Stacking Up:

Comparing Food Hub Workers' Wages and Benefits to Similar Industries

The National Food Hub Survey is a longitudinal research project that seeks to identify trends in economic growth and viability, operational characteristics, and the impact of social mission in food hubs across the country.

This is one of three data briefs that more deeply explores specific topics from the 2021 National Food Hub Survey.

INTRODUCTION

The National Food Hub Survey and other studies have closely examined the financial management of food hubs and their broader economic impact, but few studies have specifically examined the wages and benefits of food hub workers. However, staffing and workforce represents an area of major concern for food hubs, with 41% reporting that recruiting, hiring, and retaining labor is a top challenge for them.

The 2021 Survey was the first to include specific questions about employee wages and benefits.

Among the organizations selecting hiring and retention as one of their top three challenges (*n* = 99), 52% reported the inability to offer competitive wages and benefits as a barrier to staffing. Employee expenses (24%) make up the second largest category of expenses for food hubs responding to the 2021 survey, surpassed only by food expenses (46%).

The 2021 National Food Hub Survey included new questions about employee wages and benefits to help us better understand these challenges. Respondents were asked minimum and maximum hourly wages and salaries, as applicable, for employees and managers in their organization. Organizations were also asked whether they offer benefits, including sick leave, personal leave, vacation accrual, health, dental, and vision insurance, to some or all employees. Respondents also wrote in additional benefits, such as discounts on products, flexible hours, professional development opportunities, and a health insurance stipend.

This brief presents data from the 2021 National Food Hub Survey alongside national labor data for comparison purposes. This comparison comes with some important caveats. First, the national data reported here is collected using a different survey methodology and a much larger sample. Second, the food hub sector is defined by a high level of variation in both business models and operational scales, which may contrast with more conventional business models and scales represented by national labor data. For example, only 30% of organizations that responded to the 2021 National Food Hub Survey reported being for-profit entities.

FOOD HUB WAGES

In looking at the average hourly earnings for both employees overall and nonsupervisory employees specifically, the average wage of food hub organizations appears to be well below the averages of other related sectors, based on survey responses (Figures 1 and 2). This comparison is consistent with the challenges food hubs reported in the 2021 National Food Hub Survey regarding hiring and retention of workers.

