

Popular meal-kit companies may be creating low-wage, dead-end jobs, study finds

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Credit: University of California - Berkeley

Meal kits make cooking easier for millions of busy families and time-starved professionals. But a new study by the Center for Labor Research and Education (Labor Center) at UC Berkeley suggests that the workers filling boxes with pre-portioned ingredients and recipe cards are

struggling with low wages, unaffordable benefits, unpredictable schedules, inconsistent wage increase policies, risk of injuries and recurrent problems with timely payment.

In the new report, "[Job Quality in a Meal-Kit Fulfillment Center](#)," the researchers conducted confidential interviews and focus groups with frontline workers who assemble and pack boxes in one refrigerated fulfillment center in California. The researchers gathered in-depth accounts of the quality of the jobs created by the tech food revolution.

"Meal-kit start-ups are using technology to make home cooking easier for well-off consumers, but our findings suggest that they are using the same kind of low-road business model that has trapped workers—especially workers of color—in low-wage jobs for decades," said Sarah Thomason, report co-author.

"Meal-kit delivery might be a rising star of the new food economy, but there is nothing new about the bad quality of these jobs," she said.

Key findings include:

- Workers reported a starting wage of \$13.50 an hour, well below the low-wage threshold in California, and workers reported that their earnings were often not enough to cover the high cost of living in the state.
- Some workers received merit-based wage increases through a formal review process. However, the schedule for reviews and potential raise amounts changed frequently. In addition, some workers did not receive the full raise that they were promised, leading to inconsistent wages.
- The company offered frontline workers more benefits than other low-wage employers; however, the health plan was described as unaffordable, with most workers instead covered through Medi-

Cal.

- Despite being assigned a fixed 40-hour a week schedule, workers were frequently sent home after arriving for their shift depending on fluctuating demand for meal kits. Workers typically received no advance warning of schedule changes, making it difficult to predict the amount of their earnings. Workers struggled to cover living expenses when their hours were reduced.
- Workers described inaccurate recording of hours worked, paid time off and paid holidays that led to delays in getting paid.
- Workers consistently reported difficult working conditions, including a very cold work environment. In particular, workers were concerned about multiple safety issues such as sexual assault, ammonia leaks from the refrigeration system, repetitive strain injuries and illnesses related to the cold temperatures maintained in the facility.
- Most workers said that they did not plan on working at the meal-kit fulfillment [center](#) in the long-term because of low job quality and lack of advancement opportunities.

Meal-kit delivery companies such as Plated, HelloFresh, Blue Apron and SunBasket have grown rapidly over the last 10 years. Collectively, this emerging segment of the food industry has attracted more than \$650 million in venture capital investment and generated an estimated \$1.5 billion in annual revenue.

"Meal-kit delivery companies set out to disrupt the American kitchen," said Annette Bernhardt, director of the Low-Wage Work program at the Labor Center. "Unfortunately, our findings suggest that they failed to disrupt and instead are replicating the low-wage business model that dominates the food industry," she said.

Provided by University of California - Berkeley

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