



Work in Progress: Low-wage jobs do not have to be dead-end employment as Wesco shows

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MUSKEGON, MI – When Kristina Broughton landed a job as a retail clerk at the Spring Lake Wesco in 2010, the recent high school graduate was thrilled to go to work for relatively low wages.

The 2009 Spring Lake High School graduate had left a Spring Lake Country Club job to join the more than 1,000 associates at the Muskegon-based convenience store/gasoline station leader.

Broughton was not looking to support a family on the meager \$7.40 minimum wage starting pay at Wesco, but she saw the job as a pathway to what she wanted: A college degree and a professional career.

After three years with Wesco, Broughton is on the way to her life goal of a degree in advertising and public relations with a minor in studio art from Grand Valley State University. She has worked her way up to a production artist position in the company's North Muskegon corporate offices and remains living with her parents as she completes her education.

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It was the Wesco tuition reimbursement program that drew Broughton to the company back in 2010. Wesco has been honored for its "total rewards" program for its employees with the centerpiece of that benefit package up to \$3,000 in tuition assistance for employees who work at least 25 hours a week.

"I was facing some big tuition and some big bills to be paid," Broughton said of a college career that began at Grand Rapids and Muskegon community colleges before finishing her degree at GVSU where she expects to graduate after the 2014 fall semester.

This is the latest in MLive's **Work in Progress** series of stories on jobs in the Muskegon area.

Not everyone of the more than 17,000 **low-wage employees** in Muskegon County making less than \$400 a week – 32.6 percent of the county's private sector jobs – are as fortunate as Broughton. She has been able to make a success out of low-wage employment and able to work for a model service industry employer like Wesco.

"These jobs give local residents an opportunity to move ahead in a career," said Cindy Larsen, president of the

Muskegon Lakeshore Chamber of Commerce and the chairwoman of the local Workforce Development Board of Michigan Works in Muskegon and Oceana counties.

“Entry level jobs are where you learn the basic skills of how to be a good employee,” Larsen said. “Many of the professionals and business owners in my organization had those kinds of jobs when they were still in high school. It gave them an edge when they got to college and launched them on their careers.”

For someone who is 20 years old, working a couple of low-pay jobs to get started in life can be a positive situation. Low-wage employment is not so positive when a 45-year-old single parent tries to raise three children with the same jobs and income.

The issues of poverty, community and best business practices are on the mind of Russell Kopp, Wesco’s human resources director. He is reading “Bridges Out of Poverty” – a 2001 book by social scientist Ruby K. Payne that explores what those in the service industry can do to better the lives of their employees.

Wesco is learning about the social workplace policies and programs of Cascades Engineering in Grand Rapids, a manufacturing company that has made the business case for providing a social foundation in the hiring and developing poverty-level workers.

“Supporting our employees is good for our company,” Kopp said. “But we also value our associates and want to promote their life and well-being.”

A third-generation Muskegon business, Wesco has been selected since 2009 as one of West Michigan’s “101 Best and Brightest Companies to Work for” by the Michigan Business and Professional Association and in 2012 received the same recognition on a national level.

Wesco was founded by Bud Westgate as a fuel distribution business but his sons Jim and Jerry Westgate took the fuel company into the convenience store market as trend-setters in the industry. Today, Wesco is set to grow to 1,100 associates this summer in 52 stores from Benzonia on the north to Adrian on the south. More than two dozen of the outlets are in the immediate Muskegon area.

The company’s “total rewards” package includes medical and dental insurance, a 401k retirement plan, paid vacations and holidays, a profit sharing plan along with the tuition reimbursement, which offers up to \$3,000 a year in assistance based on the college grades obtained.

When trying to attract good employees and retain them at Wesco, Kopp said the company’s primary competition is not other operations such as Speedway or fast food restaurant employers like McDonald’s.

“I am going up against manufacturing employers,” Kopp said. “That is all because of our ‘total rewards’ benefit package. That is where the competition for employees is at.”

About 100 employees are in the tuition reimbursement program. The program is unique in that employees are assisted in any field of study, not just business and marketing.

Kopp admits that \$7.40 an hour minimum wage start at Wesco is "poverty employment."

Many of the Wesco hires are going to their first job and are still in high school. Others are semi-retired Baby Boomers looking for less than full-time employment and flexible hours. All hires must be "people oriented" and want to serve the public, Kopp said.

From a \$7.40 an hour start, employees still with the company after 18 months make \$9 an hour and with a store-based profit sharing plan could be making an additional \$200 a month in bonuses. Some 80 percent of Wesco employees work full-time and in an industry with 110 percent annual employee turnover, Wesco is at 25 percent, Kopp said.

"A company like Wesco does a better job at developing workforce skills than a six-week session at a government training program," Larsen said. "That is so important as we are going to be facing workforce shortages. That time is upon us."

There are long-term employees still working in Wesco store operations that have more than 20 years experience and are making \$16 an hour, Kopp said. Others have gone on to advance in the company.

Kim Loniecki has been Wesco's director of food service since 2006. She began as a young mother looking for flexible hours starting out in the Shelby store in 1996. The entry level job was full-time but kept her close to home and able to coordinate work times with her husband to keep child-care costs down.

Loniecki used the Wesco tuition reimbursement program to receive a degree in surgical technology from Baker College of Muskegon in three years while working at the company. The Wesco program, at the time granting up to \$5,000 a year in assistance, left Loniecki with just \$1,200 in college tuition expenses at the end of her program, she said.

She went to work as a surgical assistant at Memorial Medical Center in Ludington but she remained working some weekend shifts for Wesco. However, she missed the people part of the Wesco business, she said.

"I came to a point that I was going to go where I was the happiest," Loniecki said of going back to Wesco full-time as a second assistant manager in 2002. The company has allowed her to use her medical and science background in leading training and development of food safety program along with teaching life-saving and CPR courses to employees.

Loniecki's and Broughton's stories of using the Wesco college tuition reimbursement program are exactly what Oakridge High School teacher Bob Wood had in mind when he wrote about employment at Wesco in his "Building a Better World" online blog for students preparing for life after high school.

"It's a really good deal and it is not needs-based college assistance," Wood said. "Many of our students don't have a family that can help with college and they become lost. There are not a ton of places like Wesco where you can get such help.

"For Wesco, they get good quality employees and it is a win-win for everyone," the government, economics and world issues instructor said of a number of Oakridge graduates who have gone on to Wesco careers using the tuition program.

For all of those who are caught in what they think are low-wage, dead-end jobs, Loniecki said she learned a powerful lesson going to work for Wesco.

"People say you get out of something what you put into it," she said. "That has been the case with me and many others at Wesco."

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