

# The Unbottled Truth About Bottled Water Jobs

**T**he \$60 billion global bottled water industry has grown rapidly in recent years.<sup>1</sup> To keep up with the expanding market, corporations are looking for new water sources. Once they identify good or easy targets, they come into communities, bottle their water, slap a corporate logo on it and sell it to stores across the country. The profits are great and the resource is cheap. The corporations benefit. The communities don't.

Why would any town go along with such a bad proposal? Because corporations promise to promote economic development by creating jobs – a prospect that is understandably alluring for many economically depressed areas.

But public officials should think twice before buying into corporations' claims of job creation. In reality, bottling water creates relatively few new jobs for community members. What's more, the jobs the industry does create are not what families need: They are low-paying and dangerous.

## Corporate Claim: Bottled water plants bring desirable jobs.

### Fact 1: Bottled water plants bring few jobs.

Overall, bottled water facilities employ few people. In 2006, the nation's 628 water-bottling plants employed fewer than 15,000 people,<sup>2</sup> so each plant averaged only around 24 employees.

As studies have shown, when a new bottling plant comes to a town, the couple dozen jobs it does bring benefit mostly people from outside the community,<sup>3</sup> not the residents who gave up control over their water for the promise of jobs. In the long-term, one study says, a town's residents occupy only 10 to 40 percent of all new jobs created by overall employment growth.<sup>4</sup>

A typical bottled water plant with 24 workers will employ between two and 10 local residents. This is a far cry from what towns expect when they sign control of their water away to corporate interests.



### Fact 2: Bottled water plants bring low-wage jobs.

Local residents that do secure jobs at bottled water plants likely will earn low wages. A bottled water employee's annual earnings fall more than a thousand dollars short of what the average U.S. worker makes. Compared to a typical manufacturing job, bottled water workers are really losing out – to the tune of \$10,000 each year.<sup>5</sup>

Setting the bar low is no way to lift up a cash-strapped community. If anything, it could further depress wages and scare away businesses that rely on households' surplus income – two losses that cut into a local government's tax base and drive down the local economy.

## Average Annual Earnings by Industry (2006)<sup>6</sup>

Industry	Average annual earnings
Private sector, total	\$42,432
Manufacturing, total	\$51,428
Bottled water manufacturing	\$41,236

### Fact 3: Bottled water plants bring dangerous jobs.

Such low wages can't possibly compensate bottled water workers for the risks they take every day at their jobs.

In 2006, bottled water manufacturing had one of the highest rates of workplace injury and illness. With one incident for every 11 workers, bottled water workers are injured and fall sick more than twice as often as the typical private sector worker. The injury rate of bottled water workers is also 50 percent higher than both the broader manufacturing industry and the construction industry. What's more, nearly half of these cases were so serious that they required job transfer or restricted duties at work.<sup>7</sup>

These injuries and illnesses are often severe and can have lasting effects. Bottled water workers lose their hearing eight times more often than a typical private sector worker.<sup>10</sup> They suffer three times as many sprains and strains, and they are caught in an object or piece of machinery three times as often. The work at these plants is so hard that bottled water workers experience overexertion three times as often as typical private sector workers.<sup>11</sup>

What good is creating jobs that are so dangerous that injury prevents people from working them?

### Capping it Off

To convince towns to give up water resources, bottled water executives have exaggerated the employment opportunities at their new facilities. They promise jobs that will boost local economies in towns desperate for stimulus. But towns actually get stuck with only a few low-wage, dangerous jobs. Corporations take public water, and in exchange, they leave communities high and dry.



## Incident rates of job-related injuries and illnesses by industry in 2006 (incidents per 10,000 workers)

Industry	Nonfatal injuries and illnesses <sup>8</sup>		Selected types of injury and illness <sup>9</sup>			
	Total recordable cases	Cases requiring job transfer or restriction	Hearing Loss	Sprains and strains	Caught in object, equipment, material	Over-exertion
Private sector, total	440	100	2.6	51.1	6.4	30.8
Manufacturing, total	600	190	20.2	47.7	15.7	31.2
Bottled water manufacturing	900	370	21.9	140.7	20.9	104.6

## Distilled: McCloud, California

A hotly contested bottled water plant has thrown a small town of 1,300 people into the national spotlight.

McCloud, a mill town known for mountain springs and streams teeming with trout, rests on the southern slope of Mt. Shasta in northern California. Like many small towns across the country, McCloud has suffered economic hardship after losing its largest private employer, the lumber mill, which shut its doors the same year the town signed its water extraction contract with Nestle.

In 2003, the town government, with little public input, approved a 100-year deal allowing Nestle to take, bottle and sell the icy waters of the Mt. Shasta springs.<sup>12</sup> The corporation intends to pump up to 200 million gallons annually, enough water for 614 typical U.S. families. While still substantial, this amount is less than half of what Nestle originally proposed. The company had to scale back its aspiration of building the country's largest water bottling plant because of public opposition.<sup>13</sup>

Many community members worry the plant will drain their local water supply, damage their trout streams, hurt fisher-folk and increase costs for the town's public water and sewer utilities, among other concerns. Hoping to stop the project, community groups took the company to court for failing to conduct an environmental review. A district judge initially sided with the community, but Nestle won an appeal that overturned the previous ruling.<sup>14</sup>

The corporation has tried to quell unrest by emphasizing the jobs it will bring to McCloud, and the boost it will give to the local economy. While job generation might sound compelling, proponents of the bottling plant have exaggerated the scale and quality of these jobs.

