

Dead-End Jobs: Amazon Warehouses Fail to Provide Long-Term, Full-Time Employment for New Jerseyans

Annual worker turnover at Amazon warehouses in New Jersey is approximately 124 percent, almost double the rate of turnover at non-Amazon warehouses in the state.

Key Findings

NELP analyzed publicly available Census Bureau and Occupational Safety and Health Administration data for New Jersey. Here are the key findings:

- **High churn.** We estimate Amazon's turnover rate by calculating the average turnover rate for warehouse workers in the five counties where Amazon employs approximately 50 percent or more of the county's warehouse workforce.¹ These counties are Burlington, Bergen, Gloucester, Mercer, and Middlesex. These are also the counties hosting Amazon's 10 largest warehouses in New Jersey.² The average turnover rate for warehouse workers in these counties was 124 percent in 2020, the latest year for which data are available (see **Table 1**).³ That rate means that for every warehouse job in those counties, more than one worker is let go or quits each year. The 124 percent average turnover rate is roughly the equivalent of replacing the entire workforce every 10 months or losing more than two percent of the workforce every week. It is also almost double the turnover rate for warehouse workers in New Jersey counties without any Amazon facilities (72 percent).⁴
- **Low annual hours per employee.** At Amazon's New Jersey warehouses, the number of hours worked per employee per year was 1,669 hours on average in 2021 and 1,458 hours on average in 2020.⁵ By comparison, a full-time employee working a full year (40 hours a week for 50 weeks) would work 2,000 hours. The lower number of hours at Amazon warehouses suggests a prevalence of both short-term and part-time work arrangements.⁶ Amazon does not provide health insurance benefits for short-term workers and provides limited benefits for certain part-time workers.⁷

Table 1. Warehouse worker turnover rates by New Jersey county, 2020

Counties with Amazon facilities			
County	Average Annual Warehouse Employment	Total Annual Separations	Turnover Rate
Bergen, NJ*	3,831	4,953	129.3%
Burlington, NJ*	7,587	8,700	114.7%
Camden, NJ	1,568	1,684	107.4%
Essex, NJ	1,768	1,839	104.0%
Gloucester, NJ*	6,063	8,305	137.0%
Hudson, NJ	4,539	3,894	85.8%
Mercer, NJ*	6,209	7,731	124.5%
Middlesex, NJ*	24,207	29,587	122.2%
Morris, NJ	849	306	36.1%
Salem, NJ	1,217	1,007	82.7%
Union, NJ	3,179	3,722	117.1%
Somerset, NJ	255	92	36.1%
Counties without Amazon facilities			
Cumberland, NJ	1,144	1,068	93.4%
Hunterdon, NJ	296	187	63.2%
Monmouth, NJ	246	93	37.9%
Passaic, NJ	1,046	615	58.8%
Average turnover in 5 counties where Amazon has the largest presence	~	~	124.0%
Average turnover in counties with any Amazon warehouses	~	~	117.2%
Average turnover in counties with no Amazon warehouses	~	~	71.9%

*Source: MWPVL International, NELP analysis of Census Bureau's Quarterly Workforce Indicators data. Note: Only counties with annual average employment in the warehouse sector of over 100 are included in this table and in the averages. Average turnover rate of listed counties is weighted by employment. *Denotes the 5 New Jersey counties with the largest Amazon presence where Amazon employs at least half of the warehouse workforce and where Amazon's 10 largest NJ warehouses are located.*

- **Skyrocketing turnover rates after Amazon opened its flagship New Jersey warehouse.** Taking a closer look at one county where Amazon has an outsized presence provides a telling example of the difference in turnover rates between Amazon and other warehouse employers in New Jersey. In Mercer County, where Amazon’s largest warehouse in New Jersey (EWR4) is located and where Amazon employed an overwhelming majority of the county’s warehouse workers in 2020, turnover rates increased dramatically after Amazon arrived in 2014.⁸ In 2013, the year before Amazon opened its facility, turnover for warehouse workers in Mercer County was 32 percent. Starting in 2014, the annual warehouse worker turnover rate in the county rose dramatically, averaging 113 percent for the eight years following Amazon’s arrival (see **Table 2**).

