
UNITEDfor
RESPECT

Good Jobs Clean Air NJ

**Amazon's Growth in New Jersey
and Falling Wages in the Delivery
and Warehouse Industry**

MARCH 2022

EXECUTIVE SUMMARY

Over the past decade, Amazon has grown to be the second largest employer in the United States and now boasts over 1.6 million workers across all its operations. The COVID-19 pandemic has only accelerated the company's growth, with the number of employees doubling in the past two years. Simultaneously, the company has opened hundreds of new facilities as it invests in last-mile delivery operations and focuses on two-day delivery. In 2020 alone, it is estimated that the company opened 300 new facilities.

In New Jersey, Amazon has grown rapidly. The company has opened dozens of new facilities, and currently **reports** 19 fulfillment and sortation centers and 20 delivery stations in the state. Relying on a mixture of employees, third-party Delivery Service Providers (DSPs), and gig-economy Flex drivers to get packages to doors, Amazon's expansion means more and more drivers on New Jersey roads. According to the company, from 2015 to 2020, the number of **Amazon's New Jersey employees grew from 5,500 to 49,000, a nearly 800% increase in only 5 years.** As of 2020, 1 in 100 New Jersey workers was employed by the company, and today it is likely the **largest** private employer in the state.

Amazon's growth has a steep price for New Jersey communities. A recent Consumer Reports **study** of Amazon's distribution network found that the company tends to place its warehouses in communities of color, burdening them with increased traffic, noise, and pollution. Marginalized New Jersey neighborhoods with Amazon facilities must now contend with the numerous health concerns linked to vehicle emissions, including childhood asthma, impaired lung function, and even heart disease.

The company's growth and ability to set standards across industries may also lead to lower wages for workers in the state. Along with high **injury** and employee **turnover** rates, a nationwide **analysis** of 68 counties found that **average**

industry compensation declined by 6% after the opening of an Amazon facility. This raises serious concerns for New Jersey workers as the company increases its footprint in the state.

The *Good Jobs Clean Air NJ* coalition and *United for Respect* analyzed Amazon and U.S. Bureau of Labor Statistics data from 2010 to 2020 to shine a spotlight on the worrying impact of the company's growth on New Jersey's jobs and wages. The data presented below demonstrate that **even as New Jersey saw explosive growth in the number of workers employed in the Delivery and Warehousing industries, wages have declined significantly** when adjusted for inflation.

