

# Is \$12 an hour a fair wage for Amazon workers?

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Online retail giant Amazon is taking advantage of poverty and desperate working conditions throughout the US to force workers to accept what otherwise would be intolerable conditions.

So far this year Amazon has announced the opening of 28 new fulfillment centers--massive warehouses, some as big as 28 football fields--where employees work at a breakneck speed to gather, package and ship customer orders.

According to Amazon press announcements, these centers will create just under 33,000 full-time jobs. The company boasts: "Full-time employees at Amazon receive highly-competitive pay, health insurance, disability insurance, retirement savings plans and company stock."

But in reality, a very large percentage, if not most of these jobs are part-time, seasonal, and rely upon workers laboring at or near poverty wages. An analysis of Amazon jobs web sites by the *International Amazon Workers Voice* shows that of the 28 centers, 12 are not currently advertising for jobs. Of the 16 that are, only 7 are for full-time warehouse associates, 1 is for a seasonal full-time warehouse associates, 6 are for part-time seasonal sortation associates and 2 are listed as just seasonal work.

That the company is able to attract a large workforce testifies to the fact that in every area of the country there is a large percentage of the population that remains unemployed, underemployed or working at even lower wages 8 years into the economic recovery. The two parties—Democratic and Republican—have overseen the transfer of trillions of dollars from the working class into the hands of the corporations through tax cuts, cuts to social programs, and the 2008-09 bank bailout. Amazon's record profits are a result of this social counterrevolution.

Amazon has preyed on poor areas to recruit desperate workers for super-exploitation. For a worker earning just \$12.00 an hour, it would take from January through

September, working 40 hours a week just to earn above the poverty line for a family of three. Though many workers view \$12 an hour as better than service industry wages, Amazon wants to keep them in the dark about how much profit they are making off of these still low wages.

Case in point at an Amazon warehouse outside of Pittsburgh, Pennsylvania.

"I take all the overtime I can get," said a part-time warehouse worker in Pittsburgh, where almost all the employees are part-time. "I need the extra money; you can't pay your bills working just four hours a day. There aren't many jobs around here, everything is part-time and all they want to pay is the minimum wage. Wendy's has a sign that they are looking for a closer and will pay \$8.50 an hour. Who can live off of minimum wage or \$8.50 an hour?"

Amazon takes advantage of the prevalence of low-wage service industry jobs, paying workers just above the minimum wage to give them the man-power required to establish their international supply line network. But it is not enough to get by.

"We only make \$12.25 an hour here, working just four hours a day," the Pittsburgh warehouse Amazon worker said. "That's just \$50.00 a day before they take out taxes. You can't live on that. My rent is \$625 a month and I have to pay gas and electric, your phone and TV. There's no money for food. I don't have a car, I have to either take the bus or walk to work."

Amazon is in the midst of a multi-year plan to build a distribution network for not only its next day deliveries, but its new "Prime Now" that promises two-hour delivery and its distribution of fresh foods. As Amazon becomes the dominant retailer, it is seeking to have complete control over its distribution network, from the factory to the doorstep. This will net the corporation unprecedented profits as it forces out its competitors, leading to tens of thousands of job losses at other companies.

The new centers announced so far this year are located in 15 states: California, Colorado, Connecticut, Florida, Georgia, Kentucky, Maryland, Michigan, New Jersey, New York, Ohio, Oregon, Texas, Utah, and Virginia.

Since 2012, profits at Amazon have topped \$15 billion each year. In 2014, the company made nearly \$18 billion in profit and nearly \$17 billion in 2016.

Yet what Amazon calls “highly competitive pay” are poverty or near poverty wages. They run from \$10.50 an hour for part-time seasonal work in Miami to a high of just \$13.35 an hour for a full-time warehouse job in Edison, New Jersey. The average wage is just under \$12.00 an hour.

Only a handful of the hundreds of jobs at the Pittsburgh warehouse are full-time. Over 95 percent are part-time. Part-time workers at the Pittsburgh warehouse are only guaranteed to work 18 hours per week. But they regularly end up working 25 and 30 hours a week with forced overtime.

Even so, a worker earning \$12.25 an hour would have to work 32 hours a week to earn the federal poverty level of \$20,420 for a family of three. Even a single Pittsburgh worker would have to work 19 hours a week to break the poverty level.

A 2016 study by the Institute for Local Self-Reliance (ILSR) found that this is also true across the country. It found that Amazon jobs average less than \$12.00 an hour and pay on average 15 percent less than other warehouse jobs.

The report also found that Amazon uses a multitude of job classifications such as seasonal and part-time to cover what is really full-time work. They have also taken on the growing practice of hiring permatemps, workers hired through staffing firms that can be fired at any time.

The ILSR report says, “Amazon often calls these workers ‘seasonal,’ as if to imply that it uses temporary workers only during the peak holiday season, but the term is a dodge. In fact, Amazon relies on temps year-round.”

As for Amazon’s boast of health care, a Pittsburgh warehouse worker said, “don’t let yourself get sick because there’s no insurance and you don’t get paid.”

Another worker pointed out that Amazon’s healthcare was an extra \$9.00 a week which her supervisor told her to save. “That amounts to just \$500.00 a year. What are you going to do with that?” She asked. “That wouldn’t buy a Tylenol in a hospital.”

And as for Amazon’s claim that jobs are full-time, almost everyone in Pittsburgh works four-hour shifts and the company routinely forces workers to work overtime if

there are still packages to ship.

“I work a second job,” said another worker coming off of the day shift. “I don’t mind doing five hours, I need the extra money. I work an extra job and with five hours here, it gives me ten hours for the day.

“Amazon doesn’t have full-time status; I don’t think that is right. We don’t get sick time or vacation. They don’t want to pay for health care; I have to buy it myself. It costs \$100 a month. My wife also works and she is able to get insurance for her and our daughter.

“They know people are desperate for jobs. They know that \$12.25 is more than most jobs. My other job only pays \$8.50. Everything costs a lot, food, cloths keep going up and the bills just keep on coming.

“You have Bezos making billions; they could pay us a decent wage. This is a giant company, they say it’s the future, but if this is the future, what does that mean for the workers?”

Amazon relies on a lack of jobs in an area to provide it with a steady stream of workers. The company has also made agreements with state and local politicians to supply the company with people receiving food stamps, Medicaid or other assistance to work.

In Pennsylvania, one worker said the company gets a \$10,000 or \$12,000 tax credit for each person receiving state assistance it hires. In addition to subsidizing almost all of the employee’s wages, this arrangement gives the company nearly dictatorial control over the worker since if the worker is fired, he or she will also lose their benefits.

“Amazon only guarantee us 18 hours a week,” explained one of the Pittsburgh workers. “We have to work 20 hours a week in order keep getting our food stamps. If I turn down overtime that week, Amazon will report that I am only working 18 hours a week and my food stamps will be stopped.”

Amazon workers must unite against corporate exploitation by constructing committees in their workplaces to defend their rights. These committees must link with workers at other warehouses in the US and internationally in a common struggle against Amazon. To learn more, sign up for the *International Amazon Workers Voice* newsletter and like us on Facebook.



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