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AMAZON RAISING PAY FOR HUNDREDS OF THOUSANDS OF WORKERS

Employees to receive pay increases ranging from 50 cents to \$3 an hour.

By Sebastian Herrera
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Amazon.com Inc. is raising wages for its hourly employees after a majority of workers at one of the e-commerce giant's warehouses voted not to unionize.

The company said Wednesday that more than 500,000 of its employees would see pay increases of between 50 cents and \$3 an hour. Amazon, which offers a starting wage of \$15 an hour and employs roughly 950,000 people in the US, said the raises represented an investment of more than \$1 billion.

The pay increase covers a variety of workers and schedules, but averaged over the total number of employees Amazon said would be affected, it would amount to about \$40 a week per worker.

Amazon said its starting wage is still \$15 an hour. The company declined to say what the average raise will be for workers and said that depends on factors such as how long an employee has been at the company.

A company spokeswoman said Amazon decided to pull forward its pay review from the fall to increase wages now. She declined to say if the raises were tied to the union election in Bessemer, Ala., but said they are related to hiring and maintaining competitiveness for workers. Amazon said it is now hiring for tens of thousands of jobs across the US.

Amazon announced the pay increase a day before reporting first-quarter financial results and as it prepares for a federal hearing over challenges to its victory in the union election earlier this month.

The National Labor Relations Board has scheduled a hearing to review legal challenges by the Retail, Wholesale and Department Store Union, which accused Amazon of unlawfully intimidating workers at the Alabama warehouse. The NLRB is expected to hear evidence and testimony starting May 7 before deciding whether to certify the election results from April 9. Amazon has denied any wrongdoing.

Amazon Chief Executive Jeff Bezos said after the union vote that the company aims to improve relations with its hourly workers. Mr. Bezos said Amazon was working on creating innovative solutions to reduce the amount of injuries at its hundreds of warehouses. He also defended the company's practices against accusations that Amazon treats its workforce unfairly.

Amazon has been one of the most voracious hirers in the US – especially during the coronavirus pandemic – and an economic recovery is likely to put growing pressure on it to compete for labor. It added 500,000 employees world-wide last year, bringing its total to nearly 1.3 million, as demand for its retail and cloud-computing services soared.

The pandemic also gave Amazon the financial firepower to bolster compensation. The roughly \$1 billion it said it would spend on the raises announced Wednesday is equal to about 10 percent of the increase in its net profit last year, which rose 84 percent to \$21.3 billion.

Amazon helped boost pay for low-wage workers in 2018, when it raised its hourly rate to \$15, though it simultaneously did away with certain incentive pay and stock compensation.

The company has been among large US corporations to have recently called for a raise to the federal minimum wage, as Congress has debated the topic. The federal minimum wage is \$7.25 an hour, the same as in Alabama.

Costco Wholesale Corp. is among other companies with starting wages of \$15 an hour or more.

Starbucks Corp. said late last year it would raise wages at US stores by 10 percent for existing workers and 5 percent for new hires to help with recruiting and retention. The company has pledged to raise pay for all US store workers to at least \$15 an hour over the next three years.

Walmart Inc., the nation's largest employer, in February said it would lift its average hourly pay above \$15, while keeping its minimum pay at \$11. Chief Executive Doug McMillon has said the company supports raising the federal minimum wage but that there should be room for regional variation and increases should be paced out.

Jay Carney, Amazon's chief spokesman, has said passing a \$15-an-hour minimum wage "would increase incomes for millions of employees and revitalize the national economy."

Worker complaints at Amazon have ranged from issues such as pay to the rates at which employees must fulfill orders and packages, breaks and benefits. Employees can be expected to package hundreds of items an hour. Some employees have also compared the wealth of Amazon and Mr. Bezos to their compensation and workplace experiences.

Amazon has said employees can take breaks when needed and defended its benefits, which include healthcare and 401(k) options.

Such issues were central to the union battle in Bessemer. Pro-union workers said they wished to negotiate over company policies on pay, the rate at which they prepare packages and shift schedules. Some workers who voted against unionization said they were satisfied with their pay and benefits and questioned whether the union could improve pay or conditions.

Amazon's victory in Bessemer secured the company's flexibility in maintaining full control over its warehouse policies. Still, Mr. Bezos earlier this month said the company needed to build a better vision for its employees after the election. The chief executive said he aimed to make Amazon the best employer and safest place to work, in addition to its record as a customer-focused company.