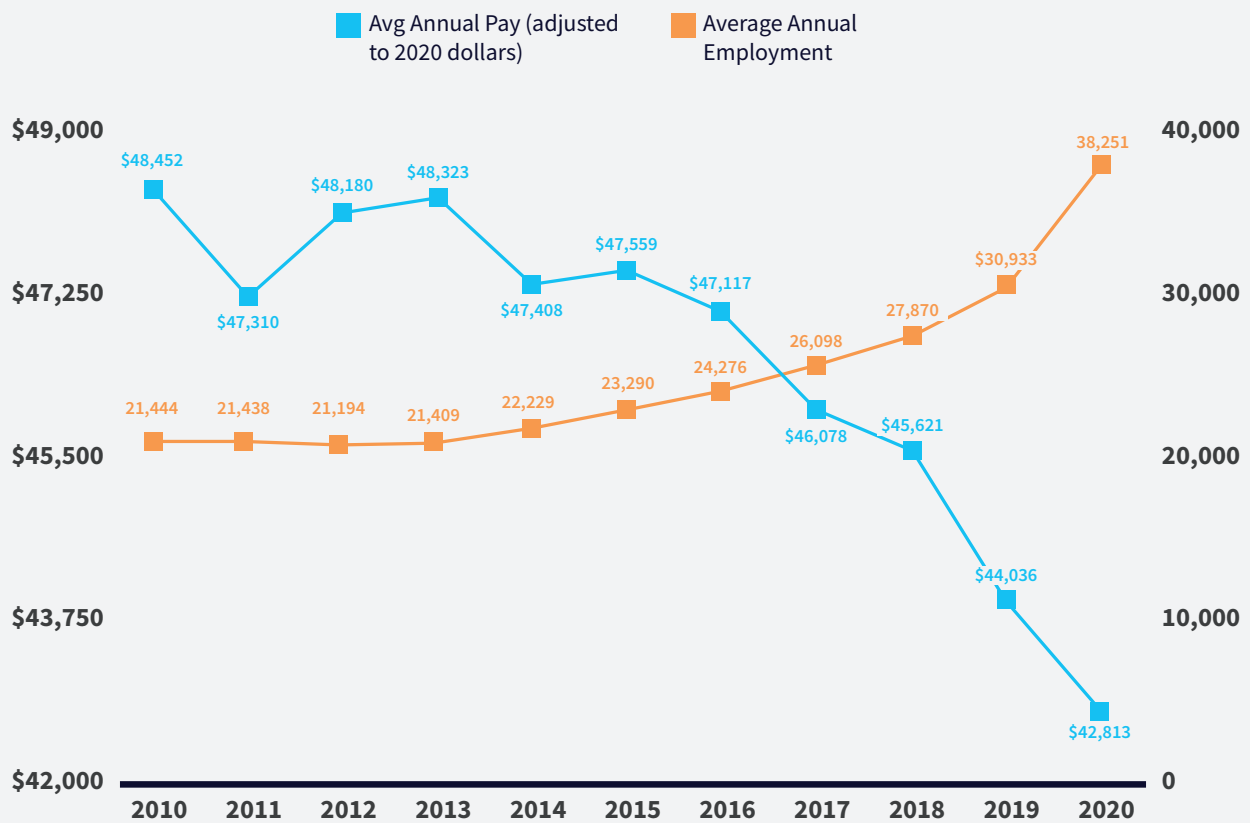
NEW JERSEY COURIERS AND MESSENGERS

Between 2010 and 2020, the number of New Jersey workers classified as Courier and Messengers, including Express and Local delivery services, rose by 78%, from 21,444 workers to 38,251.

During the same period, workers in the industry/ classification saw their inflation-adjusted pay decline by nearly 12%, from \$48,452 in 2010 to \$42,813.

The decline in real wages for Couriers and Messengers in New Jersey also correlates to the growth in Amazon facilities in the state. From 2013 to 2020, the number of Amazon facilities in New Jersey grew from 1 to 49. During that same period, messenger and courier inflation-adjusted wages dropped by 11%.

New Jersey Couriers and Messengers Employment rose 78% while inflation-adjusted pay decreased by 12%



2013

Amazon Christmas Fiasco. Open first Delivery Station. In 2014, use more regional carriers and DSP 1.0.

2015

Amazon's Annual Revenue of \$100 Billion.

2018

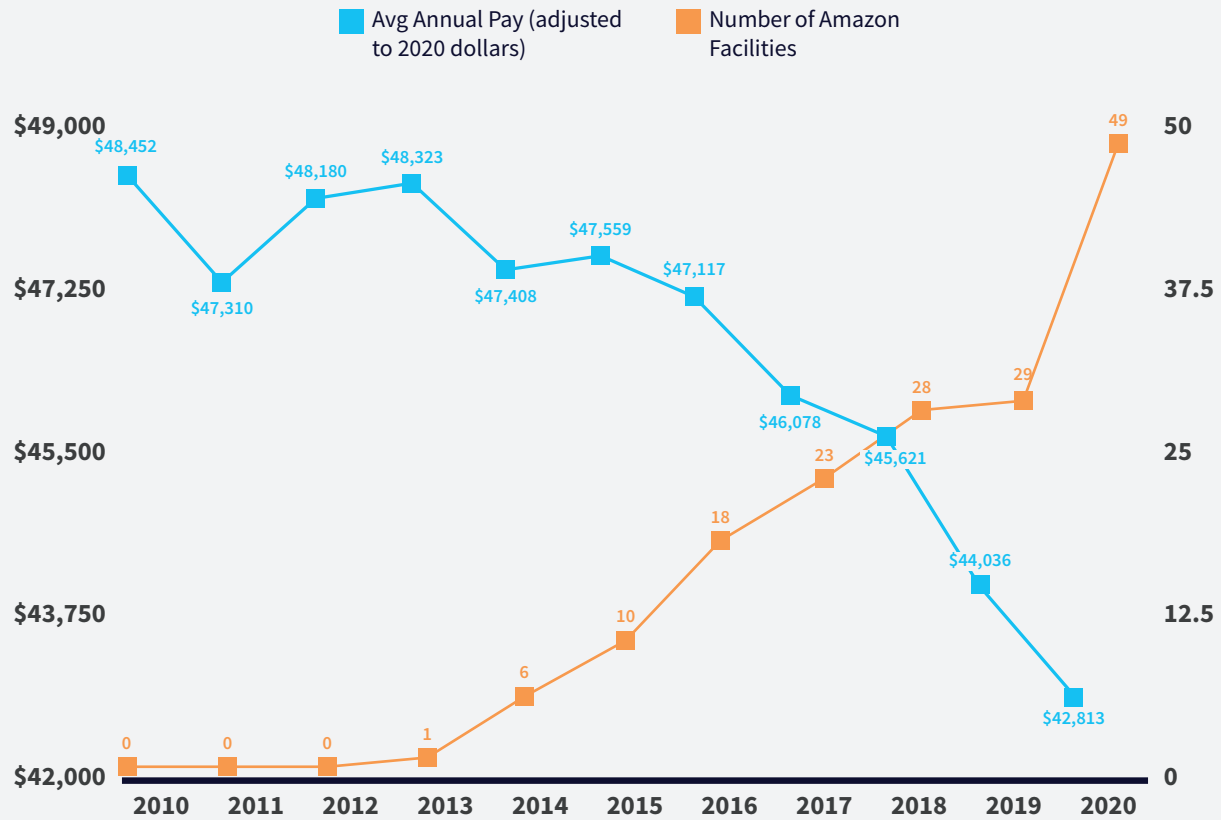
Amazon's DSP last-mile delivery program established

2019

Amazon is the 4th largest delivery service in U.S.

