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Why Dollar General Might Just Be the Worst Retail Job in America

Rat infestations, blocked fire exits, expired kids' food, machetewielding and watermelon-throwing shoppers and other nightmares at the biggest dollar chain in the US.

By Josh Eidelson and Brendan Case

David Williams was in his first months working at a Dollar General in New Orleans when a manager ordered him to block the fire exits. While he was unloading sausages and soup cans, the manager called him over to a fire door and showed him how to build a pyramid of water cases that would obstruct it. The idea was to deter shoplifting.

Williams, who was a Hurricane Katrina refugee in his teens, says he knew this was dangerous, and he felt guilty—especially when customers asked about it. But it seemed clear that, if he wanted to keep his job, he had to do it, so he did. A couple of years later, a week before Christmas 2021, the store caught fire.

Fortunately the fire happened before dawn, and no one was inside. Williams walked over on his day off to watch the store burn. From 20 feet away, all he could see was smoke. Since the place reopened in summer 2022, his bosses haven't asked him to block the fire exits, but they still have other people doing it, he says. "I'm just thinking to myself, 'You really haven't learned nothing.'"

This is just another day at Dollar General Corp., America's most ubiquitous retailer. It has over 19,000 US locations, more than Walmart Inc. and Wendy's Co. combined. Its main competitor, Dollar Tree Inc., has thousands fewer, even after acquiring rival Family Dollar some years back. Dollar General's stores seem to be among the country's last retail outlets that haven't heard of inflation. A dollar there can buy you a couple of bananas, a yogurt, a bar of soap, a tube of lip gloss, a jump rope or a water gun. There are, however, other costs. The stores are often dirty, miserable and dangerous, according to dozens of people who've worked for Dollar General in 14 states (some of whom spoke on condition of anonymity out of fear for their jobs), as well as thousands

of pages of government inspection records reviewed by *Bloomberg Businessweek*.

"The thing that concerns us about Dollar General is the consistency with which we find similar hazards at workplace after workplace," says Doug Parker, head of the US Occupational Safety and Health Administration. "The potential for catastrophe is very real." Last year the company became the first major retailer OSHA deemed a "severe violator" of federal workplace safety law, a distinction more often handed out to little-known construction companies.

OSHA still commemorates the anniversary of the 1911 fire that killed 146 workers at the <u>Triangle Shirtwaist Factory</u> in New York City, where the fire escape was broken and exits were locked. Today, Parker says, his agency is concerned about Dollar General's commitment to keep people in its stores safe, whether from a fire or a gunman. On Aug. 26, <u>a White man killed three Black people and himself at a store in Jacksonville, Florida</u>, in what the local sheriff called a racially motivated attack.

Dollar General has failed hundreds of government safety inspections since 2017, racking up more than \$25 million in proposed fines for alleged violations spanning dozens of states. That includes \$9 million issued last year, double the fines aimed at Dollar Tree. OSHA has

accused Dollar General of repeatedly, sometimes willfully, exposing employees to needless risks—of being struck by falling products, electrocuted by unsafe equipment, sickened by poor pest control or trapped in a fire. The agency says the company failed to protect staff it ordered to clean up a chemical spill in North Dakota, and it neglected to notify the government as required when a worker was hospitalized in Texas. Employees say bare-bones staffing, hectic expansion and broad neglect have made the stores dangerous in other ways, too. Expired products stay on the shelves. Busted heating and air-conditioning units go unrepaired. Rushed workers get stabbed in the stomach by equipment and scratched on the face by falling action figures. Without dedicated security staff, clerks face down aggressive customers on their own.

If Dollar General is in the running for America's worst retail job, the pay doesn't much help. Most of its employees make less than \$12 an hour, and close to 1 in 4 make less than \$10, according to an Economic Policy Institute study of 2021 survey data. That puts it below Walmart, which raised its hourly minimum to \$12 in 2021 and bumped it to \$14 this year.

"We strive each day to be a force for opportunity in the communities we serve, and we take seriously our responsibility to provide a safe and healthy store environment," Dollar General said in a

statement responding to a detailed inquiry from *Businessweek*. "On those occasions where we fail to meet these expectations, we work with our store teams to promptly address any issues." The company, which has said it's ramping up spending on labor to improve store conditions, also said it offers competitive wages and benefits, including parental leave, a 401(k) program and "day-one telemedicine eligibility." It's contesting many of OSHA's citations, notes that it's in settlement talks with the agency and says it's implementing additional safety trainings and compliance audits.

