The Corporate Forum met at the Embassy Suites Hotel, 901 North First Street, St. Louis, Missouri, at 9:00 a.m., Michael Wenger, Moderator, presiding.

BOARD MEMBERS:

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MR. WENGER: Let me introduce myself. I am Mike Wenger. I am the Deputy Director for Outreach and Program Development for the President’s Initiative on Race.

First, I’d like to thank you all very much for coming.

We look forward to a stimulating and productive day in which we talk about the role of the business community in promoting the President’s vision of One America in the 21st Century.

Let me also apologize for the absence of Bob Thomas, who is one of the seven members of the President’s Advisory Board to the Initiative on Race.

He was scheduled to be here, he threw his back out on Tuesday morning, and he called me from his bed, flat on his back. And he actually tried to get here. He actually went to the doctor yesterday, but was advised not to travel from Florida. So he, unfortunately, will not be with us, and he sends his regrets.

Let me thank also for being here, Secretary Rodney Slater, who is the Secretary of Transportation.
I will introduce him more formally a little bit later, but his commitment to this initiative has been nothing short of incredible, and we are all grateful for that.

In a few minutes, I will outline the day, and how it will go, but first let me introduce the Mayor of St. Louis, Mayor Clarence Harmon.

Mayor Harmon took the oath of office on April 15th, 1997, became the city’s second African-American mayor.

Prior to being elected, he was the Director of Business Development for United Van Lines after a 26-year career with the St. Louis Police Department, during which he served as Chief of Police for four years. Holds a Master’s Degree in Criminal Justice Administration and Public Administration from Webster University; has been a Danforth Foundation Fellow to the JFK School of Government at Harvard.

I had the pleasure of meeting Mayor Harmon not long ago in Kansas City when I spoke at a conference, entitled, "Race in the Heartland."

Mayor Harmon has a reputation as one of the
best, most aggressive, most thoughtful mayors in the
country, and it is a real honor and pleasure for me to
introduce to you now, Mayor Clarence Harmon.

MAYOR HARMON: Good morning.

THE AUDIENCE: Good morning.

MAYOR HARMON: Greetings to Secretary Slater,
Mr. Wenger, distinguished guests. I note a lot of friends
out in the audience, and welcome.

It’s a, indeed a pleasure for me to welcome you
this morning to this important forum on race relations in
our city. Earlier this year President Clinton launched
his initiative on race and appealed to people across the
country to begin working together to rid our society of
racism.

Today, St. Louis is joining in this effort, and
we are privileged to have with us, as I mentioned,
Secretary Ronald -- Rodney Slater, and staff of the
President’s Initiative on Race.

I want to thank Secretary Slater publically for
making the trip to St. Louis in behalf of this effort. I
think he leads by example, noted nationally for his effort
in many areas, including this one.
In the last half century, statistics show an improvement in attitudes about races. In 1940, 60 percent of employed black women worked as domestic servants. Today, that number is down to 2.2 percent, while 60 percent hold white collar jobs.

In 1958, 44 percent of whites said they would move if a black family became their next-door neighbor. Today that figure is one percent.

1964, the year of the Civil Rights Act, only 18 percent of whites claimed to have a friend who was black. Today, 86 percent say they do, while 87 percent of blacks assert that they have white friends. Antidotal information shows the same friend with Hispanics, Asians, other cultures, to include American Indians.

However, the question remains, how good are race relations really?

Last month our country was shocked by the lynching of a black man in Jasper, Texas. Earlier this month, Camille Cosby, blamed the racism that permeates our society for the death of her son Enos.

A few months ago here in St. Louis, in the region of real -- a real estate agent discovered a black
family was attempting to buy a house in Jefferson County, and discouraged that family from doing so.

We see the impact of race relations in every area of our lives. As an elected official, I'm particularly aware of how racial divisiveness is manifested in public policy, and in the ability, or inability of community leaders, politicians and residents of the community to work together toward a common goal; the betterment of our city.

The fact of the matter is, that if we are to keep pace, we must learn to bridge the racial divide.

Our city is diversifying, and we can either seize this changing dynamic as an asset, or we can continue in the pattern to which we are accustomed. And let all of that divide us and impede our progress.

In the City of St. Louis we are seeing the same trends that are apparent nationwide.

The reality is that our city is no longer half black and half white with the dividing line down the center. We are seeing African-Americans, Hispanics, Asians, Germans, Bosnians, and other cultures moving in all over the city in increasing numbers.
Our challenge is to reflect the changing face of our city in the policies and in our relationships. And we have a long road ahead of us. We have taken steps, we think, in the right direction.

In October of last year, Covenant 2004 was created in St. Louis. And with that, business and civic leaders from the region signed the covenant pledging to contract with more minority businesses, and increase minority participation in their companies.

