The Future of the Warehouse State:
New Jersey Must Improve Job Quality in Warehouse Distribution Centers

A Report from Warehouse Workers Stand Up
Overview and Summary

This report offers a close examination of the rapidly growing workforce inside New Jersey’s warehouse distribution centers. It discusses how these warehouse workers are often the invisible hands packing and distributing products for Amazon and other retailers, big box chains, and apparel brands that have expanded their e-commerce operations in recent years.

These workers help generate huge profits for the multibillion-dollar e-commerce and retail industries, but many earn low wages, face exploitation, and are fighting to survive. Many are immigrant women. They perform their jobs in dangerous, largely unregulated warehouses and face constant pressure to meet the demands of faster delivery for e-commerce customers.

Through a presentation of the latest available evidence, data, and research, the report offers an in-depth account of the major challenges and struggles these workers face. They regularly operate dangerous machines, often without health or safety training or protection. They endure poorly defined jobs, erratic schedules, poverty wages, and discrimination; and the fear of retaliation and job loss makes workers reluctant to complain about these issues to employers.

The lack of job quality is pervasive in warehouse distribution centers. Many seasonal, part-time, and temporary warehouse workers would like to be full-time employees with living wages and benefits, but they are denied opportunities for good quality full-time jobs and career paths.1

This report focuses on the most common warehouse distribution centers found in New Jersey: warehouses run by major online retailers, big box retailers, apparel companies, and third-party operators. It discusses and analyzes the experiences of workers at large, influential warehouse operators in New Jersey, especially Amazon, and includes testimonies from several current and recent New Jersey warehouse workers in their own words.

Given the expected growth of e-commerce and warehouse distribution centers, it is essential that New Jersey policymakers take the lead on ensuring this industry is creating safe, career-track and family-sustaining jobs. New Jersey’s excellent ports and easy access to New York City’s enormous consumer market continue to drive rapid growth in this sector. Manufacturing once was a dangerous, unskilled, low-paying job that eventually became the driving force for the middle class in the U.S. Similarly, warehousing jobs can create more paths to New Jersey’s middle class. But that can only happen with the leadership of legislators and policymakers who are committing to raising workplace standards and job quality standards in warehouse distribution centers.

The report ends by proposing a code of conduct that all operators of warehouses in New Jersey should implement. The code of conduct was developed by warehouse workers and would help improve job quality and raise workplace standards in warehouse distribution centers. The conclusion of the report discusses how a code of conduct that includes a living wage, including a $15 per hour wage floor, the right to organize, fair schedules, workplace safety standards and other measures can empower and protect the growing number of warehouse workers in New Jersey.

New Jersey’s policymakers and elected officials are urged to take immediate action to pressure warehouse distribution centers to adopt the proposed code of conduct. Where possible, they can use legislation and economic development policy to require implementation of the code of conduct. Enforcement of the proposed code of conduct by New Jersey’s local and state officials is crucial for improving job quality for warehouse workers and for giving New Jersey’s working families a better future.
Introduction:
A Growing Number of Workers in New Jersey’s Warehouses Drive E-Commerce Operations for Big Retailers

The New Jersey Department of Labor defines transportation, logistics and distribution (TLD) as an “industry cluster” that includes wholesale trade, transportation and warehousing sectors.¹

Jobs in these fields are a big part of New Jersey’s economy. As of 2016, this cluster of industries accounted around 11 percent of the state’s private sector workers, employing more than 380,000 New Jersey residents, with nearly 40,000 employed specifically in warehouse distribution jobs.² Between 2006 and 2016, more than 13,000 new warehouse jobs were created as more warehouse distribution centers opened up in places like Perth Amboy, Dayton, Newark, and other localities near New Jersey’s major ports and along the New Jersey Turnpike.³

These large warehouse facilities are part of the booming, multibillion-dollar e-commerce and retail economy. Warehouse workers are responsible for processing, packaging and shipping products to online shoppers, especially those who live in New York City and the surrounding area. As the Wall Street Journal has noted, “When New York-area shoppers load up their online carts with everything from diapers to dog food, chances are those purchases will be packed and shipped from a warehouse or distribution center in northern or central New Jersey.”⁴

In New Jersey, warehousing and storage is expected to grow by another 42 percent through 2026, and generate an additional 16,000 jobs, according to the state’s Department of Labor.⁵

It’s no surprise, then, that analysts and observers call New Jersey “the warehouse state.”⁶

This rapid employment growth in warehouse distribution centers is fueled by the rising demand for warehouse facilities that support e-commerce operations – a trend expected to continue as more New Jersey warehouses keep serving e-commerce customers in New York City.⁷

“The growth of online shopping… is sparking a frenzy in New Jersey’s commercial real-estate market… tight inventories and surging demand are driving rents for New Jersey warehouse space to new highs,” the Wall Street Journal reported⁸ in December 2017.

Amazon and other online retailers are snatching up warehouse spaces in New Jersey. But they aren’t the only ones. Brick-and-mortar retailers, big box chains, and apparel brands are also leasing and operating them to support the expansion of their e-commerce operations.

