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## AMAZON, MCDONALD'S, OTHERS WOO SCARCE HOURLY WORKERS WITH HIGHER PAY

*Amazon is set to add 75,000 jobs, McDonald's says it will boost wages as US labor market tightens.*

By Sebastian Herrera and Heather Haddon  
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The fight is on for lower-wage workers.

Some of the biggest US employers of entry-level workers are adding tens of thousands of new positions as the economy roars back from the coronavirus pandemic. Many are raising wages or adding perks to entice workers away from other jobs or off the sidelines of the labor market.

Amazon.com Inc. said Thursday that it would hire 75,000 more workers and offer \$1,000 signing bonuses in some locations, its latest hiring spree in a year of tremendous job growth at the e-commerce giant. McDonald's Corp. said that it wants to hire 10,000 employees at company-owned restaurants in the next three months and that it would raise pay at those locations. Chipotle Mexican Grill Inc., Applebee's and KFC are among other chains seeking to hire tens of thousands of workers as they reopen dining rooms and seek to bolster staffing there.

Many companies have struggled to find enough available workers, though there are signs that more are entering the labor market to take some of those open positions. The Labor Department said Thursday that jobless claims had continued a several-week slide to new pandemic lows.

Demand for workers is so high that wages are rising, too. Average hourly earnings for private-sector employees rose by 21 cents to \$30.17 last month, according to a recent Labor Department report. The gain is notable because strong hiring in the lower-wage hospitality sector would typically put downward pressure on average earnings, economists said.

Amazon said its open roles are offering average pay of \$17 an hour, an increase over its typical starting wage of \$15 an hour. The company in April said it was raising wages for more than 500,000 hourly employees receiving pay increases of between 50 cents and \$3 an hour, an investment of more than \$1 billion.

"The economy is starting to open up, and there is a lot of need for new employees for a lot of different industries," Amazon Chief Financial Officer Brian Olsavsky said in April.

McDonald's said it would raise wages for more than 36,500 hourly workers at company-owned stores in the US by an average of 10 percent over the next several months.

The fast-food chain owns a fraction of its 13,900 US restaurants, around 95 percent of which are operated by franchisees.

The National Owners Association, a group representing US franchisees, said in an email to its members Sunday that strong sales should allow operators the choice to raise menu prices, to offset higher spending on pay and benefits.

"We need to do whatever it takes to staff our restaurants and then charge for it," the association said.

Chipotle, which said Monday that it would raise wages at its 2,800 restaurants to an average of \$15 an hour by the end of next month, has also increased prices on delivery orders.

"They're able to offset the incremental cost of paying higher wages with charging a little bit more for a burrito," Bill Ackman, chief executive officer of Chipotle shareholder Pershing Square Capital Management LP, said on Wednesday at The Wall Street Journal's Future of Everything Festival.

Unions and activists have for years urged companies including Amazon and McDonald's to boost wages. A labor-backed group called Fight for \$15 said Thursday that McDonald's should commit to that minimum wage across all of its restaurants. The median hourly wage for a US fast-food worker in mid-2020 stood at \$11.47, Labor Department data show.

McDonald's said it decided to raise pay at company stores after looking at what other restaurants were paying and as more states and the federal government consider mandating minimum-wage increases.

President Biden and other Democrats want to raise the federal minimum wage to \$15 an hour from the current \$7.25. Legislation to do so has stalled in Congress amid opposition from Republicans and some Democrats. Pressure on lower-income wages as the economic recovery accelerates is giving many workers pay that meets or exceeds the goal without action from policy makers. McDonald's said it expects the average wage at the restaurants it owns to reach \$15 an hour by 2024.

Walmart Inc., the country's largest private employer, has raised wages for some workers and plans to move more workers to full-time status. The company starts many of its 1.3 million US employees at \$11 an hour. Earlier this year, Walmart said it would raise wages for about 425,000 of its US workers, increasing its average hourly wage to above \$15 an hour, up from an average above \$14 in early 2020.

Walmart is promoting employee perks such as a \$1 a day subsidized university degree program for workers. In April, Walmart said it planned to make about two thirds of its hourly workforce full time by the end of the year. In 2016, around 53 percent of hourly workers held full-time roles, the company said.

Amazon was among the first companies with a massive workforce to boost wages to \$15 an hour, a step the company took in 2018. It did away with certain incentive pay and stock compensation around the same time.

The company has said it is focused on improving conditions for workers after employees at an Amazon warehouse in Alabama voted by a wide margin to reject unionization. CEO Jeff Bezos said in April that Amazon needed a better vision for employees. He has also said the company will work to reduce injuries.

Amazon's steps, which came after it faced criticism from some employees over the physical demands of its fulfillment center work, also signal that on-the-job conditions might also come into focus as employers seek to attract new workers. Amazon has said its employees are treated fairly.