

Resolutions

RESOLUTION #6

Opposing Automation of Retail Jobs and Move Toward a Cashless Economy

Submitted by delegate Steven M. Powell, UFCW Local 881

WHEREAS, retail jobs are among some of the most widespread employment opportunities in Illinois with 582,000 retail jobs in Illinois pre-Covid-19 pandemic, and are disproportionately filled by women and minority workers; and

WHEREAS, increasingly, retail clerks are being replaced by self-checkout machines and automated systems like Amazon-Go stores that require little to no staff to operate a store, eliminating jobs that are found in every community across our state to little benefit of the customer or overall economy; and

WHEREAS, with the move towards automated retail sales, companies are also increasingly moving towards denial of cash-based transactions and only accepting electronic payments or debit and credit cards; and

WHEREAS, in both instances, retail jobs are reduced and outright eliminated, denying a significant source of employment for women and minority workers which suppresses our economy and discriminates against minority, elderly, lower income, and disabled workers and customers; and

WHEREAS, New York City, Philadelphia, and other cities and states have recently moved to ban cashless retail outlets, requiring businesses to at minimum accept cash if that's the only available form of payment from a customer, and states like Oregon have moved towards banning self-checkouts as a way to preserve working-class jobs; and

WHEREAS, a recent report for the estimated 3,538,101 households in the Chicago metro area, fully 735,925 households or 20.8 percent, could lack basic banking services and are therefore "unbanked" meaning that they're operating primarily as a cash-based household; and

WHEREAS, underbanked people are lower income, incapable of paying for low balance or overdraft fees. Others are elderly or in rural communities that have lost access to their bank branch, making it difficult to access payment services. There are communities suspicious banking services because of privacy or legal concerns—specifically undocumented and recent immigrant groups that do not have access to a social security number or government identification; and

WHEREAS, creating cashless enterprises effectively widens the income inequality within the state, not from increasing the actual income disparity between groups but by limiting access. Furthermore, lower income residents that are forced into electronic service providers in order to pay cashless services are drawn into payment services that may have higher transaction fees and are typically uninsured or are impossible to access for lack of good credit. Popular payment service providers like Venmo and Square have most if not all of their services uninsured. This means that while deposits within traditional banking institutions are insured up to \$250,000 by the FDIC, deposits into these electronic service providers are not. One hack or disruption of service can wipe out entire accounts with little recourse; therefore be it

RESOLVED, that the Illinois AFL-CIO strongly supports efforts to ban cashless enterprises from operating in Illinois and for further efforts to eliminate retail clerk positions through automation; and be it further

RESOLVED, that the Illinois AFL-CIO will transmit a copy of this resolution to the Central Labor Councils and its affiliates throughout the State of Illinois to support and encourage efforts by the General Assembly and governor to protect retail jobs and ban discriminatory practices like banning cash payments in Illinois.