Commercial real-estate industry experts like CRBE⁹ and Cushman & Wakefield¹⁰ note that New Jersey has a unique location and unique ability to fulfill next-day delivery and same-day delivery of products. There is no other place like New Jersey in the region. Indeed,
New Jersey has a clear competitive advantage for warehouse distribution centers and e-commerce fulfillment, given its major ports in Newark, Elizabeth and Bayonne; its large highway system; and its close proximity to nation’s largest urban customer base in New York City.

The fact that these warehouse facilities are often used to fulfill e-commerce and online orders has led to the growing usage of the term “fulfillment centers” to describe what they do.

Indeed, e-commerce uses accounted for more than half of all warehouse leases signed in 2017 for big box space in New Jersey, according to real-estate advisory firm Newmark Knight Frank.11

This push for faster deliveries is one of the biggest factors driving demand for more warehouse space in New Jersey. It’s transforming how warehouse distribution centers are configured12 and increasing pressure on warehouse workers to fulfill product orders at a faster pace, as more e-commerce operations compete over who can offer the quickest delivery to customers.

These warehouse jobs are not easy. In the next section of the report, we discuss the chaotic environments inside warehouse distribution centers where e-commerce fulfillment happens. We examine how warehouse workers in New Jersey must perform at breakneck speed under grueling, exploitative, and often unsafe conditions that, in some cases, have resulted in death.

Below we highlight how the lack of good quality, full-time jobs with real career paths is pervasive in warehouse distribution centers. Many of the workers are seasonal, part-time, and temporary. They would like to be full-time employees with living wages, decent benefits, and career advancement paths, but they are denied opportunities for good quality jobs.13

Key Findings:
Unsafe Conditions, Exploitation, Lack of Good Quality Full-Time Jobs in Warehouse Distribution Centers

Warehouse distribution centers in central and northern New Jersey regularly receive goods from the Port of Newark. When the goods arrive at these warehouses, the work of unloading, sorting, processing, packaging, and shipping products to retail customers is intensive. The New Jersey residents who perform these difficult, demanding jobs are primarily Latina immigrant women. A major academic study14, based on extensive interviews with a representative group of these workers and on-site visits, described their jobs in terms of “erratic work schedules, poverty wages, hazardous conditions, demeaning treatment, and little to no job control for workers.”

Published in Working USA: the Journal of Labor and Society, the study15 explains that a significant number of New Jersey’s warehouse workers obtain their jobs through temp agencies. These temp agencies are used to lower labor costs and get around the legal obligations of employment. While the number of temp workers hired can vary, many are “steady warehouse workers and have relatively long-term attachments to this occupation.” In other words, they are not day laborers in the traditional sense. Instead, they work alongside and regularly perform shifts with a mix of direct employees, part-time employees, and seasonal employees.

The lack of full-time jobs with living wages, stable schedules, decent benefits, and career advancement is widespread in New Jersey’s warehouses. Job quality in warehouse distribution centers clearly needs to be improved. Many of these workers struggle to make ends meet.

Indeed, according to the study in Working USA, warehouse workers face “poorly defined job classifications and responsibilities”: “the skill sets needed to perform jobs are unrecognized or undervalued by temp agencies and client employers”;
“lack of work rules,” which means warehouse distribution centers “rarely allow for required breaks, and there are generally no grievance procedures”; “absence of job ladders”: workers are given “no promotions, pay increases, or established paths to permanent employment; “no training”: there is little or no investment in boosting the skills of workers or in providing safety instructions; “lack of information about legal rights”: “employers do not post or inform workers about their rights under state and federal employment laws.”

Over the past decade, unions have made some inroads into organizing workers in the growing warehouse sector. For example, the Laundry, Distribution, and Food Service Joint Board of Workers United SEIU has organized and unionized some warehouse workers in New Jersey. These union contracts help raise workplace standards, improve the quality of jobs in the industry. Organized warehouse workers have the power to collectively bargain to protect and promote regular full-time employment in unionized warehouses. But overall, warehouse distribution center workers in New Jersey are still largely without unionization or a strong voice on the job. They continue to be vulnerable to harm and exploitation. Full-time warehouse jobs with safety protections, living wages, decent benefits, stable schedules, and real career paths are severely lacking in New Jersey today.

In recent years, there were several incidents of worker deaths in New Jersey warehouses. As recently as October 2018, a worker died at a warehouse in Edison, New Jersey. The warehouse is apparently operated by Retailers & Manufacturers, a distribution service provider contracted through a logistics company tied to Macy’s. The worker fell off a cargo lift “while handling merchandise on tall storage shelves inside... He was not tethered to the cargo lift as a safety precaution when he lost his footing,” according to one news account.