Table 2. Turnover at Mercer County warehouses, 2002-2020				
Year	Average annual warehouse employment	Total separations	Turnover Rate	Amazon warehouse openings
2000	60	116	193.3%	
2001	133	147	110.5%	
2002	637	533	83.7%	
2003	785	353	45.0%	
2004	713	419	58.7%	
2005	631	377	59.7%	
2006	348	106	30.5%	
2007	840	199	23.7%	
2008	983	463	47.1%	
2009	812	185	22.8%	
2010	785	148	18.9%	
2011	780	207	26.5%	
2012	808	254	31.4%	
2013	814	262	32.2%	
2014	1,093	909	83.1%	EWR4
2015	2,584	3,161	122.3%	
2016	3,403	4,570	134.3%	
2017	4,323	5,482	126.8%	
2018	5,025	4,043	80.5%	PNE5
2019	4,674	4,835	103.5%	
2020	6,209	7,731	124.5%	
Average from 2014-2020			112.5%	

Source: NELP analysis of Census Bureau's Quarterly Workforce Indicators data.

Why Is Turnover So High at Amazon?

These high turnover rates at Amazon in New Jersey are consistent with turnover patterns at Amazon fulfillment centers across the country.⁹ Changes in turnover rate can be related to various factors, including business cycle fluctuations.¹⁰ However, the consistently high rate at Amazon warehouses as compared to the rate at other warehouses confirms that Amazon has largely failed to provide stable, long-term warehouse employment. Some factors contributing to high turnover at Amazon warehouses may include:

- Unsustainable work pace quotas;¹¹
- High injury rates;¹²
- High-tech monitoring system designed to result in frequent discipline and terminations;¹³
- Low rates of promotion for hourly workers;¹⁴ and
- Extensive use of short-term employment arrangements.¹⁵

Even when Amazon doesn't directly terminate employees, workers have described other ways in which the company discards people for whom it no longer has use. Some workers who have made an extended commitment to Amazon jobs have reported that the company has taken steps to make it difficult for them to stay for the long term. For example, earlier this year in Bellmawr, New Jersey, Amazon announced that it was closing a facility, and workers—many of whom had worked there for several years—said that Amazon had initially told them they could transfer to another nearby facility. Later, however, the company reneged on that commitment—instead forcing workers to choose between leaving their jobs or taking assignments at locations much further away. As a result, seasoned workers will be forced out of their jobs and replaced by new associates. Workers from the Bellmawr facility staged a walkout in response, calling on Amazon to make good on its original commitment.¹⁶

What emerges from our analysis of turnover rates at Amazon warehouses in New Jersey is a troubling picture of Amazon's business model. Instead of creating career paths and cultivating workers to stay with the company for the long term, the company sees high turnover and churn as a normal and even desirable characteristic of its operations—without regard to the cost to New Jersey workers, their families, and their communities.

The company's perspective on turnover has been confirmed by sources within Amazon. As part of an investigation into turnover at Amazon facilities, *The New York Times* interviewed a former Amazon human resources vice president, and the reporter described what she learned from that conversation:

“Some of this turnover is actually by design...Bezos really wanted turnover.”

Some of it relates back to Jeff Bezos' ideas, and that some of this turnover is actually by design... [A] man named David Niekerk, who was an early, very influential Amazon HR person, explained that Bezos really wanted turnover. He was afraid of a stagnant workforce... So turnover is almost built into the system... [T]hey just don't expect to keep people for very long... [P]romotion is very limited.¹⁷

The former Amazon vice president also shared details of the history of Amazon's purposeful curtailment of internal promotions for hourly workers, as explained by *The New York Times*:

“Amazon intentionally limited upward mobility for hourly workers.”

Amazon intentionally limited upward mobility for hourly workers, said Mr. Niekerk, the former H.R. vice president who retired in 2016 after nearly 17 years at the company. Dave Clark, then head of operations, had shot down his proposal around 2014 to create more leadership roles for hourly employees.... By contrast, more than 75 percent of managers in Walmart’s U.S. stores started as hourly employees. Following a pattern across Amazon, JFK8 [an Amazon warehouse in New York City] promoted 220 people last year among its more than 5,000 employees, a rate that is less than half of Walmart’s.¹⁸

Recommendations

In New Jersey, Amazon’s high-churn business model may create many costs to workers and the public that are not borne by the company. The constant turnover of workers causes instability for families and communities. It also potentially puts a strain on public services such as unemployment insurance, public assistance, and public health insurance programs. A further consequence of high turnover is it thwarts union organizing efforts. Workers that stay at Amazon for only a short time have more difficulty participating effectively in union organizing drives and election processes that may take years.¹⁹