Widespread support of this covenant clearly shows the pervasive belief that it is mutually beneficial for large St. Louis companies to contract with minority businesses.

And I’ve taken similar steps to encourage large companies contracting with the City of St. Louis to include women and minority-owned business as subcontractors and in other ways on their projects, in what is known as the 25 and 5 in shorthand.

The city has a policy that encourages all businesses contracting with the city to reach the goal of including 25 percent minority participation and five percent participation by women in any work they do with
the city. I have made sure that the city strives to meet this goal in its own projects, assuring women and minorities will have an integral role to play in the rebuilding of our city.

The revitalization of Downtown is a priority for my administration, and last year we chose a developer for a convention hotel to be located Downtown.

Marriott Renaissance Hotels Historic Renovation, Incorporated was chosen to lead the convention hotel development team based on their impressive financial package, proven record of success, and an overwhelming proof of longstanding commitment to diversity.

This proposal included a written commitment to diversity, as well as a list of minority investors, legal counsel, local architects, and a local firm to support minority business participation in construction.

Similarly, the team chosen to develop an action plan for the revitalization of Downtown provides numerous opportunities for involvement by local women in minority-owned businesses.

As for an example, the local firm chosen to conduct public relations and outreach programs for the
Downtown Now Public Meetings is Marketing Works, a firm owned and operated by African-American women.

We are also looking to the future and trying to expand the participation of minorities in already existing businesses and in the work force.

That is why so much energy has been expended developing successful welfare to work models. These models were recognized by President Clinton when he participated in a visit to St. Louis last summer to kick off a National Welfare to Work Initiative, encouraging companies across the nation to implement welfare to work programs in their organizations.

In addition, economic opportunity was increased to the extent that we are giving special attention to problems that are more prevalent in minority populations, such as poor health, and inadequate education for our children.

Now while we read headlines that tell us that HIV and AIDS deaths are increasing, we know that more people are living with this virus, and that the majority of the new cases are in the African-American community.

According to the Metropolitan St. Louis AIDS
1 Program, of the new HIV cases reported in 1997, 43.8 percent were black men, and 17 percent were black women, as compared to 31 percent for white men, and 6.7 percent for white women.

2 Of new AIDS cases, 43.4 percent were black males, and 16.1 percent were black females, as compared to 39.5 for white males. And .5 percent for white females.

3 We know young black men and black women as a whole are highly at risk of contracting HIV.

4 Since the 1995 period, the instances of HIV and AIDS reports in the African-American community have been consistently higher than those in our other communities.

5 Quality education is fundamental to any effort to empower African-Americans, Asians, or anyone else. And all of the other diverse populations present in St. Louis must be a part of that effort at fundamental education and empowerment.

6 The results of the St. Louis School District’s 1997 Missouri Assessment Program test scores for math showed the following:

7 Nearly 90 percent of our city’s fourth graders can’t do things like add and subtract common fractions and
decimals.

More than 60 percent of our eighth graders can’t do things like solve simple word problems using whole numbers. And none of our 10th graders were able to do things like interpret mathematical data and make connections to real life situation is on those tests.

Our school system is better than 80 percent African-American.

As John F. Kennedy once said, quote, "Our progress as a nation can be no swifter than our progress in education," unquote. Hence, the future of our city, indeed our nation, depends on our ability to provide our children with quality education. That’s why I’ve been an outspoken advocate for educational reform in St. Louis that will result in higher achievement scores and accountability in the system.

The importance of our struggle to achieve social justice and economic equality is described by Dr. Martin Luther King, Jr. in his book, "Where Do We Go from Here."

Dr. King said, "Nothing so vividly reveals the crushing impact of discrimination and the heritage of exclusion as the limited dimensions of Negro progress in
the most powerful economy in the world", unquote.

The population of our country has diversified since the Civil Rights Movement, and rather than seeing a reflection of this diversity in our economy, in our work force, we are seeing the same pattern of exclusion.

It is vital that in this country, which has been declared the land of opportunity, equal access to economic opportunity be afforded to every single citizen. Only then will we be as strong a nation as we can possibly be.

I thank all of you for being here today, and I encourage your full participation in this forum. I hope this signifies a wave in the turning tide for our city, and indeed the nation, as it relates to race relations.

You’re indeed welcome. Enjoy the conference.

Be spirited about your questions, demand answers, and we’ll make progress.

Thank you, and God bless you.

MR. WENGER: Thank you very much, Mayor Harmon, for those remarks. And we are certainly glad to be in your city today.

President Clinton could not be here today, but through the wonders of technology, President Clinton is
with us today.

So I would like now to present to you, the
President of the United States, President Clinton.