The Occupational Safety and Health Administration (OSHA) has found it is common practice to use a forklift and pallet to lift employees for inventory counts. A number of other major safety incidents that did not result in a worker death have been made public by OSHA press releases or revealed in media coverage. Commonly-cited issues included blocked or locked exit doors, unguarded machinery, electrical hazards, and powered industrial truck violations. These warehouse worker deaths and reported safety hazards have occurred as e-commerce operations focus on faster packaging, shipping, and delivery of products to online shoppers.

McKinsey and Company, a leading analyst of business trends and management consultant, has published an important study that illuminates how e-commerce customers are transforming the operations of warehouse distribution centers. A key trend identified and analyzed in the study is the link between rising consumer expectations and the increasing speed of product delivery. “Consumers are demanding ever more convenience when they buy online, particularly where delivery is concerned. They want to have multiple delivery options to choose from, and to receive their products as fast as possible. Once consumers have experienced a superior service level, they are usually reluctant to return to the previous inferior level,” the McKinsey study notes.

Poverty wages continue to be a pervasive feature of warehouse jobs in New Jersey.

This is why more consumers are no longer satisfied with two-day delivery or even next-day delivery. They want same-day delivery, a concept first rolled out by Amazon in 2009, and increasingly embraced by other e-commerce companies in recent years. Today, more brick and mortar retailers recognize that they cannot compete for online customers without same-day delivery. That recognition helps explain why more traditional big-box retailers are leasing or operating warehouse distribution space in New Jersey, and expanding their e-commerce operations.

It’s worth pausing to consider why Amazon initially tested same-day delivery in and around major metropolitan areas like New York City. As the McKinsey study reveals, “younger generations (e.g., millennials), people living in small households, those working long hours, and consumers with higher incomes are among those particularly willing to pay for more convenience.” This young, busy, affluent online shopper is clearly the demographic Amazon envisioned reaching with same-day delivery.

Today, workers race around New Jersey warehouse distribution centers to fulfill a larger number of same-day delivery orders - not just for Amazon customers but for countless shoppers who purchase from Amazon’s competitors and directly from traditional retailers and brands. To make same-day delivery a reality for consumers with
higher expectations, workers have been tasked with dramatically increasing the efficiency of operations inside warehouse distribution centers.

According to one prominent marketing agency advising companies on e-commerce fulfillment strategy: “Same day delivery requires swift packing and parceling of goods from warehouses. When designated same day delivery schedules are introduced in a city, the merchant needs to ensure that the staff at the concerned warehouse are quickly acquainted with the necessary schedule and task changes to accommodate speedy packing and parceling.”

The traditional systems and processes for parcel logistics are not set up to handle same-day delivery, as the McKinsey study observes. So entirely new systems and processes have to be implemented. Warehouse workers are on the frontlines of that effort. Yet job quality for workers has not improved alongside major transformations in how warehouses respond to the needs of online customers who expect faster delivery.

The increased need for speed from these workers has been called “staff optimization”—a management euphemism for pushing warehouse workers to adapt to more challenging, often brutal conditions. In New Jersey, warehouse distribution jobs were already hazardous before the introduction of same-day delivery. But recent warehouse worker deaths and injuries strongly suggest these jobs are becoming more dangerous in an era of rising consumer expectations for same-day delivery for products ordered online. In the eyes of some owners and operators of these warehouses, there is less time for taking precautions like properly securing workers on cargo lifts before they reach for products on shelves. And regulations have not caught up with the new risks posed to warehouse workers by same-day delivery and e-commerce fulfillment operating at much faster speeds.

Along with these extreme safety hazards, poverty wages continue to be a pervasive feature of warehouse jobs in New Jersey. The Working USA study cited earlier in this section found that warehouse workers hired by temp agencies and direct employees of warehouses were earning $9.00 per hour, and some were paid even less. A wage of $11 or more was considered a high wage according to workers interviewed for that study.

Meanwhile, a study from Rutgers University that relied on extensive interviews with women warehouse workers reported that some workers hired through temp agencies earned $8.75 per hour or less, and were even subjected to outright wage theft. The poverty wages these workers earn are slashed even more after the temp agencies take their cut and charge workers for transportation to and from warehouses in crowded vans. The average transportation fee reported in the Rutgers study was $35 to $48 per week—a hefty sum for low-wage workers who are struggling to survive.

In the past few years, wages for New Jersey’s warehouse workers have increased slightly in some cases, but not nearly enough to keep up with rising costs of living. In central and northern New Jersey, where many of these workers live and are employed, it’s a struggle to afford rent, food, transit and other basic expenses. Plenty of warehouse jobs today still pay less than $15 per hour, even though workers who pick, pack, and ship products are expected to perform at higher levels of “staff optimization” to meet the needs of same-day delivery for online shoppers.

Indeed, a 2018 New Jersey Department of Labor study notes that several categories of full-time warehouse distribution workers earn average annual salaries below $30,000. Some packers and packagers in warehouses still earn an average wage of less than $26,000 a year. And women, particularly Latina immigrant women,
continue to earn less than their male counterparts in warehouse distribution centers. Overall, women working in New Jersey’s warehouses often face forms of discrimination, harassment, and hostility that most men do not.

