



## Trouble Brewing: Labor Board Judge Rules Starbucks Unlawfully Withheld Raises, Benefits For Unionized Stores

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In the most expansive [ruling](#) against Starbucks to date, an administrative law judge with the National Labor Relations Board (NLRB) ruled that Starbucks violated the National Labor Relations Act (NLRA) when it increased wages and benefits for employees at non-unionized stores only. This is the first labor board ruling against Starbucks based on a company-wide policy. Previous rulings were based on conduct at individual stores.

In May 2022, Starbucks announced it was rolling out increased wages and benefits to its hourly non-union workforce. This announcement came after a flurry of union organizing at Starbucks stores across the country over the past year and a half. For its unionized stores and stores where union campaigns were underway, Starbucks' claimed: "[F]ederal law prohibits us from promising new wages and benefits at stores involved in union organizing and by law we cannot implement unilateral changes at stores that have a union."

The judge found that Starbucks intentionally withheld the wage and benefit increases in response to union activity to dissuade workers from organizing. She noted, "Respondent used its top executive to launch a corporate-wide effort to manipulate its employees' free choice by conditioning their pay and benefits on their willingness to forgo organizing – a direct attack on the Act's central goals."

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The judge dismissed Starbucks' argument that federal labor law prevented it from unilaterally granting the wage and benefits to its unionized workforce, finding the argument ignored basic aspects of the law. The judge noted Starbucks could have asked the union for permission to grant the increases to its unionized workforce or informed the Union that the increases would be deferred pending the outcome of any ongoing election.

Finding Starbucks violated the NLRA, the judge recommended that the company retroactively grant the increased wages and benefits to its unionized and unionizing workforce as well. Starbucks announced it plans to appeal the ruling to the full National Labor Relations Board, maintaining that its actions were consistent with the law.

This decision highlights the delicate balance an employer must walk when treating union and non-union employees differently. There could be "a latte" on the line.