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business

Businesses perking up to retain hourly help

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As the labor market tightens, hotels, fast-food restaurants and other customer-service businesses are pampering hourly workers to keep them on the job and away from competitors.

Among the benefits are language classes, transit passes, bonuses for recruiting other workers, free meals and gift cards.

Perks once reserved for salaried workers are now more commonplace, said Patty Goodwin, a spokeswoman for the Mountain States Employers Council, an industry trade group based in Denver with more than 2,500 members.

Maria Lusia Mabero, 34, started six years ago as a housekeeper at the Westin Westminster Hotel and Conference Center. She made \$7.50 an hour then and makes \$9.30 an hour now. She shares the cost of health-insurance coverage with her employer.

She also gets a range of perks: a \$300 "signing bonus" for recruiting a friend to a hotel job; discounted room rates at Westin's sister hotels; a free meal at the employee cafeteria every shift; and up to five weeks of paid time from a pool of sick days, holidays and vacation days.

"I like the vacation time, because when I request days off, they give me the ones I want," Mabero said in Spanish, speaking through a translator.

Similarly, Denver-based Sage Hospitality offers a range of perks to its 5,000 employees at 50 hotels nationwide, 15 of them in Colorado, including the Oxford Hotel in Denver. Starting wages range from \$7.25 to \$8 an hour, with up to 90 percent employer-paid health care, English-language classes, up to \$2,000 a year in tuition reimbursement and a transit pass.

That helps Sage "maintain a turnover rate that is 30 percent below the industry average" of 100 percent, said Walter Isenberg, the company's chief executive and co-founder.

Colorado's seasonally adjusted unemployment rate was 4.7 percent in July compared with 5 percent a year ago. Unemployment of 5 percent or less is seen by economists as a rate at which everyone who wants a job has one.

That, along with cost of recruitment and training, has helped motivate companies to develop retention strategies.

EchoStar Communications Corp., the nation's no. 2 satellite TV company, is trying to keep more of its 7,500 call-center employees through a "Career Path" program.

Amanda Dreiling, 24, works at the Thornton office. Since joining the company 10 months ago, she has received three raises, increasing her hourly pay more than 20 percent since she started at \$11. Workers also get free Dish satellite TV service from EchoStar, two weeks' paid vacation and partly paid health insurance.

EchoStar, based in Douglas County, said it has increased its average employee retention from nine months to 19 months since rolling out the program nationwide two years ago.

"They'll sometimes give you cash bonuses," Dreiling said.

Labor advocates contend, however, that worker perks do not compare to the economic value of fully paid health insurance, retirement plans or a minimum wage that would automatically rise with inflation.

"Whether you're making (the minimum wage of \$5.15) an hour or \$7 an hour, you're not making enough money," said Katie

Gerken, organizing director for Unite Here, a union group. "Typically jobs like that, they offer health insurance, but it's ridiculously expensive and you can't afford that either."

Unite Here and other labor groups are behind Amendment 42, a ballot initiative that would raise Colorado's minimum wage from the current \$5.15 an hour to \$6.85 an hour, beginning Jan. 1.

Few workers in Colorado make the minimum wage. About 106,000 workers, less than 5 percent of the workforce, were paid less than \$6.85 an hour, according to the Colorado Legislative Council. Just 1.5 percent of the workforce in Colorado makes the minimum wage or less.

The ballot initiative has drawn fire from business interests - including restaurant, tourism and hotel trade groups - for two reasons: The higher minimum wage would be a constitutional amendment, and the minimum wage would rise with inflation, giving employers no leeway.

A related issue is the cost of health benefits. Of 572 Colorado employers who responded to a survey by the Mountain States Employers Council, almost all paid at least part of the health benefits for full-time workers, said Goodwin. Almost half pay part of the cost of health benefits for part-time employees, she said.

The AFL-CIO reports that nearly 46 million workers throughout the United States are uninsured.

Mike Carlin, a cook at Bang Restaurant in west Denver, has no employee-sponsored retirement plan. He said he pays \$120 a month for catastrophic health insurance. Carlin, 30, started at Bang four years making \$10 an hour. He now makes \$14 an hour with two weeks' paid vacation. He gets a meal a day, a six-pack of beer once a week and any leftover food he wants.

"There are little things that make up for those other things that you don't get," he said. "It works out pretty good for me."

Chipotle Mexican Grill is a Denver-based restaurant chain with more than 525 restaurants nationwide and 14,000 employees. Chipotle workers start at \$6.15 an hour in Colorado and can contribute to a health plan and retirement plan - both partly paid by Chipotle, said Chris Arnold, a company spokesman.

Chipotle also offers free language classes: English for Spanish speakers and Spanish for English speakers.

"For people who participate in language and cultural training, (the turnover rate is) in the neighborhood of 50 percent against the industry average of 200 percent," Arnold said. "It's a pretty remarkable feat."

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