Current and former employees, including managers, say Dollar General has a long way to go. In one extreme example, groups of sparrows and blackbirds nested in the ceiling of a store in Apache, Oklahoma. They entered through a hole in the roof, then laid eggs and began regularly pooping on the merchandise. The store's thenmanager, Josh Tinker, says higher-ups wouldn't let his team throw out the soiled products, including pillows stained with excrement. Instead, they were ordered to clean the items, in some cases by bringing them home to wash, and return them to the shelves. Tinker filed a ticket in Dollar General's internal system asking for help removing the nests, but he says it was ignored, because "the birds weren't stealing anything."

In its statement, Dollar General said, "When we learn of maintenance or repair needs in or around our stores, we take prompt

action." But Jo-Ann Sheridan Turner, a four-decade retail veteran Dollar General hired in 2016 as a district manager in Florida, says she was shocked by how hard it was to fund basic upkeep. When she flagged serious safety concerns, from faulty doors to black mold, her bosses told her there was no budget to fix them. After she spent months trying to get approval to replace outdoor lights at one store where employees were clocking out late at night, headquarters allegedly demanded a photo to prove how dark it was. "They're not investing in anything," says Sheridan Turner, who claims the company fired her last year after she filed a human resources complaint against a supervisor. "They're just spreading."

While Hollywood studios, Big Three automakers and United Parcel Service Inc. executives spent their summers grappling with real or threatened megastrikes, Dollar General has kept its eye on growth. The company has said the US has room for 16,000 more dollar stores, and over the past five years it's added 4,500 locations. During that time, its annual revenue has risen 60%, to about \$38 billion, and profit is up more than 50%, to \$2.4 billion. The stock has taken a beating recently as the company twice lowered its profit forecast, citing economic pressures on its shoppers and rising costs, and JPMorgan Chase & Co. downgraded it on Sept. 20 to underweight from neutral. But the shares had been on a tear for most of the last decade-plus. The stock price (about \$115 a share as of publication time) has jumped about fivefold

since late 2009, more than double Walmart's gain over that time and triple that of Target Corp.

But Dollar General is now facing resistance unlike it's seen before. Critics have formed a ragtag confederation and started to amplify each other's alarms: rank-and-file employees, former managers, local lawmakers, regulators appointed by President Joe Biden and now some of the company's key investors, each saying more must be done about safety. "This is something that investors see as a pretty big risk factor for them," says Donna Anderson, corporate governance head at T. Rowe Price Group Inc., the company's fifth-largest shareholder, which in May bucked Dollar General's board by voting for a resolution calling for a safety audit.

The company's cluttered locations, along with its limited produce selection, have also been cited in some of the 50 towns that recently passed policies restricting dollar-store construction more broadly. In Conrad, Iowa, business development groups helped keep Dollar General out in 2020. "They just don't maintain them very well," says Shane Tiernan, president of Conrad Development Corp. and director of lending at a local bank. "We don't need a company like that coming in."

The first Dollar General opened as a father-and-son store in Kentucky in 1955, seven years before Sam Walton opened his first Walmart. As Walton's namesake marched across the US, building supercenters that drove midsize grocers out of business, Dollar General <u>found footholds in towns</u> that were too small to support their own Walmart, and those where customers lacked cars or decent public transit to reach one. Four in five Dollar General stores are in towns of fewer than 20,000 people. The stores average 7,500 square feet, less than a fifth the size of a typical neighborhood supermarket. You could hide one inside a Walmart supercenter and then forget where you put it.

During the Great Recession, Dollar General—which KKR & Co. had purchased for \$7 billion—drew in all sorts of customers, besting competitors with four straight years of double-digit sales growth. Middle-class shoppers were getting more price-sensitive, and not everyone loves schlepping through, or to, a massive superstore. Deals with suppliers made it much easier for Dollar General to match or beat prices at nearby grocery stores. (KKR brought the company back to the stock market in 2009 and exited the investment in 2013, by which time the shares had almost tripled.)

