



Analytics

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Amazon, with annual revenue of \$233 billion, will get a \$4.5 million grant from existing Delaware businesses and citizens to build a large logistics warehouse on the site of the former GM Boxwood plant. Amazon's self-reported Federal corporate income tax rate is 1.2%.

Giving full credit to all the State officials who worked hard to make the new Amazon warehouse on the Boxwood site a reality, from an economic development standpoint it is more of the same.

Delaware has lost 30k+ auto manufacturing jobs and 35k+ DuPont jobs. The majority of the new jobs pay below avg wages with moderate, if any, benefits (e.g., restaurants, home health care, janitorial services). Consequently, Delaware per capita income has gone from 10% above the nation to 5% below. Inflation adjusted median household income has gone from \$70 thousand to \$63 thousand in 2017, a 10% decline in household purchasing power.

Amazon intends to hire 50 managers at \$60,000 per year for the warehouse and 950 associates who will make between \$31,000 and \$33,000 per year (equivalent to \$15.50 to \$16.50 per hour).

The average job in Delaware in 2018 paid \$25.63 per hour (\$51,260/year). Jobs in U.S. auto manufacturing currently pay \$40.02/hr. (\$80,032/year) with outstanding benefits (U.S. BLS).

Jobs at the Middletown Amazon warehouse currently pay from \$16/hr. to \$19.15/hr. (\$32,000 to \$38,300 full time). Benefits of some type can be applied for after 8 hours of work.

The Middletown Amazon warehouse jobs are described as "physical...with frequent pushing, pulling, squatting, bending and reaching." Noise can be loud. Temperatures range from 60-90 degrees and may exceed 90 degrees.

Workers must be able to lift up to 49lbs. Workers will stand or walk for 10 to 12 hours and may be required to work 40+ hours/week. Workers have to read English and be able to take directions in English."

To attract new workers, the Middletown Amazon warehouse currently pays a \$500 signing bonus. And, naturally, during the holiday season many of the jobs will be part-time.

Hopefully, there will not be add-on infrastructure costs. Will additional highway renovations to handle the surge of traffic during the holiday peak be passed on to taxpayers? The hastily constructed new limited access DE RT 301 could be labeled "Amazon Highway." Has developer Harvey Hanna Associates already paid for brownfield remediation on the 142 acre site?



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With green deal industrial electric rates above the nation, a mediocre public school system, and no right to work law, perhaps the best Delaware can now do is to trade \$80,000 a year jobs for \$30,000 a year jobs with no career path. A disappointing reality for those without a college education.

Interested in an Amazon warehouse job? Contact Integrity Staffing.

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