PRESIDENT CLINTON: I’d like to welcome you and
thank you for participating in this important conversation
about race in America.

America has always stood for the shining ideal
that we’re all created equal. We haven’t always lived up
to that ideal, but it has guided our way for more than two
centuries.

And as we enter the 21st century, we know that
one of the greatest challenges we face is learning how we
can come together as One America.

America will soon be the most diverse nation in
the world. Will those differences divide us, or will they
be our greatest strength?

The answer depends upon what we are willing to
do together.

We must confront our differences in honest
dialogue. Yes, but we must also talk about the common
dreams and the values we share. We must fight
discrimination in our communities and in our hearts. And
we must close the opportunity gaps that divide too many Americans in real life.

That is why I launched this National Initiative on Race, and I’m very glad you’re joining us. Your views, your ideas, they’re very important.

I ask you to share them with Dr. Franklin and the members of my advisory board. They’re helping me reach out to communities, like yours, all across our nation. I look forward to hearing from them about the results of your conversation.

Please go back to your neighborhoods, your schools, your workplaces, your places of worship, and continue this conversation about race.

Take a leadership role. Together we can build a stronger American for the 21st Century, as One America.

Thank you for helping us to meet this most important challenge.

MR. WENGER: Let me tell you, just briefly, a little bit about the President’s Initiative on Race.

It was announced by the President on June 14th, 1997, in San Diego. Many of you may have watched that speech on television. And our mission is to foster the
President’s Vision of One America in the 21st Century, A stronger, more just and unified America. One that offers opportunity and fairness for all Americans, and one in which we respect our differences and celebrate our common values and aspirations.

One of the key elements of this initiative during the year has been our outreach effort. Outreach to the religious community, outreach to the education community, outreach to youth, outreach to Corporate America.

We have been trying to engage people throughout the country in the difficult task of talking honestly and forthrightly about the issues which divide us along racial lines and about ways to bridge these divisions.

Why is this important?

Well, when my five-year old granddaughter is my age, 51 years from now, people of my racial heritage will no longer be in the majority. Or if we are, barely so.

Today, Caucasians, white Americans, are about 73 percent of our nation’s population.

In the year 2050, it’s projected that there will be barely more than 50 percent, Hispanic-Americans 25
percent, African-Americans 14 percent, Asian-Americans eight percent, Native Americans one percent.

By the year 2020, more than one in five children will be of Hispanic origin.

Things are changing dramatically, and that has enormous implications for the business community and for the nation.

Too many people don’t understand how these changes can make us stronger economically as we compete in the diverse global marketplace, and in terms of our moral authority as the strongest nation in the world.

Things have obviously gotten better in recent years, but we still have a long way to go.

I want to tell you very briefly a personal story which will illustrate what I mean.

I happen to be the father of three African-American children. My son went to Morehouse College in Atlanta, graduated in 1995.

He was walking down the street one day, he’s, I guess, a junior in college, with two of his buddies, and they were not doing anything much, they didn’t have boomboxes, they didn’t have baggie jeans, they weren’t
walking with a swagger, they weren’t talking loud; they were just walking down the street looking for a place to spend their parents’ money in downtown Atlanta, and I have the empty wallet to prove at least one of them succeeded.

A white woman was coming towards them. As soon as she saw them, she crossed the street. When she passed them, she crossed back.

Now, she clearly had a certain fear, certain negative stereotype about young black males. I don’t know this woman at all, but clearly, that was what she demonstrated in that brief moment.

Now, why is it important to confront these kinds of stereotypes and breakdown these fears?

Well, first let me give you two very interesting statistics:

First, most crime occurs within races. More than 80 percent of homicides where we know the race of the killer, are either white on white, or black on black.

Second, the chances that a young adult has ever committed a violent offense are roughly equal across the races.

Let me repeat that. The chances that a young
adult has ever committed a violent offense, are roughly
equal across the races.

The difference in race that we hear about is a
function of a greater frequency and persistence over time
of such behavior among individuals of certain groups.

In other words, individuals in certain groups
may commit more than one of them, a violent offense, may
do it more frequently, but the actual likelihood of a
young adult committing a violent offense is roughly equal
across racial lines.

So in terms of statistical probability, this
woman should actually have been more fearful of young
white males than she was of young black males.

Yet her fears were pretty clear, and they
mattered not only to her, but to us as a nation.

What’s relevant here, for example, is, if she
happens to be a woman who’s hiring people. How objective
is she likely to towards young black males? Or if she’s a
sales clerk in a department store, how is she likely to
treat customers who are young black males?

Her stereotypes are likely to influence her
behavior in a number of ways. Her behavior is likely to
perpetuate and exacerbate existing racial divisions, and
the only way that we can address her fears and the fears
of millions like her, is to confront their stereotypes in
a positive and constructive way through interaction and
communication across racial lines.