Soon Dollar General was outpacing dollar-store rivals running the same lucrative playbook: Build as many stores as possible, pack them

with tons of stuff while using as little warehouse space as possible, and spend as little as possible on everything else.

Along the way, workers contend, the stores went to hell. "I used to be the biggest cheerleader for Dollar General," says Tammy Stanley, who spent eight years managing locations in Mississippi. "They cared back then." Stanley's battles against rodent infestations and understaffing eventually convinced her the chain's managers were set up to fail. "They're opening a thousand stores a year, but you can't take care of the ones you've got," she says.

Stanley says Dollar General still serves an important purpose in Pelahatchie, her 1,000-person town. "Round here, you're either going to work for a chicken plant or you're going to work for Dollar General," she says, and without that store, there'd be nowhere to buy toilet paper. "They just need to get their stuff together."

These days, Dollar General's stuff is all over its stores—leaving them, OSHA says, dangerously clogged. Christmas products sometimes start arriving by summer, former managers say, because the warehouses run out of space.

Government inspectors have found enough obstacles to fill a video game. They've seen shaky, leaning towers of product as tall as 9 feet.

They've found fire extinguishers blocked by boxes, bins, baskets or a barbecue grill; exit routes blocked by "U-boats," long metal carts named for their resemblance to German subs; and exit doors blocked by trash bags, boxes, shelves—or outright locked. At one Virginia store, they wrote, Dollar General had "required employees to lock the rear exit door with five slide locks."

The neglect extends to the products. When chocolate melted in the heat, or ice cream in faulty freezers, workers say they were told to keep the items on the shelves and maybe mark down prices. They've spotted all sorts of products for sale past their sell-by dates, whether baby food, lunch meat or some NyQuil that sat expired on its shelf through the entirety of the Trump administration. *Businessweek*, too, has found expired products on Dollar General shelves, including Advil in Oklahoma, chicken soup in Louisiana, yogurt in Florida, doughnuts in Illinois and Danimals kids' strawberry smoothies in Pennsylvania. In its statement, Dollar General said it's "committed to providing safe, affordable and quality" merchandise. "We have food and product safety policies in place," it added, "and our employees are expected to follow those policies."

Sometimes the problems compound each other, OSHA records suggest. Pest control couldn't service a receiving room in Minnesota; it was too cluttered. Stolen HVAC systems in Arizona went unreplaced for

weeks because management "had not received the OK" to get new ones. When an lowa store's water pipes burst on Christmas Eve, a plumber refused to fix them, because of asbestos. Asbestos was also a worry at another lowa store, where workers experienced respiratory problems. But state officials said the latter store's likelier culprits were mold or "stains on the wall that were bat feces."

Along with bats and birds, workers say, the stores are home to spiders, ants, mice, rats and squirrels. Employees have been cut on the arm, leg, torso or neck by rusted or faulty metal moving palettes, or "rolltainers." Broken heat or air conditioning has forced workers to don five layers or line their pants with ice packs. In Georgia, former employee Shantay Millsap says she broke out in hives from the constant heat and caked dust; the company responded by cutting her hours. In South Carolina, employee Tiffany Gettle says the 109F heat in her store has made produce wilt and colleagues vomit, but a manager dismissed it by saying, "The more you complain, the worse it makes it." (In its statement, Dollar General said it has "various cleaning protocols," works with pest control firms and will sometimes take other steps to "ensure a healthy and safe environment.")

In some poor neighborhoods, the Dollar General has become a de facto public square, minus the staffing needed to make that work.

Instead, one or two employees can find themselves acting as mayor and

sheriff. Stores open from around 8 a.m. to 10 p.m. are often allotted one hourly employee at a time, leading to some strange spectacles. Earlier this year, a customer <u>posted on TikTok</u> about having to watch a store so its sole worker could run to the bathroom. Dollar General acknowledges it sometimes has staff working alone but says its policies "require the presence of multiple associates at certain times of day, including at closing."

One time, working the aisles at her store in Alexandria, Louisiana, former employee Kenya Slaughter says she came across a half-eaten can of food tucked away among the shelves, which maggots had found first. While rushing one day, she picked up what she thought was a honey bun wrapper; it was a used condom. "I bleached my whole arm," says Slaughter, who quit this spring after four years to take a job organizing workers at various dollar stores in her home state. A few months after the condom incident, a customer came in with a machete and, for unclear reasons, locked herself in the break room. Slaughter tried to calm the woman down through the door while waiting for law enforcement.

