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# Companies Help Employees Deal With Fuel Costs

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By SARAH E. NEEDLEMAN

(See Corrections & Amplifications item below.)

Earlier this month, employees at Miller Grossbard & Associates in Houston found an extra \$50 in their paychecks. The small accounting firm added the money -- and plans to continue doing so on an interim basis -- to help its 28 workers cope with rising gasoline prices.

"This is our way to recognize they're facing a much higher cost than any of us anticipated," says Paul Grossbard, a shareholder at the firm, adding that all of its employees commute to work by car.



Miller Grossbard is among a growing number of employers that are going out of their way to help workers grapple with the increasing cost of getting to and from the office. Companies are launching a variety of relief initiatives such as providing alternate ways to get to work -- including purchasing buses and vans to give employees free rides -- and changing corporate policies to accommodate workers who travel for their jobs.

Joe Cockrell of Jobing.com and his ad-wrapped Ford Escape.

Some companies are increasing mileage rates, providing gas-related cost-of-living raises or even supplementing employees' paychecks to relieve the burden. Others are reconfiguring sales professionals' territories so they are more compact -- leaving fewer miles to drive. And a growing number of workers are taking advantage of existing benefits from their employers.

The changes are a welcome respite at a time when the average price of gasoline is hovering around \$3.79 a gallon, up significantly over \$2.87 a gallon in 2006, and \$2.01 in 2004, according to the Energy Information Administration. Today, the average person spends 5% of his or her annual income on gasoline, up from 2.5% in 2002.

Companies say while they can't control prices at the pump, they can help manage the amount workers pay to fill their tanks. That's what officials at EFC International are doing. Earlier this month, the St. Louis manufacturer began subsidizing part of employees' fuel costs for the number of miles they travel to and from work. The company is reimbursing gas costs over \$2.50 per gallon based on a rate of 20 miles per gallon, an amount the company's Chief Executive Doug Adams considers a more reasonable cost for gas. That means an employee who commutes to work 200 miles a week by car (or 40 miles a day round trip), paying around \$3.70 (the current local average) per gallon in gas, would be reimbursed just under \$50 a month.

"I just got mad about these gas prices and wanted to do what I could to keep employees,"

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Principal Financial Group Inc.(PFG)	10.53	1.75	4/3
International Business Machines Corp.(IBM)	102.22	1.40	4/3
Microsoft Corp.(MSFT)	18.75	-0.54	4/3

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says Mr. Adams. He feared that some workers felt they couldn't afford to keep their jobs due to the high cost of commuting and might seek employment closer to their homes, he explains. The firm, which has offices in Atlanta and Chicago, and will soon open an office in Toronto, is also subsidizing the cost of public transportation for employees who commute by bus.

A recent survey of 553 human-resources professionals shows that companies have more than doubled some of their gas-cost-related efforts over the past year, with 14% doling out gas-card rewards, up from 6% in 2007, reports the Society of Human Resource Management. The same percentage also offers public-transportation discounts, up from 6% last year. Another 2% say they're now offering cost-of-living raises to help with pain at the pump.

### Striking Deals

Employers that aren't offering direct assistance are making other efforts. In April, Maritz Inc., a global sales and marketing-services concern, struck a deal with Sam's Club stores to give workers at its Fenton, Mo., headquarters a \$10 discount on membership to the retail chain.

"Sam's gas prices are typically several cents less expensive than retailers in the same neighborhood," says Con McGrath, vice president, people and organizational development.

In September 2007, Microsoft Corp. added a bus system called the Connector with five routes that service about 3,700 employees and run as far as 21 miles from the company's headquarters. The company has since added 11 new routes to accommodate another 2,300 workers.

Microsoft, based in Redmond, Wash., also leased two large office complexes last year in Bellevue, Wash., and another earlier this month, in part to ease workers' commuting costs. When the company's expansion is complete, around 7,000 employees are expected to be based in the Seattle suburb, which is located closer to many of the cities in which many workers live, says a company spokesman.

Employers have long helped cut the cost of getting to and from work by allowing workers to use pretax money to pay for parking and public-transportation fees, but organizations that facilitate this benefit for companies say they're seeing a significant increase in demand for their services. New York-based TransitCenter Inc. says it's providing pretax commuter benefit services to 23% more employers than it did in May 2007.

Expressing this kind of concern for workers' financial well-being may be critical, says Wayne Hochwarter, a management professor at the College of Business at Florida State University who studies workplace dynamics. Employees experiencing financial problems tend to be less productive due to increased stress levels, says Prof. Hochwarter. He recently surveyed more than 800 full-time workers who use personal transportation to get to their jobs and found that 33% said that because of high gas prices they would quit their jobs for a comparable one closer to home if they had the chance. Respondents included workers in a range of occupations, primarily in the Southeast, who drive an average of 30 miles round trip to work.

Last month, Shari Chiara put the brakes on her 25-mile round-trip commute to International Business Machines Corp.'s Somers, N.Y., office. Now a full-time telecommuter, the marketing manager says she was prompted to work from home when the cost of filling her minivan's gas tank neared \$80 -- an expense she incurred five times per month. An IBM spokeswoman says the company's telecommuting program was created 15 years ago to help employees balance work and family. But Ms. Chiara, a mother of two, says her decision to sign up was "more about balancing my budget."

Like Ms. Chiara, more workers are reacting to the increase in gas prices by taking advantage of benefits their employers have been offering for years. Phoenix-based Jobing Inc. has found more employees are showing interest in a seven-year-old program that covers 100% of their fuel costs. The catch: Workers have to wrap their cars with an advertisement for the company.

Today, 60% of Jobing's 276-person work force -- or about 166 people -- is participating, up from less than 10 people in the program's first three years, says Joe Cockrell, director of public relations for the publisher of Jobing.com, an employment Web site. Mr. Cockrell is among them: In December he turned over his new Ford Escape for ad-wrapping in exchange for gas money, saving him about \$200 a month. He says most employees who sign up reference current gas prices as their main incentive.

Similarly, Brad Vos joined a 13-year-old vanpool program in February to avoid the cost of driving 90 miles a day to get to and from his employer's headquarters in Des Moines, Iowa. "Being the sole breadwinner of my family, I had to reconsider my spending priorities," says the assistant human-resources manager at Principal Financial Group Inc.

### Driving the Van

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Normally joining the vanpool would cost Mr. Vos \$600 a year -- or \$3,600 less than what he was spending annually on gas for his 1996 Ford Ranger for work purposes alone. But since he also signed up to drive the van, on loan from the Des Moines Area Transit Authority, his commute is entirely free.

To be sure, there are some trade-offs to company commuter benefits. Employees who ride the van must adapt their schedules to the pick-up and drop-off times designated by the company. Mr. Vos says he has to leave his home for work by 5:30 a.m., more than an hour earlier than when he traveled by car, to transport 13 passengers to the office. And an employee who needs to leave in the middle of the day because, say, they feel ill may need to arrange for a cab ride or turn to less-accessible public transportation.

Write to Sarah E. Needleman at [sarah.needleman@wsj.com](mailto:sarah.needleman@wsj.com)

#### Corrections & Amplifications:

The firm Miller Grossbard & Associates was incorrectly identified in the original version of this story.

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