This is particularly important, I think to our
nation, and to your businesses. And so what we’ve done
during the year is held advisory board meetings across the
country, religious leaders forums, we held a "Campus Week
of Dialogue" in April, in which 600 campuses across the
country participated.

We held a statewide "Day of Dialogue" at the end
of April, in which more than 100 communities participated,
and 41 governors, including 22 Republicans, either signed
a proclamation proclaiming that’s a statewide "Day of
Dialogue," or participated in some other way in that day.
And you may recall that President Clinton, on April 14th,
participated in a conference about race and sports on
ESPN, participated in a Town Hall Meeting in Akron, back
in December, and just recently in a conversation on race
on PBS, and we are doing these forums for corporate
leaders.
This is the fourth of those corporate forums. The others were held in Miami, Phoenix and Los Angeles. They represent our effort to fully engage business leaders from across the country in this effort. And we hope that from these forums will come concrete plans for how the corporate community can strengthen its efforts to build One America in the 21st Century.

Our agenda for the day is ambitious. What we’re trying to do is accomplish three things, gain a greater understanding of the economics of diversity, identify the key elements that make for successful racial reconciliation efforts, and discuss how we can strengthen relationships between minority-owned and majority-owned businesses.

You have in your packet a copy of the agenda. Outlining the agenda for the day, Secretary Slater’s remarks, Gary Berman, panels, we will have a break-out session, we will have a second panel, and then closing remarks from Secretary Slater.

It is now my distinct pleasure, and I mean that in all sincerity, to introduce to you Secretary of
Secretary Slater was named Secretary in February of 1997. Under his leadership, the Department of Transportation developed a strategic plan that Congress rated him the best among all the federal agencies.

Secretary Slater graduated from Eastern Michigan University, earned a law degree at the University of Arkansas.

It’s fair to say that he’s been among the most active, if not the most active cabinet secretary in this Initiative.

He moderated the panel discussions in Miami during the first corporate forum on December 1. They were among the most interesting, productive conversations on race we have had in the entire year.

And if I may be permitted a point of personal privilege, I have had the pleasure of getting to know Secretary Slater personally over the last several years, from before he became Secretary of Transportation. In fact, before he became part of President Clinton’s administration, after the President was elected in 1992.

He is a man of uncommon thoughtfulness, uncommon
commitment, uncommon eloquence, and uncommon intelligence. I am proud to call him my friend, and I am pleased and honored to introduce to you the Secretary of Transportation, Rodney Slater.

MR. SLATER: Well, first of all, I’d like to thank my dear friend, Mike Wenger for that very warm and gracious introduction.

Also, I’d like to say that hopefully over the course of the day, all of you will have the opportunity to come to this place in the room, and have the opportunity to look forth and see, and behold the wonder of the collective strength, and just quality of all who are gathered here.

Clearly, you represent the face of America, and its many colors. The gender of America.

Clearly, you represent the strength of America through the diversity of the businesses here represented. And so it is my pleasure to stand before you and to see that which is good about America.

And in that we have gathered for a most important purpose, I know that our effort will prove productive, and I look forward, I look forward to
listening and learning.

So I begin by saying good morning, and thank you for coming.

On behalf of President Clinton, I am delighted, I am delighted to host this meeting concerning our Initiative as a country in dealing with the question of race, and how we deal with one another. How we better appreciate the true genius and essence of all who come to the table of brotherhood and sisterhood seeking to work with everyone else to make for a more perfect union. All who believe in the spirit of America, and who believe in the truce, yes, we hold them to be so self-evident that all are created equal and endowed, not by government, but by their creator, with certain inalienable rights, and that among these are life and liberty and the pursuit of happiness, that’s the spirit at which we gather. That is the underpinning of this effort on race as we discuss it.

Now, as has been noted, this is the final of four regional meetings with business leaders sponsored by the President’s advisory board on race.

The businesses here are located throughout the midwest, and some of the finest across the land.
I’m pleased that there are many here representing the transportation industry, TWA, Union Pacific, United Airlines, Boeing, Caterpillar, UPS, Yellow Freight, Chrysler and others, for transportation is the tie that binds, and that’s why, in many respects, a lot of the civil rights battles over the years have been fought on the transportation front, because it gives us access to a good job; that we might provide for our families, or it gives our children access to good schools, that they might pursue knowledge and understanding, or it gives us access to a quality city like this one, where one might come as a tourist to enjoy the culture and the beauty of the people.

Transportation is about more than concrete, asphalt and steel. It’s about people. And it is the tie that binds.

I’m pleased to have been joined by Labor Secretary Alexis Herman, who chaired one of our corporate gathers of this type in Phoenix.