In other stores, people have threatened employees with guns and thrown watermelon, Cokes and at least one stool at them. In New Orleans, ex-employee Tivia Coleman says she had a panic attack after someone jumped over her register to snatch cigarettes.

Former employee Kenny Arbuthnot says management told him it was his job to stop people from stealing, without offering the tools or training to do that. When he saw a man sticking food and deodorant down his pants and into a paper bag, Arbuthnot asked if he needed help. When the man kept on taking stuff off the shelves, Arbuthnot reluctantly wrestled the bag away, figuring that beat trying to get back products the guy was now wearing.

"I'm going to kill you," Arbuthnot says the man told him repeatedly before leaving the store. Within days, the shoplifter was back again. Arbuthnot quit.

In the year since OSHA put Dollar General on its severe violator list, the company has continued racking up dozens of citations, and the agency has issued \$12 million in proposed fines so far in 2023. But even if Dollar General ends up paying the tens of millions that OSHA says it should, that would amount to only a few hours of its revenue. Safety inspectors' days are defined by triage: There's just one of them for every 70,000 workers. OSHA only has the authority to fine a company as much as \$156,259 for each "willful" or "repeat" violation of the law, and one-tenth of that for other wrongdoings. In 22 states, federal OSHA lacks direct authority because its work is carried out by state labor agencies, whose zeal can be underwhelming.

In 2019, Dollar General's home state of Tennessee issued zero-dollar citations for five violations including letting animals use openings in the roof to enter a store, where employees were forced to handle goods "after the rodents have defecated and urinated on the product." (Whoever contacted the agency about that issue had been more delicate: "Rats are using bathroom on food boxes.") North Carolina sent Dollar General an invoice urging it to "please remit payment promptly" in the amount of zero bucks for violations including blocked electrical panels, a fire risk.

Other times state agencies have opted not to cite Dollar General at all. In 2020, when a complaint alleged that fire extinguishers were obstructed and went uninspected, Tennessee issued no citation, on the grounds that employees don't operate fire extinguishers, so "there is no hazard to employees in the workplace with fire extinguishers." When South Carolina staffer TyBrianna Shaw filed a complaint about mold, blocked exits and rats in her store, state officials decided against sending inspectors; instead they closed the case after reviewing photos the company sent in its defense. In a complaint filed with federal OSHA about its state counterpart, Shaw alleges those photos were of a different location.

South Carolina's safety agency didn't respond to inquiries. In emailed statements, North Carolina's said its 2019 zero-dollar citation

helped justify a \$6,000 penalty at another store for a similar violation three years later. And Tennessee's said, "The amount of the penalty plays no role in the identification and correction of workplace hazards."

OSHA chief Parker insists his agency is still a force to be reckoned with, even if its impact is more about the bully pulpit than big-ticket penalties. "We have gotten Dollar General's attention by drawing the public's attention," says Parker, a Biden appointee who's been on the job about two years. State agencies choosing not to cite the company over an obstructed fire extinguisher or issuing zero-dollar fines over a blocked electrical panel would be "certainly concerning," he says, and OSHA "would certainly take seriously" a complaint accusing a state agency of neglect. In August, OSHA announced a nationwide settlement agreement with Dollar Tree, which drew headlines last year when a warehouse-level rodent infestation led to product recalls and the temporary closure of hundreds of stores. The deal resolves cases against the company's Dollar Tree and Family Dollar brands and requires it to hire safety staff, create safety advisory groups with worker representation and correct future hazards within 48 hours. Dollar Tree didn't respond to requests for comment.

Shaw says she quit because Dollar General refused to address her safety concerns and retaliated by slashing her hours. Other internal agitators say the company cast them out. Daniel Stone, a market

analyst at company headquarters in Tennessee who emailed upper management about Covid-19 protections in the stores, got fired in 2020 by a manager who cited "negative emails" and "bad blood." Mary Gundel, a local manager in Tampa, says she was fired because she refused to recant or remove her TikTok video telling customers it wasn't hourly workers' fault the stores are a mess.

