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AMAZON'S TYPICAL WORKER IS IN A WAREHOUSE MAKING \$28,446 A YEAR

Most workers at regional fulfillment centers earn paychecks nowhere near those of workforce on Seattle campus

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When Amazon.com Inc. AMZN -0.21 percent disclosed its workers' median annual salary of \$28,446 last week, the predominantly blue-collar nature of its workforce became clear.

The figure puts Amazon on par with chocolate manufacturer Hershey Co. , slightly above retailer Home Depot Inc. – and miles below the \$240,430 median annual compensation at Facebook, according to the companies' latest proxy statements.

Amazon is often compared to Silicon Valley tech giants like Facebook Inc., AppleInc. and Alphabet Inc.'s Google, but a vast logistical apparatus separates it from its tech peers.

Most of the roughly half-million employees at Amazon don't make six figures while spending their workdays writing code. They unload trucks, drive forklifts and walk miles collecting products to fill orders – all for around the same pay as workers in other companies' warehouses.

One researcher likened Amazon to the child produced by a three-way merger between Google, United Parcel Service Inc. and Walmart Inc.

"At Amazon, you've got this whole group of foot soldiers out there that are working on fulfillment centers that aren't part of the picture for the other names in internet land," said Michael Olson, senior research analyst at Piper Jaffray. "It shows how Amazon is different from the other tech stocks."

More than 330 large public companies have disclosed median annual pay figures for the first time this year, a requirement of the post-financial crisis Dodd-Frank law. Median salaries reported so far range from \$253,015 at biotech firm IncyteCorp. to less than \$10,000 at retailers with big part-time workforces and some manufacturers with high numbers of employees in low-wage countries.

In the S&P 500, Amazon isn't classified as a tech stock, but rather as a part of the retail industry. At the same time, Amazon is valued at 184 times its estimated earnings for this year, according to analysts surveyed by FactSet – a far higher valuation than even Facebook and Alphabet.

Amazon started as a retailer, but it always had technology at its core. When Chief Executive Jeff Bezos founded Amazon in 1994, it was a bookseller, but it took advantage of the nascent internet to connect faraway customers.

Today, Amazon uses software to run everything it does, whether that is shuttling packages around the world, streaming movies on the web, storing companies' digital files on its servers or recommending products to customers. It has spent years honing its machine-learning and artificial-intelligence technology to the point where it can forecast demand, identify fraud and recommend products to customers.

But with more than 175 operating and fulfillment centers, where workers pick, pack and ship orders, and more than 35 sorting centers globally, most members of Amazon's workforce are a contrast to the 45,000-plus largely white-collar workers at its Seattle campus offices and elsewhere.

The median salary data was disclosed under new rules mandating the information for public companies. Companies have some leeway in how they report the figure, which is intended to identify the worker who is paid at the midpoint for all employees.

Median pay of \$28,446 works out to about \$13.68 an hour – around what the typical U.S. front-line warehouse worker makes, experts say. The median pay includes Amazon's workers from more than 50 countries and spans the entire Amazon workforce, including full- and part-time workers in every area of the company.

"These roles range from associates working in our fulfillment centers to customer-service representatives to software engineers and product managers," an Amazon spokeswoman said. Amazon pays its full-time fulfillment-center workers in the U.S. an average hourly wage of more than \$15, including cash, stock and incentive bonuses, the spokeswoman said.

In some ways, Amazon's workforce resembles that of major retailers. Amazon has the fifth-highest median pay of retailers ranked by S&P Global, according to a Wall Street Journal analysis of corporate proxy data provided by MyLogIQ LLC, exceeding the median pay figures from Home Depot, Macy's Inc., Gap Inc. and Walmart Inc. In a securities filing Friday evening, Walmart reported that it paid its median worker \$19,177 last year, ranking it near the middle of the 18 retailers that have reported data so far.

Amazon's median pay trails all 10 companies in S&P Global rankings in the transportation industry, including several railroad and airline companies.

The company's "enormous market advantage" doesn't appear to be translating into more pay for the median warehouse worker, said Ben Zipperer, an economist at the Economic Policy Institute, a left-leaning think tank in Washington, D.C.

Brian Devine, senior vice president at logistics staffing firm ProLogistix, estimates that Amazon pays in the upper half of employers in logistics, but not in the top 10 percent.

U.S. cities have been vying for the chance to host Amazon's next batch of white-collar jobs, which could number as many as 50,000, at a proposed second headquarters.

The average pay for software-development engineers who work for Amazon in the U.S. is about \$107,000, according to worker salaries shared on website Glassdoor, an online marketplace where employees can anonymously report their pay. The average pay for Amazon's logistics specialists in the U.S. is about \$45,000, according to Glassdoor data.

Amazon has said that, depending on location, the average compensation for roles at its second headquarters could top \$100,000.