Also, Commerce Secretary Bill Dailey chaired a similar meeting in Los Angeles, and I did have the good fortune of chairing the first such meeting in Miami last December. But Michael talked about how it was so good, I
can assure you that it was not because of me.

It was because of what we had in the audience, just as will be the case today. Individuals of vision, individuals committed to making America a better place in which to live.

Individuals. Individuals who are true citizens of this great land, and who know that the best days of our nation are yet ahead of us.

The chief objective today is to dialogue, to listen, to learn, and what we discuss today will be reported directly to the President, as he develops policies, as he talks to the American people about race relations.

Again, it is not just about talk. It’s about talk that might help us to crystalize the vision of what we want, but then that talk has to be followed by vigilance, action, to make that what we want real, to make it so.

We will also take what we discuss and share it with the advisory board, so that it then might take it into account as it prepares its report to be presented to the President this fall.
President Clinton has spent his first term focusing on the economy. Many of you have been involved in this economic renaissance that the United States is enjoying, whereby we have created 16 million new jobs, many of those created by small businesses and others, yes, by large businesses, but all coming together.

Very little created by the public sector. The Federal Government is actually the smallest it’s been in 35 years.

So this has come about because of the energy and the effort of individuals like you here in this room.

Now the President, in putting his economic strategy in place said, we’ve got to put our fiscal house in order, we’ve got to deal with this 290 billion dollar deficit, but as we do it, as we cut, we’ve also got to invest in our people, education. The mayor talked about that this morning, and the challenge that this city faces.

We have to teach our children that the Bible is right when it says diamonds, gold and rubies have their value, but no greater value than understanding.

And also, Jefferson was right, any nation that hopes to remain ignorant and free, hopes for what has
never been and never will be.

You have to have an educated work force to have a democracy that can sustain itself, that can provide for participatory action on the part of the citizenry. And all too often, too many of our citizens are relegated to the sidelines of this great democracy.

So education, important. Health care, all of those things, investing in our people.

But the President also said that we’ve got to work to open markets around the world; that’s why the early trips to Latin American; that’s why the trip to Africa not long ago; that’s why he also went to China, and why he will go to Russia.

And when he goes there, when he goes there representing this country, the interesting thing about his trip that is so unique and different from a trip by any other world leader, is that his delegation can have in its body, in its collection, the faces of the people with whom he will engage.

That is the strength of the diversity of America. We are a nation of nations.

And there is a unique role for us to play as we
move into a new century and a new millennium. And so
moving beyond the new jobs and the effort to move people
from welfare to work, some five million of them, and
bringing down the crime rate, and creating opportunities
for people to go to college, the president is saying now
in the second term, we have to focus on building from
strength to strength, and we’ve got to deal with this
issue of how we deal with one another.

For it holds the real secret, the real secret of
our success thus far, and it is the foundation on which we
have to build, if we are to rise to higher heights in the
coming century, and the coming millennium.

The race issue with the President actually began
a long time ago. Now I’ve got in my remarks that it
began, and I came to understand it when I went to law
school. Well, that’s when I was introduced to Bill
Clinton, the person that I’ve come to know over 20 years.

And while in law school, I would hear students
talk about these two young dynamic professors, really
three of them, because another friend of theirs, Bill and
Hilary Clinton was George Knox, who is now in Miami, and
they talked about how they would come into the classroom
and challenge them to learn the law, and its powerful
nature, to bring about justice, not just in the courtroom,
but in society as a whole.

To then go forth and to use that legal training
to do what Charles Hamilton Houston taught Thurgood
Marshall and others to do while they attended law school
at Howard University, and that is, to reconcile the wants
and desires of each individual, each entitled to life,
liberty, and the pursuit of happiness.

So I came to know him then in that way. And
then when he went on to the Attorney General’s Office, he
took some of those students with him. But he didn’t just
take one woman, or one African-American, or one hispanic,
he took a number of people with him.

For with him, bringing the best to the table was
not about tokenism, and it wasn’t about appearance. It
was having an administration that looked like Arkansas,
just as he now has an administration that looks like
America.

But I can’t suggest that it began there, because
as I got to know him better, and there are a few people in
the audience now from Arkansas, they can tell you, that it
really began in that country store with his grandfather and grandmother, with whom he lived while his mother went off to, to nursing school in New Orleans, after his father had been killed in an automobile accident, a father he never knew, who would find himself in this little store, and would see his grandfather and his grandmother treating all of the customers with dignity. All of them.

Didn’t matter if they couldn’t quite pay it all that day, we’ll just write it up, and when you come in, then we’ll take care of everything.

After the crop comes in, after you get this work done, that work done. Four years old.

Now that speaks to the kind of influence we can all have on people who look up to us day in and day out, and it also underscores how significant that influence can be, as the mighty oak tree grows from the small acorn.

