

Mondelēz/Nabisco:

Selling Out Middle Class Jobs for Poverty Wage Jobs

In July 2015, Mondelēz, the new parent corporation that owns Nabisco branded products announced it had chosen to invest an additional \$130 million in its new \$400 million plant in Salinas, Mexico, instead of investing that money in its iconic plant in Chicago. As a result, **600 workers in Chicago lost their jobs by mid-year 2016 as the work went to Mexico.** Nabisco products made in Mexico are sent back to the United States for sale to American consumers. This Mondelēz/Nabisco business model continues as the company moves its most profitable brands to its Mexican bakery and leaves those in the U.S. with less employment and only producing brands that are less sought after in their sales to consumers.

THE FACTS

1. CHOOSING MEXICO OVER U.S. BAKERIES

By making the decision to send production to Salinas, Mexico, Nabisco **eliminated hundreds of middle class jobs** in the heavily African American and Hispanic communities in and around southwestern Chicago. In 2015, Mondelēz closed its Philadelphia bakery and demolished it leaving another 450 U.S workers without meaningful employment. Yet its Mexican bakery continues to expand.

2. SENDING HUNDREDS OF JOBS TO MEXICO

Before sending 600 jobs from Chicago to Mexico the company demanded workers accept **\$46 million in annual concessions, in perpetuity,** something the company asked of no other workforce within their U.S. bakery system before. Thus Nabisco, which already has a plant in Monterrey, Mexico supplying the American market, will take even greater advantage of a low-wage workforce in Mexico.

3. SHIFTING PRODUCTION TO LOW-WAGE COUNTRIES

Nabisco's decision to send production to Mexico continues a decades-long pattern of closing plants in the U.S., Canada and other industrialized countries, eliminating thousands of jobs and shifting that production to low-wage countries like Mexico, India and Bahrain where workers are vulnerable to exploitation. These countries have few, if any, environmental, health & safety, or food safety laws to protect workers, citizens and the environment. **In Mexico, where U.S. production is being sent, workers make around \$1.50 per hour.**

4. CORPORATE DECISIONS DESTROY THE MIDDLE CLASS

Over the last 20 years, Nabisco has closed plants in Pittsburgh, Houston, Niles, St. Elmo, Buena Park, Philadelphia and Toronto. Plant closures **devastate communities and families**, as well as state and county tax bases. Making matters worse, in the case of the Chicago bakery downsizing, in the 1990's Nabisco took **\$90 million in subsidies** from Illinois taxpayers; twenty years later they are essentially abandoning the taxpayers' investment.

5. SAVINGS SHIFTED TO CEO AND INVESTORS

Nabisco's continued corporate policy of closing plants to take advantage of low-wage workers has been a windfall for its top executives and largest shareholders. Over the last nine years, former Mondelēz CEO Irene Rosenfeld has raked in approximately **\$185 million in compensation**. Billions more went to the largest investors in dividends and stock buybacks.

6. ATTACKS ON EMPLOYEES LEFT WORKING IN THE U.S.

Mondelēz/Nabisco now is attempting to **leave the pension plan that it has participated in for 60 years**. Their intent is to replace it with an employee savings account that has no guarantee of future sustained income leaving retirees who have put their entire lives into their employment with the company vulnerable in their retirement.

7. BREAKING FAITH, IWJ INVESTIGATIVE REPORT

On December 12, 2017 an interdenominational report of faith leaders was released by Interfaith Worker Justice. After interviews at each production facility, including Mexico, the report outlines the impact of the threats of job loss by Mondelēz/Nabisco on the company's workers. The report can be viewed online at **bit.ly/NabiscoBreakingFaith**.

Nearly 2,000 Nabisco workers are represented by the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union in Chicago, Ill., Atlanta, Ga., Richmond, Va., Fair Lawn, N.J., Portland, Ore., and Denver, Colo. The contract between the union and Mondelēz/Nabisco expired on February 29, 2016.

Information for this fact sheet provided by the BCTGM.
For more information go to **www.fightforamericanjobs.org**.