The one time a Dollar General store voted to unionize, in 2017 in Missouri, the company shut down the store. National Labor Relations Board prosecutors say that when workers in Connecticut tried to organize, management made an implied threat to close their store, too, and fired a leader of the effort on the grounds that he'd uttered a curse word when complaining about clutter. Although Dollar General said in its statement that it complied with federal law throughout the Connecticut election process, an NLRB judge <u>ruled</u> this summer that the organizer be reinstated, writing that the company's legal violations were "numerous and blatant" and "involve individuals at the highest levels" of management.

In the meantime, many of Dollar General's critics have found one another. Gundel's TikToks went viral, seeding a network of current and former managers who protest at shareholder meetings and lobby local officials for reforms. One of them is Tinker, who ran the store full of sparrows. He drew headlines by leading most of his staff to quit en

masse after they were ordered to keep working without air conditioning. Shaw and other hourly workers have teamed up with an <u>affiliate</u> of the Service Employees International Union to mount strikes and file legal complaints.

Workers including Williams and Slaughter are now part of <u>Step Up</u> <u>Louisiana</u>, a community organizing group that coaches dollar-store employees on understanding their workplace rights and mobilizing their peers. Step Up is <u>pushing Dollar General and Dollar Tree for reforms</u> including better staffing and training, prompt property repairs and the hiring of full-time safety managers trained in deescalation. The group persuaded Louisiana's Republican legislature to set up a task force meant to study dollar-store safety.

What may sting even more is local opposition. Since 2019 at least 75 communities across the country have blocked proposed dollar stores, according to the nonprofit Institute for Local Self-Reliance. More than 50 localities, including Fort Worth and Birmingham, Alabama, have adopted laws restricting dollar-store growth, often by banning the construction of any within a mile or two of another one. Local leaders sometimes cite the chaotic state of the stores or the relative lack of fresh food compared with grocery stores. Fort Worth's Republican mayor, Mattie Parker, says the main worry is that too many dollar stores will "prevent the opportunities for larger retailers to come in,

especially grocers in food-desert areas." In May, a Dollar General in Trotwood, Ohio, closed for cleaning after Mayor Mary McDonald took to Facebook Live to <u>denounce</u> its "filthy" conditions and hazards, which she said included a pair of roaming pit bulls.

The company can be hard to say no to. Last year in rural Michigan, 4,000-person Nottawa Township voted to deny a rezoning request needed to build a Dollar General. A pair of public meetings had each drawn about 100 people, and almost every speaker opposed letting the store in. The state of another Dollar General in the area hadn't helped. "There are times when there are big supply carts in the aisles. The floor at times just really looks like a mess. People say they don't hire enough workers," says Nottawa supervisor Dave Peterson. But last September, Dollar General's developer sued the township, accusing it of violating constitutional rights of due process and equal protection. By January the township had caved and let the company proceed.

At the end of May, a handful of Dollar General workers joined about 100 other Step Up activists on an eight-hour bus trip from New Orleans to Goodlettsville, Tennessee, for the company's annual shareholder meeting. Armed with a brass band, the group marched a mile to protest outside Dollar General's headquarters. Williams, Slaughter and Coleman used proxies from friendly shareholders to get inside.

In the boardroom, Williams, who didn't finish high school, got a few minutes to present a shareholder resolution saying Dollar General should commission an independent safety audit. "The company has expanded so fast and so recklessly that, on any given day, I might have to deal with a rat infestation, a door that won't lock or someone pointing a gun at me with no security to protect me," he said. As he spoke, some board members watched closely, while others averted their eyes. Minutes after he finished, the corporate secretary announced surprising news. The resolution had passed. In August, Dollar General said it plans to invest \$150 million this fiscal year in additional store labor, 50% more than initially budgeted.

A month after the shareholder meeting, Josh Tinker and his husband, Joseph, went back to visit the Apache Dollar General store where they both used to work. That Wednesday morning, there was a hole in the ceiling, cobwebs on the shelves and yellowish puddles on the floor. Stuff was stacked in precarious towers. Shelving was propped up with milk crates. The bathroom had no light, and the backroom was littered with boxes and rolltainers. Equipment was rusty. Doors were unhinged. A door handle was broken. Dog food had expired. There were insects, living and dead.

Surveying their surroundings, the two agreed: Since they'd left, the store had improved. At least the AC finally worked.