A year ago in June when the President launched his effort to improve race relations, many people said to him, or asked of him, why are you doing this, Mr. President?

They’re no riots in our cities, there’s not a riot in St. Louis, or Chicago, or any of the other major
cities around the country.

His answer was that the sign of strength of any society is to examine challenges, problems, concerns, before they become festering sores that explode, that explode.

And in this time of great comfort and economic prosperity, we have to deal with those issues that are critical to our survival, and our ability to sustain this growth into a new century of new challenges, a new millennium of new opportunities.

And so just because there is no civil discord doesn’t mean that we don’t have serious problems worthy of our best efforts.

You know that many of our race problems occur while we’re at work. We all know that.

In Akron, the Beacon Journal did a poll recently, and they found that of all the places where citizens thought racism was the most prevalent, it was not in housing, nor in schools, but at work, on the job.

You are employers, and you know how that can bring about a lack of productivity, how it can adversely affect the bottom line.
You also know as workers how it can make for a very tense and strained working environment.

So it’s very very important to deal with this, not only because it is the right thing to do, but also because it impacts the bottom line.

These were the kinds of things that were raised in the previous meetings of this type, and I’m sure that there will be some discussion of that today.

Look at the fact that nowhere does a place look less like America than at the top of the corporate ladder today.

We’ve got a lot of work to do in that regard.

And also, there was a recent article in the Post-Dispatch, just last week, when Sylvester Brown, Junior wrote about the troubles of an African-American friend trying to start his own business.

So these kinds of issues permeate society, and they have to be addressed if our society is to be as strong as it can be, where we enjoy the benefit of the strength, the intellectual muscle and prowess of all who come to the table of democracy and pursuit of happiness.

Now we see the disparities, we continue to see
them in income between races, even when people have the same education and are holding, on some occasions, the same jobs.

We are still weary, all of us, all of us, of people who are different from we, ourselves.

Too often we talk less to each other, and more at each another, if we talk at all. So there is something here for all of us to gain from the dialogue.

Yet nowhere do we have the opportunity for greater occasion to tear the barriers down than in the workplace.

For many of us, after work we go back to our own homes and our neighborhoods, and our own friends, and we find people there who are almost always just like us.

And so it is in the work environment that we have the opportunity to enjoy and to benefit from, and to encourage the diversity of America.

Now we know in the future, as has been stated, that the rest of the country is going to look more and more like Hawaii does today, where everyone is a minority.

In 40 years, there will be no majority race in our country. So we know what we’re going to look like, at
least we have some idea of that.

The real question of this effort is what are we going to be like? And that’s it in a nutshell. What are we going to be like, and that is a decision we will all individually and collectively make.

Now I know many of you have made diversity a part of your everyday management, you have discovered like others, that making your companies look like the customers you serve is good business practice.

And working with groups like the In-Roads program here helps you to recruit the talent you need, talent that can truly make a difference in the bottom line.

So again, today, we are here to listen, to learn, and to deal with one of the most critical concerns facing our country, especially as it goes forth to play a leadership role in serving as that beacon of light and hope, as the most diverse society on the face of the globe.

We’ve learned a lot from the earlier sessions, so we look forward to having productive sessions here as well.
Again, the President has invited you to be a participant with him and other members of this administration in dealing with one of the most critical and important issues facing our country at this time.

We welcome you to the effort, and we know that because of your participation, because of your involvement, this will be the success that we hope it to be.

Thank you.

MR. WENGER: I think it’s fair to say that you just heard firsthand one of the great public officials of our time, and I am really delighted that Secretary Slater is here with us today.

Let me now introduce to you Gary Berman. Gary is the founder and president of Market Segment Research and Consulting.

His company has been honored with the American Marketing Association’s Marketer of the Year Award.

Prior to starting his company 10 years ago, he was vice president of the largest hispanic market research firm in the country.

He has over 15 years experience in researching
minority consumer markets.

He has been the subject of, and quoted in publications, including the Wall Street Journal and Time Magazine.

He’s also been seen on CNN in the Nightly Business Report.

He is a creative, thoughtful and interesting person, and I offer to you now, Mr. Gary Berman.

MR. BERMAN: Those are pretty high expectations.

I’m going to use this, Mike.

These are pretty high expectations, creative, thoughtful, and what was the third adjective? You can say it again. Do you remember?

It was something nice; wasn’t it?

How many of you are really excited about the topic of my speech, which has the word "demographics" in it? Just raise your hands real quick.

Get out of here.

I need, just so that we’re on the page here, I just need you to help me out with something.

Just take your right arm and put it right in front of you for a just moment. Just everyone’s just got
to do it. Take your big finger and your thumb and put it together link this. Very good.