Source: U.S. BLS, Quarterly Census of Employment and Wages (QCEW)

Number of New Jersey Amazon facilities and Average Annual Pay Adjusted for Inflation in 2020 Dollars for Couriers and Messengers



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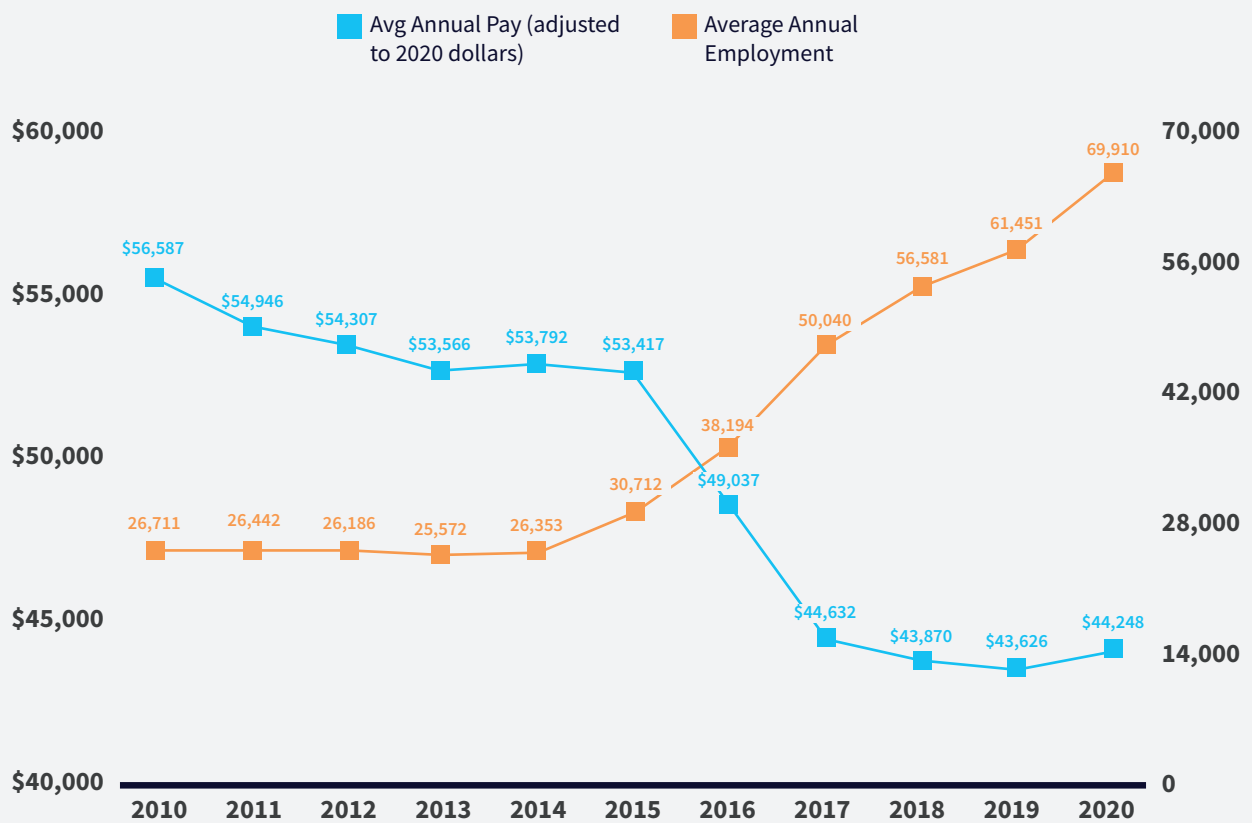
Source: U.S. BLS, Quarterly Census of Employment and Wages (QCEW) and mwpvl.com/html/

NEW JERSEY WAREHOUSING AND STORAGE

From 2010 to 2020, New Jersey employment in warehousing and storage rose by 160%, from 26,711 workers at the start of the decade to 69,910 by the end of it.

During this decade, these same warehouse and storage workers saw their inflation-adjusted pay decline by nearly 22%, from \$56,587 to \$44,248.

New Jersey Warehousing and Storage Employment rose 160% while inflation-adjusted pay decreased by nearly 22%



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