The Rutgers study found that “women work within conditions of structural chaos that function to their detriment but to the benefit of their job agencies and employers.”

Here are key examples of those the chaotic conditions and poor job quality for women:

“Occupational sex segregation and pay inequality—temp agencies explicitly recruit for “men’s jobs” and “women’s jobs” and assign workers accordingly. Men tend to do work such as lifting boxes and operating machinery, while assembly line workers are almost exclusively women.”

“Men’s” jobs are higher-paying. Even when male and female workers do perform the same labor, males receive higher wages.

“Lack of work/life balance—The cost of childcare places a heavy burden on many of these women. Haphazard work schedules have a particular impact on female workers with children. These employers may change work schedules at the last minute, even after workers have arrived at the job site. “The fact that these workers can be turned away from job sites without receiving pay means that they lose money when they have to pay for childcare.”

“Sexual harassment—Women interviewed for focus groups described “instances of inappropriate comments and touching by supervisors at the warehouses where they worked. Many respondents also described a pervasive culture of flirting that is connected to preferential treatment. They discussed instances in which they had been ignored or retaliated against for lodging complaints about these issues. Along with instances of harassment and fondling, many women described an overall culture in which younger women and “pretty women” were given preferential treatment at the temp agencies and in the warehouses.”

In this current era of the #MeToo movement, it’s worth noting that working-class immigrant women and women of color in New Jersey’s warehouses have had to endure sexual harassment and face retaliation for speaking out against it.

**Spotlight on Key Operators of New Jersey’s Warehouses:**

Amazon, Online Retailers, Big Box Stores, and Others

In New Jersey, warehouse distribution centers are operated by a diverse array of companies. These operators are a mix of major online retailers, big box retailers, apparel brands, and third-party logistics companies. Many continue to snatch up available warehouse space suitable for large e-commerce fulfillment operations that pack, ship, and deliver products to customers in northern New Jersey and the New York City area.

Currently, Amazon operates approximately 17 facilities in New Jersey totaling more than nine million square feet. An 18th is expected to be completed in early 2019. This is significant not just for New Jersey, but also for Amazon. Approximately 5% of all of its American distribution facilities and more than 7% of its active distribution square footage is located in New Jersey. But Amazon’s competitors, including national retailers and big box stores, are also snatching up warehouse space in New Jersey as they expand their e-commerce operations. More than half of all warehouse distribution center leases in New Jersey recorded for 2017 are for big box stores. Target operates an e-commerce facility in Perth Amboy; Best Buy operates a distribution warehouse in Piscataway.

Amazon deserves increased scrutiny for how it treats warehouse workers in New Jersey — both its direct employees and those within its local supply chain.

Other notable big box, national, and online retailers and apparel companies that operate warehouse distribution centers in New Jersey include: Costco, Office Depot, Barnes & Noble.com, Bed Bath & Beyond, Inc., Staples, Jordache, Barneys New York, and Macy’s.

Freeze is also worth mentioning here. A national apparel company based in New York City, Freeze is a division of Central Mills that operates a large warehouse in Dayton, New Jersey.
The warehouse workers at Freeze produce, pack, and distribute logoed sportswear under licensing agreements with numerous prominent corporations, including Disney, WWE, Nickelodeon, 20th Century Fox, Hanna-Barbera and Nintendo. Freeze’s warehouse workers are part of Amazon’s supply chain in New Jersey but not direct employees of Amazon.

Additionally, the massive G-III Apparel group operates three warehouses with over 1.3 million square feet combined and uses multiple third party logistics warehouses in New Jersey as well. If you recently purchased Calvin Klein, Dockers, or Levis’ clothing in the northern New Jersey or New York City area, it was likely packaged, processed, and shipped at one of G-III’s warehouses.

Meanwhile, other companies called third-party logistics (3PLs) are expanding their footprint, because they handle a variety of warehousing and distribution services for many clients. NFI Logistics, one of the largest 3PLs in the country with nearly $2 billion in annual revenue, is headquartered in Cherry Hill. XPO logistics, the second largest 3PL in the country according to Logistics Management, has more than 20 locations in New Jersey.

In some cases, an entire warehouse distribution operation for a major online retailer, big box retailer, or apparel company is contracted to a 3PL company, which may in turn contract with a professional employer organization (PEO) and local temp agencies to fill out the staff.

Despite this diverse array of warehouse operators, Amazon deserves increased scrutiny for how it treats warehouse workers in New Jersey—both its direct employees and those within its local supply chain. Amazon operates more warehouse distribution centers in New Jersey than any other company.

It is one of the largest employers in the state, and continues to expand in the region. In November 2018, Amazon announced it would open one of its two new corporate headquarters in New York City. Amazon is reportedly going to receive nearly $3 billion in total subsidies from New York—a deal that has been widely criticized. This expanded corporate presence in New York City could mean Amazon’s executives pay closer attention to how the company’s New Jersey warehouse distribution centers serve customers in the region.