And turn it to the right like you’re adjusting a stereo knob. A little bit further, a little bit further, and lower your expectations of my speech.

Pretty cool graphics, huh?

The faces of America -- Do you want me to be serious, Secretary Slater, or funny?

SECRETARY SLATER: Funny.

MR. Berman: Funny, okay. Be funny. How many funny research people do you know?

First of all, let me thank Secretary Slater and Mike Wenger and his staff for allowing me the opportunity to be here, and it really is an opportunity.

I first met Secretary Slater and Mr. Wenger at this conference down in Miami. And you know, I was so impressed with the fact that they’re trying to bring people together, and I was talking to my mom about this before coming up here, because she asked what I was going to be doing in St. Louis, and I said, "You know, mom, I think this is kind of a mission from God. I think that we have some information that in some small way, if it can
bring people together across the social, economic and political infrastructure of our country, then I would have done something good, with the good fortune that has been given to us and our company."

How many of you are noticing that I’m white? Just raise your hand please.

The guy in the back, I’m sorry, you’re not picking up on that.

We’re supposed to have a direct conversation about race, and I don’t think you can get anymore direct than that.

So you should be asking them the question, why am I up here talking to you about, I never like to use the word minority, but just different races and ethnic groups, and I guess God has a sense of humor, because I started about 15 years ago in Latin America doing market research down there, and then I met a Columbian-Jewish woman, of which there are about six left, which about six of those six happen to be her sisters, which is no joke. And so she happened also to be a diversity trainer, working with inner-city kids, and I just got anything good about what I wanted to do in the world from her. Because I realized
that she was making $28,000.00 a year, she has a Master’s
degree from Stanford, perfectly bilingual, I pay my
assistant, my secretary even much more than that at that
time. I was wondering why do you go and do this.

And I really, as the capitalist pig, which I
was, could not reconcile it in my head why my wife, who
could be making twice, or three times the income, and we
needed it at that time, because we just started the
company, would go and work with inner-city kids.

And that was a real wake-up call for me, when I
went to meet these kids, and I saw the work that she did,
and I saw the humanity right in front of me, and the
opportunities that in some small way that my wife was
helping people build a bridge of understanding between
each other. And I was touched, and will never go back.

So when I saw Mike and Secretary Slater, and
what happened in Miami, I asked if there was ever anything
I can do to try and help in some small way, I would be
glad to try to serve.

So this is my effort to try to do that.

Our company is a research company. And the
majority of our work is for the private sector, although
we work in some public policy kinds of arenas.

   We put out this, a document called the Ethnic
Market Report, which there’s a copy here somewhere, and
it’s the result of 5,000 interviews amongst Hispanics,
African-Americans, Asians, and other voices that are not
normally heard in the research and the public opinions of
our society for a whole variety of reasons.

   And so what I’m going to be talking to you about
is some of the stuff from that research.

       America’s changing faces, another way to talk
about demography. We’re going to then try to humanize the
statistics.

       We’re talking about human beings here. They are
really people. It is not 47 percent. What is a white
person? What is black person? What is African-American?

       There are no Hispanics. There are people from
Central and South America, Mexico, Cuba, other countries,
so what we’re going to try to do is humanize some of these
statistics for you.

       Then we’re going to talk about an idea that we
came up with sometime ago for the corporate clients that
we have, that diversity equals demassification, which is a
way of thinking about diversity as part of larger change that’s going on in our society, and there are all kinds of tools to help build a bridge of understanding with our corporate clients, that will enable you, I think to profit doing the right thing.

Lastly, some broad conclusions. This is a model that we developed from several think tanks that we have couple times a year, and we bring about 50 major corporations together, and there all we talk about is multi-cultural marketing, multi-cultural business issues, whether it be hiring practices, or whether it be how to sell to diverse constituents, and things like that.

And what this model shows is that about 10 percent over, on your, the right side there, have not really done anything regarding multi-cultural for a whole series of reasons.

On the other extreme, the high bar there represents 10 percent that we view as being very good and very up on the idea, and very embracing of it as part of the culture. And everyone else is kind of in the middle.

And we have all kind of stories about why people are on the bottom, why people are on the top, and how do
you move people up. And so in some small way I hope to
move you up this multi-cultural learning curve wherever it
is that you are.

I’m going to be talking about the largest study
ever done amongst different ethnic groups, which is 5,000
interviews, we’re doing an even bigger one this year,
which I’m very proud to say, I’m going to be doing a book
with Stedman Graham, Oprah Winfrey’s fiance, about the
future of America, and we’re going to be interviewing a
thousand Hispanic, Black, Asians, Native American and
other opinion leaders about the country.

And this research was sponsored by about 18 very
large companies.

