

# FedEx Express employees at Memphis hub to see pay bump to \$15 an hour ahead of peak season

**Max Garland** Memphis Commercial Appeal

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FedEx is raising wages ahead of the peak shipping season at its Express World Hub in Memphis, the logistics giant said Tuesday.

Through the "Pay Premium Program" and the 2% pay raise effective in October, Memphis hub employees will see wages bumped up to \$15 an hour, the company said.

The program will be in effect starting Sept. 6 at the Memphis hub. FedEx did not provide an end date for the program in Memphis, but a spokesperson said the company "will evaluate the pay premium as needed based on business conditions."

The Memphis hub, located at the Memphis International Airport, employs around 11,000 people and is the primary sorting system in FedEx Express' global network. Prior to the announcement, FedEx Express had package handler job openings at the Memphis hub starting at \$13.26 an hour.



"The Pay Premium Program is designed to boost recruiting competitiveness and bolster retention as we head into our Peak season," the spokesperson said.

On Twitter, Shelby County Mayor Lee Harris called FedEx's decision "great news and potentially momentum-building for a critical issue in Shelby County."

"The best way to fight poverty is to expand the number of individuals who make a livable wage of at least \$15 per hour," he said.

FedEx, the area's largest employer, hires thousands of seasonal and permanent workers in Memphis during the busy holiday shipping season, known as the "peak season" among delivery companies.

University of Memphis economist John Gnuschke said with FedEx being “in a race with powerful competition,” it can vie for the region’s best workers by increasing pay. FedEx also needs “higher quality employees” to pair with its investments in technology, he said.

FedEx rival Amazon, which has a \$15 minimum wage, has quickly grown its presence in the Mid-South.



The raise also applies to the FedEx Express hub in Indianapolis, the company's second national hub after Memphis. For the Indianapolis hub, the program began Sunday and will be in effect through Jan. 2, 2021.

“The Pay Premium Program at our largest hubs shows our commitment to outstanding service for our customers by recruiting and retaining talented team members, and to our workforce by ensuring competitive pay and benefits in these markets,” Richard Smith, FedEx Express regional president of the Americas and executive vice president of global support, said in a statement.

FedEx is gearing up for another busy holiday season while already handling a spike in volume due to the COVID-19 pandemic. The company has implemented cost-cutting measures, such as delaying facility investments, restricting hiring and furloughing some employees, to mitigate the pandemic's effects on its business.

With FedEx seeing “a huge surge in demand” for its services, the company wants to avoid spending time and money replacing workers, said Marianne Wanamaker, an associate professor of economics at the University of Tennessee Haslam College of Business.

“They’re worried about turnover,” she said. “I think it's about trying to keep their costs down, because replacing workers in any environment, even when there’s 10% unemployment, is super costly.”

At the Memphis hub, FedEx employees undergo temperature checks before starting their shifts, among other COVID-19 safety measures. Multiple employees at the hub have tested positive for COVID-19.

*Max Garland covers FedEx, logistics and health care for The Commercial Appeal. Reach him at [max.garland@commercialappeal.com](mailto:max.garland@commercialappeal.com) or 901-529-2651 and on Twitter [@MaxGarlandTypes](https://twitter.com/MaxGarlandTypes).*