Figure 1. **Average Hourly Earnings for Nonsupervisory Employees**

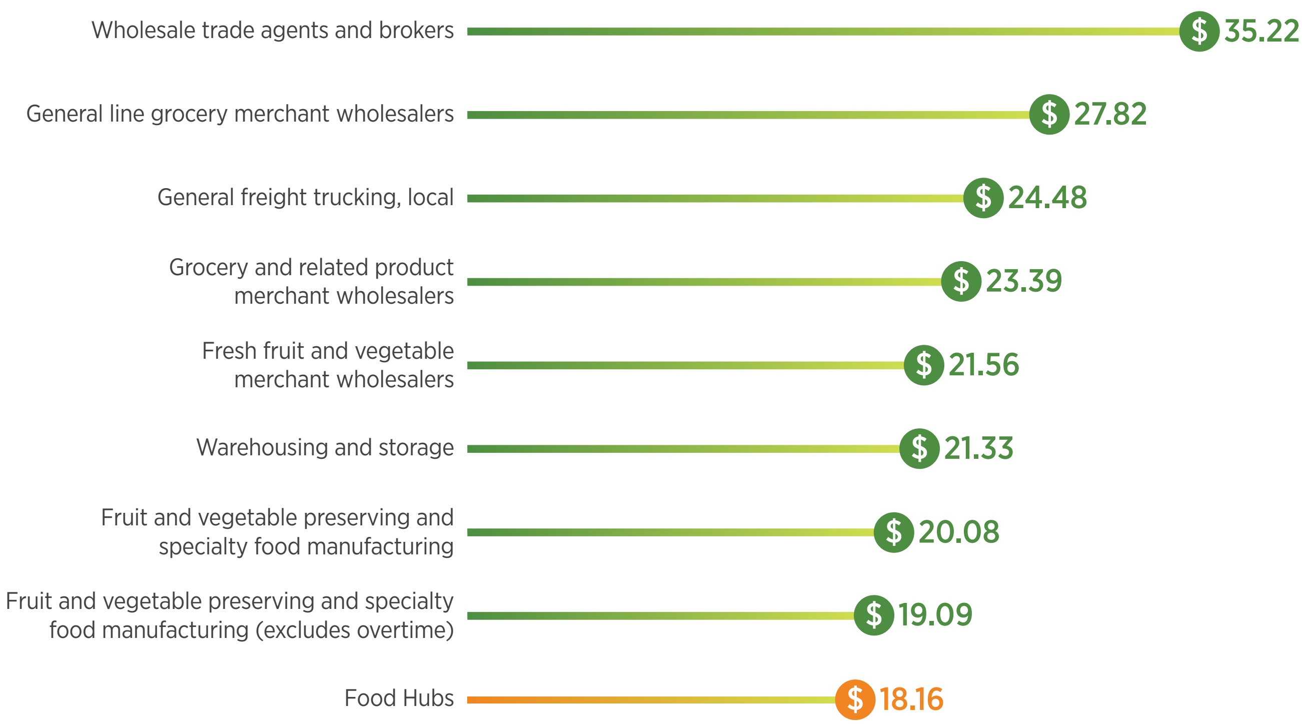
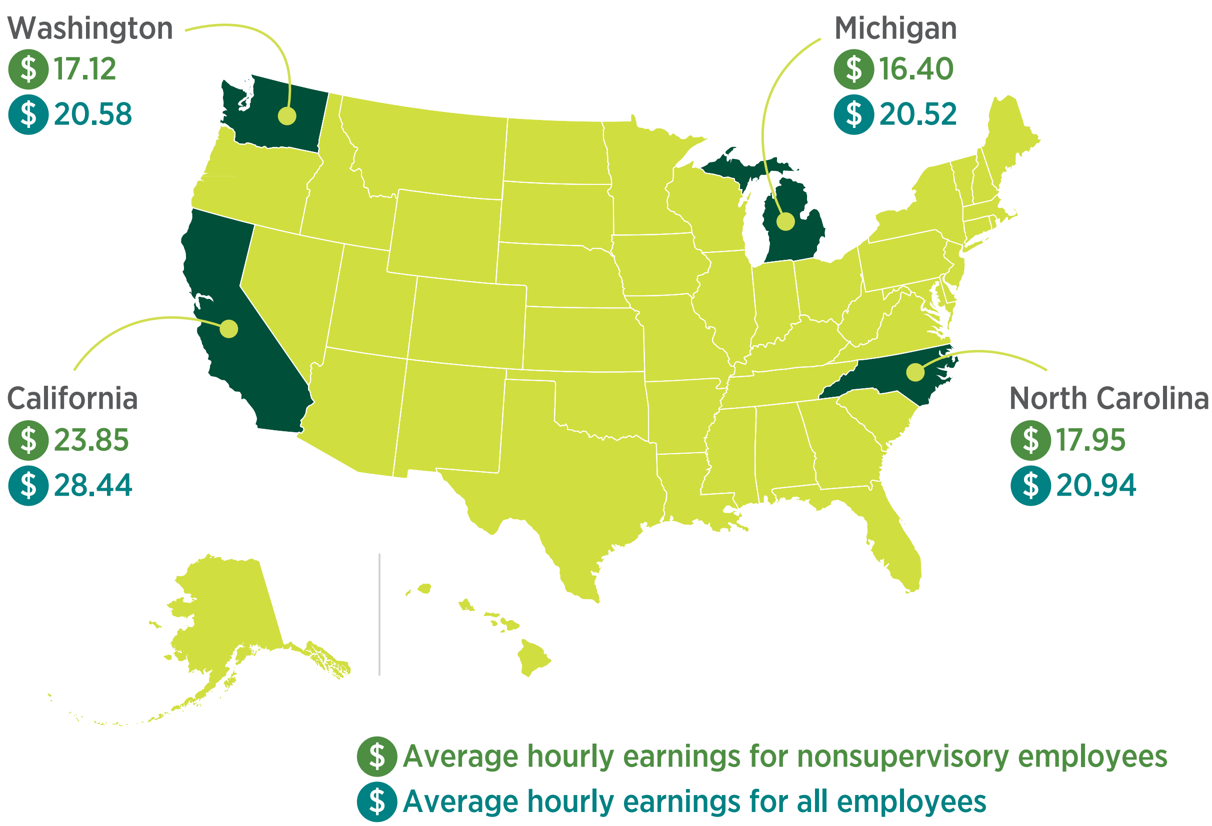


Figure 2. **Average Hourly Earnings for All Employees**

Among the organizations selecting hiring and retention as one of their top three challenges, 52% reported the inability to offer competitive wages and benefits as a barrier to staffing.