Amazon also recently announced it would raise its starting wage for all warehouse workers to $15 per hour effective November 1, 2018. The company said it “listened to its critics and wanted to lead,” but news reports quickly pointed out that the $15 per hour wage was not quite what it seemed. While some workers will indeed receive a wage boost, a number of long-time employees could actually see their overall annual compensation decrease—because Amazon is cutting monthly bonuses and other financial incentives.

Direct employees at Amazon’s warehouses in New Jersey will likely see a pay increase to $15 per hour, but that wage boost can be quickly eroded by erratic, unpredictable schedules. When workers don’t get regular hours, they don’t earn enough to make ends meet. $15 per hour for someone working a steady, predictable schedule of forty hours per week every month will earn $30,000 per year. But $15 per hour for a worker who can’t predict her schedule from one week to the next is much worse off. As one recent study puts it, “Volatile schedules can leave even those earning an increased minimum wage struggling to get by.”

At the same time, other warehouse workers in Amazon’s New Jersey supply chain will not see a pay bump to $15. For example, warehouse workers at Freeze Central Mills regularly pack products to be sent to Amazon customers, but they are not eligible for a $15 per hour wage, because they are not direct employees of Amazon.

Overall, direct warehouse employees of Amazon and other warehouse workers in Amazon’s supply chain in New Jersey have experienced unsafe conditions, brutal production quotas, and other significant challenges. Simply put, Amazon has not been a leader on improving job quality at warehouse distribution centers. Full-time jobs that pay living wages and provide stable, full-time schedules and fair treatment are not the norm for Amazon in New Jersey.

A few of Amazon’s New Jersey warehouse workers recently participated in candid anonymous interviews with The Street about the difficulties, strains, and hazards of their jobs.

“I feel that Amazon sees its employees just as bodies and does not truly value the work they do... People are focused on how much their feet, legs, backs hurt them from the strain,” said one Amazon worker from a warehouse in Florence, New Jersey. Employees at the Florence facility are expected to push out 600,000
items a day to customers, and nearly a million during the holiday season.57

A former worker from Amazon’s Carteret, New Jersey warehouse said at least one Amazon manager is always “manning the floor, ready to write up employees on an iPad, and reprimand them if they fail to pack 120 items per hour - the alleged goal set by Amazon.” If a worker meets a goal, a manager will tell them to “do 140.” If a worker misses the goal, she or he could have to work an additional full shift known as “mandatory overtime.” And if workers don’t perform the mandatory overtime shift, “10 hours can be cut from their vacation time to make up for it.”58

And a worker from Amazon’s Robbinsville, New Jersey warehouse said he tracked on his smart phone that “he’d “walk a minimum of 25,000 steps in one shift alone, dragging heavy pallets down an entire floor and lifting heavy boxes on their racks.” He walked so much while performing a job called “water spidering” – serving as an in-house supplier of products to the people who do the packing and shipping to customers.59

Revealingly, these workers noted that, even when robots work alongside them, their jobs at Amazon warehouses in New Jersey are “no less exhausting.”60

Numerous recent news accounts have documented the terrible, inhumane, conditions for workers at Amazon warehouses around the country.61 Amazon’s warehouse distribution centers in New Jersey are part of that disturbing trend of worker mistreatment.

Amazons’ warehouses have demonstrated what one report called “a disturbing pattern of preventable deaths,” with three workers tragically dying within five weeks of each other during 2017.62 A total of seven Amazon workers have died on the job since 2013.63

One of those workers, 57-year old Roland Smith was dragged and crushed by a conveyor belt at an Amazon warehouse in Avenel, New Jersey in 2013. Records from the Occupational Safety and Health Administration (OSHA) show that the company received no citations stemming from the incident.64

In New Jersey, Amazon has been cited for serious violations in three other inspections (a fourth inspection found an “other than serious violation”), and paid over $16,000 in penalties as a result.65 Amazon appears to be contesting $11,950 in additional penalties stemming from violations OSHA discovered after an employee at the company’s Elizabeth warehouse fell from a ladder and fractured their arm while trying to clear a jam in the conveyor system.66

One employee has alleged that he was actually fired for attempting to address health and safety issues at an Amazon warehouse in Logan Township. Eugene Johnson an on-site medical representative, claims that he raised issues to management at the facility concerning safety issues at the facility which were ignored. After finally reporting the suspected issues to OSHA, Johnson claims that he was fired the day after the warehouse was inspected.67 Amazon has denied that Johnson’s termination was related to any safety issues that he raised.68

Amazon, and all warehouse operators, should meet much higher workplace standards in their-warehouse distribution centers in New Jersey. Too many workers are exposed to harm and injury, and forced to meet unrealistic production quotas for delivering more products to more customers at a dangerous speed.