As Amazon seeks to continue its rapid expansion in New Jersey, policymakers and public officials should act immediately to ensure that any new Amazon development in the state actually creates high-quality, family-sustaining job opportunities that New Jerseyans can count on for the long term. Our recommendations include the following:

1. **Adopt Community Benefits Agreements.** Public officials must require Amazon to enter into binding agreements regarding job quality, labor peace, and other community concerns as a necessary component of any public approval of expansion or development plans.
2. **Enact worker protection legislation.** California and New York both recently passed legislation to improve protections for warehouse workers.²⁰ New Jersey state lawmakers should consider enacting a package of laws addressing warehouse work that includes provisions on work pace, discipline, electronic monitoring, injury prevention, scheduling, non-standard work arrangements, fair hiring and promotion, labor peace, and other worker protections.
3. **Support and promote workers’ right to organize.** Building worker power through workplace organizing and unionization is crucial to securing long-term, full-time, and high-quality jobs for New Jersey workers. However, high employee turnover at Amazon’s warehouses makes workplace organizing especially challenging.²¹ Moreover, Amazon has actively sought to restrict workers’ rights to organize, such as by firing workers who have spoken up about working conditions.²² Elected officials and other public leaders can and should help focus public attention and generate support for worker organizing efforts and help mobilize community response when workers are fired or retaliated against for organizing.

These steps are necessary to ensure that Amazon—New Jersey’s second-largest employer—provides quality job opportunities for New Jerseyans as it continues to rapidly expand its operations in the state.

Endnotes

- ¹ Comparing self-reported annual employment figures from Amazon from the Occupational Safety and Health Administration's (OSHA) Injury Tracking Application and total annual warehouse employment by county from the Census Bureau's Quarterly Workforce Indicators, we estimate that Amazon represents approximately 63 percent of annual average warehouse employment in Burlington, Bergen, Gloucester, Mercer, and Middlesex counties. Amazon's facilities in these counties represent approximately 72 percent of Amazon's total annual employment in New Jersey.
- ² The Amazon facilities included in the analysis (operating in Burlington, Bergen, Gloucester, Mercer, and Middlesex counties in 2020) are the following: EWR4, LGA9, ACY1, EWR9, ABE8, EWR5, EWR8, SPNE5, ACY2, CDW5. These warehouses and their opening dates are available here: https://www.mwpl.com/html/amazon_com.html
- ³ NELP analyzed data from the Census Bureau's Quarterly Workforce Indicators. Annual turnover is defined as total annual separations divided by average annual employment, following the method used by the Society of Human Resource Professionals available here: <https://www.shrm.org/resourcesandtools/tools-and-samples/how-to-guides/pages/determineturnoverrate.aspx>.
- ⁴ NELP analysis of data from the Census Bureau's Quarterly Workforce Indicators
- ⁵ NELP analysis of establishment-specific data from OSHA Injury Tracking Application
- ⁶ "Amazon is hiring for 150,000 seasonal jobs across the U.S.," Amazon News, 2021
<https://www.aboutamazon.com/news/operations/amazon-is-hiring-for-150-000-seasonal-jobs-across-the-u-s>
- ⁷ "Benefits Overview," Amazon Jobs, https://www.amazon.jobs/en/landing_pages/benefitsoverview-us
- ⁸ Census Bureau, Quarterly Workforce Indicators and OSHA Injury Tracking Application
- ⁹ Irene Tung and Debbie Berkowitz. "Amazon's Disposable Workers" National Employment Law Project, 2020.
<https://www.nelp.org/publication/amazons-disposable-workers-high-injury-turnover-rates-fulfillment-centers-california/>; Jodi Kantor, Karen Weise and Grace Ashford "The Amazon that Customers Don't See," New York Times. June 15, 2021, <https://www.nytimes.com/interactive/2021/06/15/us/amazon-workers.html>
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<https://maketheroad.app.box.com/s/eegxb56p228b7ofygcrar62cx9k9u2io>
- ¹³ Lauren Gurley, "Internal Documents Show Amazon's Dystopian System for Tracking Workers Every Minute of Their Shifts," VICE News, June 2, 2022, <https://www.vice.com/en/article/5dgn73/internal-documents-show-amazons-dystopian-system-for-tracking-workers-every-minute-of-their-shifts>
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<https://www.marketplace.org/2021/06/18/amazon-workforce-turnover-dominance-investigation/>
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