave or retire, the lower wage tier becomes the permanent wage scale for everybody.
- Employers also want to lower their wages so they can compete with non-union facilities in their area by eventually downgrading wages for all categories of employees.

A second-tier won't affect me, why should I care?

A two-tier system is the first step toward lowering everyone's wages. Employers start with the easy first step of proposing a new tier for employees that have not been hired yet.

- Once the second-tier system is in place, employers start to hire more and more employees at the new lower rate.
- Next, the employer starts targeting the older "high rate employees" and starts to find ways to reduce their hours and/or eliminate their positions.
- Finally, the employer will propose wage concessions for the higher tier, because they now have a larger lower wage workforce who blames the union for their lower wages.

What are the effects of a two-tier wage system on our community?

Two-tier wage systems sell-out the future. Many of us have kids and younger relatives in healthcare education programs right now; we want them to come to work at Kaiser. If we agree to a lower wage scale for them, we are hurting our future.

- Two-tier wage scales pull down the standard of living for our communities. The younger workers will never make what we make, will pay less in taxes, won't be able to buy houses, or spend money in our communities, creating a downward economic spiral.