Although there were only four states with more than five organizations reporting employee earnings, the map indicates there is some regional variation among hourly earnings, with the averages in California notably higher than the other three states shown. More data is needed to understand the regional variations in food hub wages and benefits (Figure 3).

Figure 3. Average Hourly Earnings by State

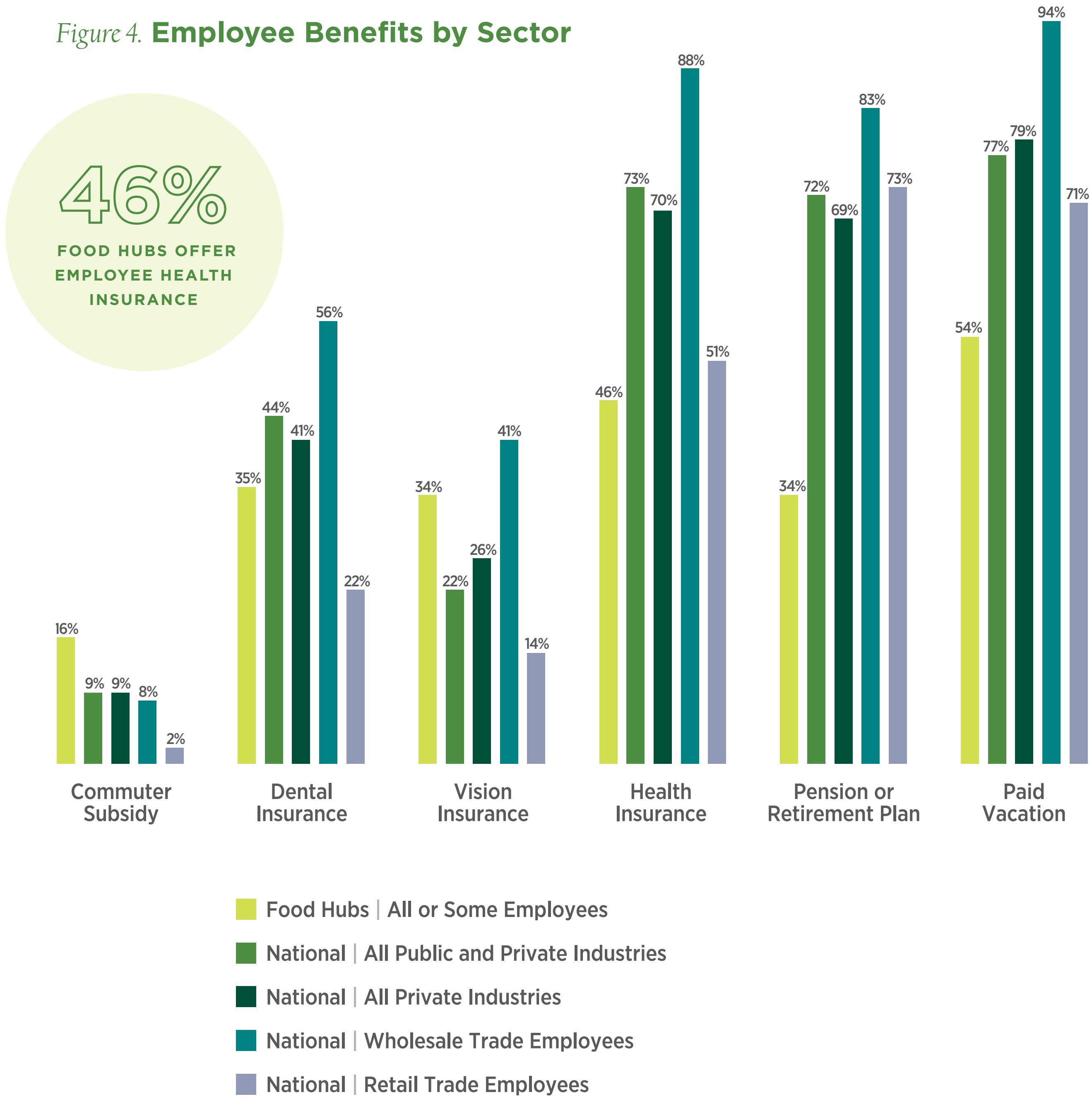


Note: In California, *N* = 7; in Michigan, *N* = 15; in North Carolina, *N* = 6; and in Washington, *N* = 6

FOOD HUB BENEFITS

Although the measures reported in the benefits graph are slightly different for food hub organizations than for the national comparisons (see Methodology), they offer a window into how benefits offered at food hubs compare to other sectors. From these figures, it appears that food hub organizations are competitive in terms of dental and vision insurance availability and more generous than other sectors in offering commuter subsidies (Figure 4). On the other hand, food hub organizations appear to be well below national averages for health insurance, retirement plans, and paid vacation availability.

Figure 4. **Employee Benefits by Sector**



SUMMARY

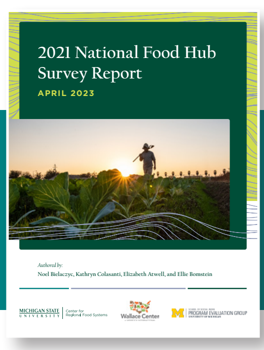
While more data is needed to ensure a comprehensive picture of wages and benefits in food hub organizations, food hub managers' reports of labor challenges and comparisons of wages with national averages indicate that food hub employee compensation is an area of concern.

METHODOLOGY

Wage data for comparison sectors was retrieved from the U.S. Bureau of Labor Statistics' (BLS) national Current Employment Statistics survey. All BLS figures used were seasonally adjusted. Where available, in addition to wage data for all employees, we used wage data for production and nonsupervisory employees and excluded overtime. From the data extracted, we calculated averages for January through March 2022 to correspond with the period during which the majority of responses to the 2021 National Food Hub Survey were collected.