Nestle says it will employ 60 people initially and 240 if the plant reaches full capacity. However, ECONorthwest, an economics consulting firm, found that these jobs would go mostly to people who do not currently live in McCloud. Nestle will hire current town residents for only seasonal and low-paying jobs – entry-level positions that pay about \$10 an hour.<sup>15</sup> At that wage, the corporation will pay only two-thirds of what a typical McCloud resident earned in 2000.<sup>16</sup>

Meanwhile, the bottling plant could scare away several higher paying employers, partly by congesting public services and infrastructure.<sup>17</sup> To transport the water bottles, large trucks will need to make 600 trips a day, which will considerably increase traffic on local roads, reduce the community's quality of life and repel other businesses.<sup>18</sup>

Because other employers leave town after a large plant opens, Nestle's plant would increase the county employment by at most 70 jobs – 10 to 40 percent of which will go to McCloud residents.<sup>19</sup> This means the plant will add only a dozen or so jobs to McCloud's economy. Bringing in so few jobs, the plant is unlikely to stimulate an economically depressed town and may ultimately cost McCloud more than its fresh mountain springs.



## What You Can Do

Americans spent \$11 billion on bottled water in 2006, in part because they think it is somehow safer or better than tap water. But it's not. Instead of buying into the myth of purity in a bottle, Americans should Take Back The Tap.

But just kicking the bottle in favor of the tap is not enough. Our cities and towns need continued investment in pipes and treatment plants to ensure that future generations have access to safe, affordable, public water.

## Pledge to Take Back the Tap

- Choose tap water over bottled water whenever possible;
- Use a refillable bottle with tap water;
- Ask your local officials and member of Congress to support dedicated resources for healthy public water.



**Sign the pledge at [www.takebackthetap.org](http://www.takebackthetap.org)**

## Endnotes

- <sup>1</sup> “Global Bottled Water: Industry Profile.” Datamonitor, New York, November 2007, p. 7.
- <sup>2</sup> “Table 2. Private industry by six-digit NAICS industry and government by level of government, 2006 annual averages: Establishments, employment, and wages, change from 2005.” *Employment and Wages, Annual Averages 2006*, Bureau of Labor Statistics, U.S. Department of Labor, March 2008. Available at [www.bls.gov/cew/cewbultn06.htm](http://www.bls.gov/cew/cewbultn06.htm).
- <sup>3</sup> “The Potential Economic Effects of the Proposed Water Bottling Facility in McCloud.” ECONorthwest, Eugene, OR, October 2007, p. 42-43.
- <sup>4</sup> Bartik Timothy J. “Who benefits from local job growth: migrants or the original residents?” *Regional Studies*, 27(4):297-311, Jan. 1, 1993.
- <sup>5</sup> Bureau of Labor Statistics, March 2008, op. cit.
- <sup>6</sup> Ibid.
- <sup>7</sup> “Table 1. Incidence rates – detailed industry level – 2006.” Bureau of Labor Statistics, U.S. Department of Labor, Oct. 10, 2007. Available at [www.bls.gov/iif/oshwc/osh/os/ostb1765.txt](http://www.bls.gov/iif/oshwc/osh/os/ostb1765.txt).
- <sup>8</sup> Ibid.
- <sup>9</sup> “Case and Demographic Characteristics for Work-related Injuries and Illnesses Involving Days Away From Work.” Bureau of Labor Statistics, U.S. Department of Labor, Jan. 11, 2008. Available at [www.bls.gov/iif/oshcdnew.htm](http://www.bls.gov/iif/oshcdnew.htm)
- <sup>10</sup> “Number and rate of nonfatal occupational injuries and illnesses by selected industry, All U.S., Private industry, 2006.” Bureau of Labor Statistics, U.S. Department of Labor, May 6, 2008.
- <sup>11</sup> “Incidence rates of nonfatal occupational injuries and illnesses involving days away from work by selected worker and case characteristics and industry, All U.S., private industry, 2006.” Bureau of Labor Statistics, U.S. Department of Labor, May 6, 2008.
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- <sup>14</sup> Gies, Erica. “Nestle’s thirst for water splits small U.S. town,” *International Herald Tribune*, March 21, 2008.
- <sup>15</sup> ECONorthwest, op. cit.
- <sup>16</sup> “DP-3. Profile of selected economic characteristics: 2000.” Population Finder – McCloud, California, American FactFinder, U.S. Census Bureau. Available at [factfinder.census.gov](http://factfinder.census.gov).
- <sup>17</sup> Edmiston, Kelly D. “The net effects of large plant locations and expansions on county employment.” *Journal of Regional Science*, 44(2):289-319, 2004.
- <sup>18</sup> ECONorthwest, op. cit.
- <sup>19</sup> Ibid.

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