As a top employer in New Jersey, Amazon must improve the quality of its warehouse jobs. It can easily afford to offer better quality, full-time jobs that offer real living wages, decent benefits, fair production quotas, stable schedules, and career paths. Amazon CEO Jeff Bezos is one of the wealthiest people on the planet.69 If Amazon is serious about listening to its critics, and wanting to lead, it will create more full-time living wage jobs for warehouse workers in its New Jersey supply chain.
In Their Own Words: Profiles of Warehouse Workers

Below are short profiles of several warehouse distribution center workers in their own words. These profiles are based on October 2018 interviews with workers conducted by representatives of Warehouse Workers Stand Up. The interviews were edited for length and clarity. The workers have approved the language quoted below from the interviews.

Geneva Collins, a longtime warehouse worker at Macy's logistics in Secaucus, New Jersey, whose job has changed dramatically with the rise of Amazon:

I’ve been working at Macy’s logistics in Secaucus, New Jersey for thirty-eight years. We handle jewelry, watches, and even iPads. We ship them to the stores. And we have a whole department that handles internet customer orders that ships to individual customers all over the United States.

Since Amazon got big, around ten years ago, our work has changed a lot. We used to only service stores. Then, Macy’s logistics opened an online department, and now most workers work there. The company holds morning meetings each day to set productivity goals and review how we did in meeting them.

We used to take time to package each item before it was shipped to an individual customer. We would tie ribbons on the items we shipped as part of customer service. These days, there’s so much pressure to work fast, we don’t do those things anymore.

The company uses more part-timers, seasonal workers, even temps. When I started, these were all full-time jobs. These jobs are so different today for young people who come looking for work.

Emilio Barrios a longtime worker at the Freeze warehouse in Dayton, New Jersey who does a lot of work for Amazon:

Note: this worker asked that his real name not be used, for privacy reasons. Emilio Barrios is a pseudonym

I have been working for over fifteen years in the Freeze Central Mills warehouse. Freeze is a national company that distributes clothes with designs to retail stores. We have worked with Disney-licensed clothes, such as T-shirts with images of Mickey Mouse, that are sold online at Amazon and sent to stores such as stores such as Walmart and Burlington Coat Factory.

In Freeze, we do a lot of work for Amazon. We send complete pallets there every day.

Amazon comes to visit our warehouse, but does not pay attention to the conditions of the workers. They do not come close to us. Amazon announced that they are going to pay $15 an hour to warehouse workers. But this will not do anything for the countless workers like me who work in New Jersey warehouses, sending products to Amazon.

In the warehouse where I work, we even had to go on strike simply to force the company to bring up the salaries to $10 and $11 an hour. We do not have a proper medical plan either. The state of New Jersey is filling up with distribution warehouses. But most workers do not even have permanent jobs. Warehouse workers need and deserve to work in dignity, with permanent jobs, decent pay, fair benefits and the right to organize with a union to insist on better conditions.

It is about time that the state of New Jersey pays attention. Warehouse workers are an important part of the future of this state.
Veronica Perez, a warehouse worker at Eva Activewear, also known as S & S Activewear.

She was fired in July 2018 while pregnant.

(Note: this worker asked that her real name not be used, for privacy reasons. Veronica Perez is a pseudonym.)

I worked for more than four years in the warehouse of the company Eva Activewear, also known as “S & S Activewear”, in Robbinsville, New Jersey. It is a national company that stores and distributes new wholesale clothing to companies that print their logos and designs on clothing before sending it to be sold in stores and online. On the S & S website, you can see the many brands that they work with - Adidas, Calvin Klein, Columbia, French Toast, Fruit of the Loom and others.

Eva/S & S gave us an employees’ benefit book that says they provide fair treatment for workers. But this is not the reality. There are more than 150 workers in the warehouse, mostly immigrant women. There is a lot of turnover. Workers are fired, without a good reason, and others resigned due to poor working conditions.

In the warehouse, many do not have a set schedule. The vast majority earns around $11.50 an hour. The take home pay is very low. Because of this, many people do not take the medical plan that the company offers, because if you choose coverage, they deduct $58 from each check. If you pay this $58, maybe you will not have enough money for grocery shopping.

In July of 2018, when I was pregnant, I was fired, after more than four years working there. It was terrible for me to find myself fired at the time when I needed the security of a job the most.

By law, the company was supposed to give me family leave.

I should have the right to return to my job after having my baby. But this is not what happened. Instead, they sent me home with nothing. In the years that I worked there, I saw that other pregnant women were treated badly too. It seems that the company wants to take advantage of the low cost of immigrant workers.

It is sad to see the abuse suffered by warehouse workers in the state of New Jersey at places like the Eva /S & S warehouse in Robbinsville. Warehouse workers need fixed hours, a medical plan at a reasonable cost, and fair wages that enables us to pay the bills. And we need employers to respect our rights.

José Muñoz, a worker at G-III Apparel in Dayton, New Jersey works there through a temp agency called Unity Works Management.

(Note: this worker asked that his real name not be used, for privacy reasons. José Muñoz is a pseudonym.)

