T.J. Maxx hiking wages to minimum $9/hr

By Lindsey Rupp, Bloomberg

Wal-Mart has company.

T.J. Maxx, Marshalls and other chains owned by TJX Cos. will be increasing the pay of U.S. workers to at least $9 an hour beginning in June. That matches the level adopted by Wal-Mart Stores Inc. earlier this month. TJX, which also runs HomeGoods and Sierra Trading Post Associates, will boost wages to $10 by in 2016 for workers with at least six months of employment.

The move signals that the labor market is getting more competitive after a slow recovery from the recession. Pay hikes will help employers lower turnover and reduce hiring and training costs, said Brian Yarbrough, an analyst at Edward Jones in St. Louis. It’s an approach Costco Wholesale Corp. and other successful retailers have already adopted.

“This is the way retailers need to go,” said Yarbrough, who has a buy rating on TJX’s shares. “Some of the best performers already pay higher wages.”

TJX rose 3.3 percent to $69.38 at the close of trading in New York, marking its biggest one-day gain in six months. Shares of the Framingham, Massachusetts-based company had climbed 7.6 percent last year.

Chief Executive Officer Carol Meyrowitz announced the move after a holiday quarter that exceeded the company’s sales growth and profit estimates.

Read the whole story