

Amazon says its increasing pay for contracted delivery drivers

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Amazon says it's boosting pay for contracted drivers who deliver millions of packages to customers every day.

The [company](#) announced at a conference for [delivery](#) firms this week that it will invest \$440 million over the next year to increase pay rates for drivers. It did not disclose how much the bump will be, but said it expects U.S. drivers to earn an average of \$20.50 per hour.

Many of Amazon's delivery service partners, or DSPs, already pay well above that. The company did not share the minimum pay for drivers across the country. According to its website, some at select stations make at least \$20 per hour.

The e-commerce company launched its delivery service partners program in 2018 as part of an effort to reduce its reliance on outside carriers such as UPS and FedEx. Over the past five years, Amazon says 3,500 firms have signed up for the program and created 279,000 delivery jobs worldwide. The company gives the [firms](#) a pot of money to cover pay and other expenses for every route they're given, though some have complained they found it challenging to be profitable.

The announcement comes as the International Brotherhood of Teamsters is ramping up its focus on the company's delivery workforce. Since June, dozens of Amazon [drivers](#) and dispatchers who work for a California-based delivery firm that the Teamsters unionized in April have been picketing company warehouses and calling for the [retail giant](#) to come to the negotiating table.

Amazon said the pay hike will help DSPs recruit and retain employees.

The company also said it will invest an additional \$400 million to help provide child care support and expand [educational opportunities](#) for employees who want to take courses at accredited institutions. Among

other things, a spokesperson for the company said that investment will also cover safety and training.

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