I live in Paterson, New Jersey. I’ve worked nightshift at GIII apparel distribution warehouse in Dayton, New Jersey for the past year, through a temp agency, Unity Works Management. I work full-time. Sometimes even 50 hours a week or more. However, I’m not considered a regular employee. They’ve never offered me health insurance; I have no paid time off, not even paid sick days.

As a temp worker, they can fire me at any time. I never leave probationary period. Working like that is very unfair. I work full-time for an hugely profitable corporation that sells brands like DKNY, Tommy Hilfiger and Calvin Klein, but I have no benefits, none. They treat me as if I were expendable.

Temp workers like me are poorly paid. At GIII, I used to be paid $10 and hour, then the temp agency reduced my wage to $9 an hour. It’s even worse for women. They pay them minimum wage, just $8.60 an hour. I accept as much overtime as I can because I need the money. On regular weekdays, I get home after
my shift between 1 and 2 a.m. If there is any overtime on Saturday, I do the day shift. To do that overtime, I get home from my Friday shift after midnight, around 1 a.m., I sleep for a few hours, and I wake up early Saturday morning to be ready for the temp agency’s van at 6 a.m. I don’t sleep enough, but at $9 an hour, it’s what I have to do to make ends meet.

Warehouse temp workers deserve something better. We should have a fair wage and access to health insurance and other benefits.

**Conclusion & Recommendations:**

**How a Code of Conduct Can Improve Job Quality in New Jersey’s Warehouse Distribution Centers**

Thanks to public investment in excellent ports and roads, and access to enormous consumer markets, New Jersey has become the warehouse state. Indeed, the warehouse sector will continue to see extraordinary job growth in the years to come. But these jobs will contribute little to establishing a middle-class future for New Jersey unless workplace standards and job quality standards are raised in warehouse distribution centers.

As we have shown in this report, warehouse workers in New Jersey are performing dangerous jobs, especially with rising consumer expectations for faster delivery of products ordered online. Too many warehouse workers, especially women, face regular exploitation and mistreatment.

Workers in New Jersey’s warehouse distribution centers help generate huge annual profits for the multibillion-dollar retail economy. They play a significant role in maintaining New Jersey’s competitive advantage for e-commerce fulfillment and for the servicing of online retail customers in New York City, the largest urban consumer market in the United States.

But most of these workers earn low wages in part-time, seasonal, or temporary jobs with unpredictable schedules. They struggle to find full-time jobs that provide living wages and real career paths to support families in New Jersey, where the cost of living continues to rise.

The latest available evidence, data, and analysis clearly indicates that this lack of full-time employment is the norm in warehouse distribution centers.

New Jersey’s warehouse workers know what is wrong and unfair about how they are treated. And they are taking action to make their jobs and lives better. Increasingly, these workers are organizing to raise workplace standards in their industry and to boost the quality of their jobs. Over the past year, workers involved in Warehouse Workers Stand Up have been meeting to develop and implement a new code of conduct for New Jersey’s warehouse distribution centers.

After extensive discussions, these workers have identified the following criteria for a code of conduct that all of New Jersey’s warehouse distribution centers should implement:

1) A living wage, including a wage floor of $15/h;
2) Fair scheduling with predictable hours;
3) Regular, full-time employment;
4) No misuse of temporary workers;
5) Affordable, quality health care;
6) Reasonable paid time off, paid sick days;
7) A safe workplace where workers participate in the safety program and receive quality, effective training on all workplace hazards including chemicals, forklift safety, the prevention of falls, and exposure limits to extreme temperatures;
8) Respect workers’ right to have a say in their working conditions through Union representation, free of coercion;
9) Reasonable productivity quotas;
10) A fair grievance process for addressing concerns about unfair treatment and unfair discipline.

The right to organize and join a union is an especially important component of the code of conduct. The unionization of some warehouses in New Jersey has already begun to raise workplace standards and improve job quality, especially when strong union contracts are fully enforced and not violated by employers. And historically, unionization has been one of most effective ways of empowering workers and increasing living standards in the United States.

But unionization is tremendously difficult in a warehouse workforce that includes so many part-
time, seasonal, and temporary workers. That’s why warehouse workers and their allies support a code of conduct that would help create and protect more full-time jobs throughout the industry.

The proposed code of conduct would establish a uniform set of standards for job quality and workplace conditions that every warehouse distribution center in New Jersey must follow, turning tens of thousands of low-wage, often dangerous temporary warehouse jobs into safe, quality jobs that can help support more families in New Jersey.

Most warehouse operators will not voluntarily adopt this code of conduct. They will need to be pressured and required to implement it through legally binding agreements, and through aggressive government enforcement at the state level in New Jersey. But the code of conduct is a necessary and overdue reform. The operators of warehouses can easily afford to implement it. Most are hugely profitable retail corporations, big box chains, and apparel brands.

New Jersey policymakers have a number of key tools at their disposal to require and enforce this important code of conduct.

