

Costco Bulks Up Most Store Workers' Paychecks to More Than \$30 an Hour. Here's Why.

Bloomberg News reports that Costco CEO Ron Vachris sent a staff memo stating that most of the company's hourly U.S. workers will get pay raises that will bump them up to more than \$30 an hour.

Costco's hourly workforce is a tiered system, where new U.S. employees typically start at an entry rate of \$19.50 an hour and get periodic raises the longer they stay until they hit the top of the scale.

The memo outlines that starting in March, workers at the top of the scale will get an extra \$1 per hour, bringing the wage to \$30.20. It states that they will receive an additional \$1 increase each year for the next two years. Workers at the bottom of the scale will get raises of 50 cents to start at \$20.

Related: Change Is Coming to Costco's Beloved \$1.50 Hot Dog Combo

The changes apply to employees at non-union locations.

Costco and Costco Teamsters are in the process of negotiating a new collective bargaining contract.

In an email to Bloomberg, Costco Teamsters spokesperson Matthew McQuaid, wrote that the union was pleased to learn workers will make more money, but said the increase only came due to the group's pressure. The union said it voted to authorize a strike, demanding better pay and benefits.

Costco's pay raise also comes in the face of a common struggle shared by similar companies like Walmart and Target: employee retention. A McKinsey study found that the quit rate for retail workers has been at least 60 percent for a number of years challenging retailers to recruit and train more than half of their store staff every year. Pay raises and the promise of future ones is one tactic to keep workers happy and on the floor.

<https://www.entrepreneur.com/business-news/costco-raising-pay-to-over-30-an-hour-for-most-workers/486431>