To calculate the average hourly earnings for nonsupervisory employees of food hubs, we used survey responses for employees' minimum wages and maximum wages, reported both as hourly rate of pay and annual salaries. (We converted earnings reported as annual salaries into an hourly rate by dividing by 2,080 hours.) To calculate the average hourly earnings for all employees of food hubs, we averaged hourly earning for nonsupervisory employees with wages for managers, including minimum and maximum hourly rates and annual salaries. Importantly, the average hourly earnings reported in this data brief reflect only the average of the highest and lowest rates of pay for employees and managers; the true average of all employees' wages in an organization could be higher or lower than the average calculated from survey responses based on the number of employees, the number of managers, and the number of people at the high or low end of their respective wage spectrums.

Data on employee benefits was retrieved from the BLS National Compensation Survey: Employee Benefits in the United States, March 2022. Figures represent the percent of employees with access to the named benefits. We used figures for all employees nationally, for all employees working in private industry, for private industry employees in wholesale trade, and for private industry employees in retail trade. In contrast, the figures from the food hub survey are the percentage of organizations reporting that some or all employees had access to the named benefits. In other words, the food hub figures do not show varying levels of employee access across the organizations, where only some of the employees received the benefit. The BLS figures, on the other hand, do not show the variation across organizations in the percentage of employees receiving benefits. These limitations of the comparison should be considered.



< Download the 2021 National Food Hub Survey Report

This data brief was authored by Noel Bielaczyc of MSU Center for Regional Food Systems (CRFS) and Kathryn Colasanti of the University of Michigan Program Evaluation Group (PEG). The data presented here builds upon the findings of the 2021 National Food Hub Survey conducted by CRFS, PEG, and Wallace Center. These briefs received communications guidance from Emma Beauchamp of MSU CRFS, copyediting from Jen Anderson of Clearing Blocks Editing Services, and design by Julia Fiorello of Happy Strategy. This work was generously funded by the W.K. Kellogg Foundation.

To learn more, visit foodsystems.msu.edu/nationalfoodhubsurvey.

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