First, New Jersey should require warehouse operators to implement this code of conduct as a condition of any economic development subsidy or tax abatement program; those who violate their commitments would have to return subsidies received. This approach would build on existing policy and legal precedent in New Jersey for attaching wage standards and other labor standards to economic development packages funded with public dollars. This is an essential tool that must be realized to ensure that warehouse operators are adhering to the code of conduct and increasing the number of quality jobs in New Jersey.

There are a number of additional steps the State could take to implement and enforce the Code of Conduct. They include:

1. Tightening the regulation of temporary agencies to stop warehouse distribution centers from misusing temps for the purpose of avoiding the creation of quality jobs;
2. Convening a Wage Board to investigate conditions in the warehouse distribution sector and establish legally binding wage and benefit requirements for the sector;
3. Expand the capacity of the NJ Department of Labor and Workforce Development to receive and investigate confidential worker complaints in this sector, and make findings of these investigations publicly available.

Increasingly, major labor organizations like the AFL-CIO and advocacy organizations see the benefits of worker-driven codes of conduct to raise workplace standards and job quality standards. New Jersey can and should become part of this encouraging trend.

It’s clear that New Jersey has solidified its role as the warehouse state. Employment growth in warehouse distribution centers will continue to increase as more retailers and companies set up e-commerce fulfillment operations in the state. A code of conduct that raises workplace and job quality standards is crucial for ensuring that more full-time jobs are created, and workers are protected and empowered. New Jersey’s elected officials and policymakers must act now to help create a better future for the many thousands of talented, dedicated workers who pack, distribute, and ship products to e-commerce customers and retail stores.

**Code of Conduct:**

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2. Fair scheduling with predictable hours;
3. Regular, full-time employment;
4. No misuse of temporary workers;
5. Affordable, quality health care;
6. Reasonable paid time off, paid sick days;
7. A safe workplace where workers participate in the safety program and receive quality, effective training on all workplace hazards including chemicals, forklift safety, the prevention of falls, and exposure limits to extreme temperatures;
8. Respect workers’ right to have a say in their working conditions through Union representation, free of coercion;
9. Reasonable productivity quotas;
10. A fair grievance process for addressing concerns about unfair treatment and unfair discipline.
1 Personal testimonials from workers offered later in the report reinforce the fact that most warehouse workers in New Jersey do not have full-time, career-oriented jobs. They struggle to find full-time jobs that pay living wages and offer stable, predictable schedules.

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5 http://lwd.dol.state.nj.us/labor/lpa/LMI_index.html
8 https://www.wsj.com/articles/demand-for-new-jersey-warehouse-space-skyrockets-1512837841
9 https://www.cbre.us/about/media-center/demand-for-new-jersey-warehouse-space-skyrockets
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13 Personal testimonials from workers offered later in the report reinforce the fact that most warehouse workers in New Jersey do not have full-time, career-oriented jobs. They struggle to find full-time jobs that pay living wages and offer stable, predictable schedules.

17 https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1353463.015
18 http://tax1.co.monmouth.nj.us/cgi-bin/m4.cgi?district=1205&l02=120500390___C00020_________M
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28 https://smlr.rutgers.edu/sites/default/files/images/Controlled Chaos The Experience of Women Warehouse Workers in NJ.pdf
31 https://smlr.rutgers.edu/sites/default/files/images/Controlled Chaos The Experience of Women Warehouse Workers in NJ.pdf
In September 2018, NBC News ran a major national story on harsh conditions and mistreatment of workers at Amazon fulfillment centers. The NBC News story is here: https://www.youtube.com/watch?v=tvdyxXhVNRE
Newsweek, CNN, the Guardian, Business Insider, and other outlets have run similar stories in the past year. https://www.newsweek.com/amazon-drivers-warehouse-conditions-workers-complains-jeff-bezos-bernie-1118849

63 Ibid, page 11.

64 OSHA Inspection No 950760.015, https://www.osha.gov/pls/imis/establishment.inspection_detail?id=950760.015

65 OSHA Inspection Nos 1211736.015, 1074833.015, 947910.015 https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1211736.015&id=1074833.015&id=947910.015

66 OSHA Inspection No 1218341.015 https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1218341.015

67 Johnson v. Amazon, Docket Number: ATL-L-191717, Complaint

68 Ibid, Answer by Amazon.


70 http://warehouseworkersstandup.org

About Warehouse Workers Stand Up

*Warehouse Workers Stand Up* is a diverse coalition of warehouse distribution workers, labor unions, community organizations, issue advocacy groups, and public policy groups in New Jersey and New York City. The coalition is committed to using organizing, advocacy, research, and communications to improve the jobs and lives of warehouse distribution workers in New Jersey. Workers and their allies involved in *Warehouse Workers Stand Up* are calling on all warehouse distribution centers in New Jersey to implement a code of conduct that would ensure living wages, fair schedules, the right to organize, affordable healthcare, workplace safety, fair productivity quotas and other protections for workers in this growing industry. Additionally, the coalition is urging New Jersey’s elected officials and policymakers to support the code of conduct, and play a role in helping to enforce it in all warehouse distribution centers.