

Take that Critics: Amazon Hits Back with a Salary Bump for all US Employees

David Diaz,
Executive, [Davenport](#)
[Laroche](#)



“Today I want to give credit where credit is due,” Senator Bernie Sanders declared this week, “what Mr. Bezos has done today is not only enormously important for Amazon’s hundreds of thousands of employees, it could well be, and I think it will be, a shot heard around the world.”

Sanders, a long-time advocate for raising the minimum wage nationwide, was referring to a decision by Amazon CEO Jeff Bezos to raise the firm’s minimum wage for all US employees to \$15, effective from next month.

Last month, Sanders introduced legislation to tax corporations for every dollar their low-wage workers receive in government health-care benefits or food stamps. Subtly named the Stop Bad Employers by Zeroing Out Subsidies, or BEZOS act, Sanders’ act is aimed at shaming companies like Amazon, whose workers are paid less than industry averages and typically rely on public assistance.

“Our legislation gives large, profitable employers a choice: Pay workers a living wage or pay for the public assistance

programs their low-wage employees are forced to depend upon,” Sanders said of the proposed BEZOS bill.

As [Ken Kurson](#) noted, “Now, Bezos appears to have dodged Sanders’ pointed finger: the new minimum wage will benefit more than 250,000 Amazon employees, including part-time and temporary employees, in addition to some 100,000 seasonal employees.”

Some employees already making \$15 an hour will also receive a pay increase, says the company.

Amazon’s starting pay at present is location-dependent: \$10 an hour at a warehouse in Austin, Texas, compared to \$13.50 an hour in Robbinsville, New Jersey. In 2017, the median Amazon employee earned just under \$28,500; Bezos, Amazon’s CEO, earned \$1.7 million.

“We listened to our critics, thought hard about what we wanted to do, and decided we want to lead,” Bezos said in a statement. “We’re excited about this change and encourage our competitors and other large employers to join us.”

Amazon has also declared its support for raising the federal minimum wage. Amid a recovering labor market, Bezos looks to have got the jump on increasingly necessary hiring practices. In August, national wage growth reported its biggest increase of America’s economic recovery, said the Bureau of Labor Statistics. Payroll gains also beat expectations, and the unemployment has remained near generational lows of 3.9 percent. Holiday hiring, then, is tougher for retailers than in years past. Shares of [Amazon](#) were trading marginally lower on Tuesday morning following the announcement. Still, the the firm says the effect of the higher pay will be reflected in its forward-looking quarterly guidance before the end of the year. Furthermore, Amazon has reason to be optimistic about this year’s wage raise, with hopes of attracting and retaining a high quality workforce.

“Amazon’s announcement that it was raising starting wages for employees to \$15/hour...is positive for the company,” said Moody’s Lead Retail Analyst Charlie O’Shea, “as we have seen with other retailers who have already done this, including Walmart and Target, the returns will ultimately outweigh the costs.”