

# Amazon's Pay Raise Cuts Worker Compensation

By [Stephen Lendman](#)

Global Research, October 18, 2018

Region: [USA](#)

Theme: [Police State & Civil Rights](#)

*Amazon CEO Jeff Bezos' net worth exceeds \$100 billion - while around 350,000 US company workers struggle to survive on poverty wages, along with enduring deplorable working conditions for maximum productivity at company fulfillment centers.*

Last March, company worker James Costello, employed at an Indianapolis warehouse, described conditions as follows:

"(W)e're expected to push out at least around 20,000 packages, sometimes higher, sometimes lower."

"It can get unsafe when we have 30,000 or more packages because the other part of the job is loading them into vehicles, and it's hard to get them all pushed out."

"Packages get stacked up so people end up tripping. People try to lift heavier packages by themselves and get sprains and other injuries, including to their back."

"Small injuries like that are not covered by Amazon. You can go home but it's an unexcused absence."

"If you are severely injured, insurance will cover it, but only if it can be proven that the injury took place during working hours."

"At the Plainfield, Ind., facility someone was killed during peak season last year. They got killed by a lift."

"They were pulling packages, and the lift came down while they were at the bottom underneath it. This demonstrates both a lack of proper safety training and a lack of equipment maintenance."

Lots of injuries occur, he explained. Many go unreported. People work injured, needing the pay, unable to take uncompensated time off.

When someone is injured, they bear the burden to prove it, often not easy because the company shuns payouts.

Workers are on their feet throughout their shifts, permitted one 15-minute break if work under eight hours daily. If longer, they get an optional unpaid 30-minute meal break.

Workers are pushed to meet quotas, discouraged from taking bathroom breaks, told by superiors it's not "productive."

Failure to meet quotas multiple times risks termination. Workers feel exploited. They're

constantly monitored, including when getting a drink of water or going to the bathroom.

Talking is discouraged, workers told they have to be more productive. Benefits are meager. Costello said he gets none because he can't afford to pay his portion of the cost.

Many workers have no benefits. Others with them aren't fully covered. Many need other jobs and food stamps to survive.

Turnover is high. Many workers quit or get fired for not making quotas. Some are let go before a pay raise, then rehired at less compensation.

Amazon is not a safe company to work for, he stressed, nor free from racial discrimination. No company locations are unionized, management adamant against it.

The company is like Walmart, exploiting workers for maximum productivity and company profits, way under-compensating them.

On October 2, Amazon announced a "new \$15 minimum (hourly) wage...effective...November 1," adding:

"New \$15 minimum wage includes associates employed by temp agencies."

"More than 250,000 Amazon employees, as well as more than 100,000 seasonal holiday employees, and their families will benefit from the new, higher pay."

Reportedly, workers paid over \$15 an hour will get an added \$1 hourly increase.

CEO Bezos claimed management "listened to our critics, thought hard about what we wanted to do, and decided we want to lead," adding:

"We're excited about this change and encourage our competitors and other large employers to join us."

Hold the cheers. Increased hourly pay for all company workers comes at the expense of lost bonuses and stock awards - resulting in less compensation overall, greater company profits, why Bezos is "excited" about the change.

Major media largely reacted the same way. The Wall Street Journal called it "goodwill gained with politicians and workers (to) outweigh any hit to profitability, and such a move gives Amazon a possible advantage in hiring tens of thousands of workers during a competitive holiday season and in a low-unemployment environment."

Senator Bernie Sanders embarrassed himself saying:

"This is what the political revolution is all about."

"Today I want to give credit where credit is due, and that is that Mr. Bezos and Amazon have done the right thing. This is a significant step forward for many thousands of Amazon employees."

Sanders like others cheering the move ignored Amazon's plan to take more back from workers than it's giving them, decreasing their overall compensation.

According to the [MyNorthwest website](#),

"(b)efore the raise, warehouse workers received anywhere from two to three Restricted Stock Unit (RSU) awards, vesting in full after two years."

"Sitting at around \$2,000 a share, Amazon stock is traditionally touted as a massive value-add for employees when determining base wages."

"On top of that, employees also received monthly bonuses through the company's Variable Compensation Pay (VCP) program, with the ability to earn up to 8 percent of their monthly income."

According to [Yahoo! Finance](#), the typical Amazon worker earned \$1,800 to \$3,000 annually through its variable compensation program. Bonus earnings could double during peak months.

An anonymous worker said an additional \$1 in hourly pay amounts to \$2,080. It comes at the expense of "a few thousand dollars more from the incentive programs" the company eliminated.

Last year, the media Amazon worker earned \$28,446 or roughly \$13.68 an hour. An extra \$1.32 per hour increases their median annual income to around \$30,000.

For a family of four in most US cities, it's poverty-level income, federal guidelines indicating otherwise way unrealistic.

For decades in America, worker pay lagged inflation the way it should be calculated, not how it is to way understate reality.

People who eat, drive cars, pay rent or high mortgage obligations, have medical expenses, pay college tuition and fees, as well as heat and/or air-condition residences know more about inflation than mainstream talking head economists.

Working class Americans are overworked, underpaid and exploited while corporate giants and high-net-worth households never had things better.

Inequality in the country continues growing no matter which right wing of duopoly governance is in power.

\*

Note to readers: please click the share buttons above. Forward this article to your email lists. Crosspost on your blog site, internet forums. etc.

*Award-winning author Stephen Lendman lives in Chicago. He can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net). He is a Research Associate of the Centre for Research on Globalization (CRG)*

*His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for*

*Hegemony Risks WW III."*

<http://www.claritypress.com/LendmanIII.html>

Visit his blog site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com).

Featured image is from *The Verge*.

The original source of this article is Global Research  
Copyright © [Stephen Lendman](#), Global Research, 2018

---

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Stephen Lendman](#)

#### About the author:

Stephen Lendman lives in Chicago. He can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net). His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III."

<http://www.claritypress.com/LendmanIII.html> Visit his blog site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com). Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)