So every hour of everyday in our country there
are 450 births, and 257 deaths and 102 immigrants, and
that equals 295 more people.

So I was thinking, you know, is that a lot or a
little?

Can anyone throw out a number of what that
is over a year?

Just anybody guess. Two hundred ninety-five
people times all the hours in the year. Throw out a
Two million someone said. Who said two million? That is an amazingly good guess. It’s actually 2.6 million new Americans every year in our country. And that’s a lot of people. And the pace of change in our society is happening at the fastest rate in its development, in our country’s history.

This is a very interesting depiction based upon a contest that a big company had to show images of the customers of the future, and I just thought it was kind of interesting that they happened to show these particular models as customers of the future.

So how is America changing demographically? The blue bar represents Anglos, or Whites, and you can see the other bars, African-American, Asian/Pacific Islander, American Indian, and Hispanic, and by the year 2050, just under half the population is going to be not white or not Caucasian, or not Anglo.

Right now these are the population statistics as you can see them, and these, by the way, are very conservative estimates. It’s entirely possible that the numbers are a little bit higher than this.
Talking about the numbers, I hope that you have been contacted, or at least are aware of the impending debate regarding the U.S. Census, which is enormously important to our country across the social, economic, and political spectrum, because there is a debate going on right now about the wisdom of using statistical sampling to try to get the most representative count of people.

The people who are generally not counted in the historical census are people of color, for a whole variety of reasons, and there is an enormous debate going on, that I hope that you can somehow participate in.

Right now a quarter of the population, and by the year 2010, it will be one-third. So the whole idea of minorities is really not relevant anymore.

One of the sources of this population growth is from immigration. The traditional immigration pattern represented with the blue bar show people coming from Europe and European countries, and they’re being replaced now, from 1980 to 1990 by people from Latin America, and also from Asia.

So the source of the population growth, in addition to how many people are born and how many die, is
really being driven, to a large degree, by immigration, and our policies associated with that.

Here’s an actual photograph from about 1919, that shows European immigrants with many of the icons that you would say are traditionally American: Statute of Liberty, there’s someone representing Abraham Lincoln there, there is an American flag in the back. And that is what the American immigration pattern used to look like.

Here’s something I saw in a paper just recently, it happened to be in Miami Beach, and it shows these tourists sitting on the beach, juxtaposed against a bulldozer, which has in its grasp, a raft, which had four people in it, of which two died coming from Cuba trying to realize the American Dream.

And it just struck me when I saw that photo, that that is where we are as a society.

Do the people get to sit on the beach and enjoy the fruits of their labor, and their ancestors labor at the cost of people coming in, or do we afford them, the people who want to come, the same rights. That’s the question for us as a society.

Where are people living in our country?
This is a graphical depiction of where Hispanics live throughout the United States. Where the darker the area, the red area means more Hispanics are concentrated there, and the areas, as they become more light are less Hispanic.

And you see that there are concentrations as you would expect in California, New York, Florida, in areas maybe that you would not expect, the emerging areas around Chicago and throughout the United States, San Francisco, et cetera.

Here’s another map depicting African-Americans in the same way. And notice the overwhelming concentration in the southeast United States. You know, by Florida, and all the southeast.

And if you think back to the map I just showed you, it kind of counter balances the Hispanic population a little bit.

So it’s just kind of interesting, because from a marketing standpoint, from an employment standpoint, very African-American, and there is a brand new trend, the last maybe seven years, of many African-Americans moving back to the south.
What about the Asian-American and Pacific Islander population, here’s where they like to live right now. The darker, the red area, again, means where they tend to concentrate.

They tend to be in the larger urban areas, like Los Angeles, San Francisco, Chicago, but in other areas that you might not expect, like in Houston, and like in Atlanta, et cetera.

I happened to be on a consulting assignment recently in Minneapolis, Minnesota, and I was waiting in this Holiday Inn for my ride, and I saw this Japanese book, I picked it up, and it was obviously some kind of shopping guide, you know, and I thought maybe someone left it.

Then I realized there was a whole stack of them. And so I asked the Holiday Inn clerk, why do you have a whole stack of Japanese guide books here? Because the largest single tourist attraction in America besides Disneyworld for Japanese is the Mall of the America. They fly here in jumbo jets to shop.

And I just thought it was pretty amazing that Minneapolis, which is really the heart of, kind of
European, or Anglo, or white America, is embracing Japanese visitors, who, many of which are starting to move there, coincidentally.

I just got this data I’m about to show you this morning, and this is not widely available, so that’s why we had to do this custom mat this morning.

American Indian population is very interesting, extremely concentrated, as you would imagine in the southwest, but talk about diversity, all the tribes associated with American Indians, Native Americans, and they have some particular challenges that face their group, because at least from a marketing standpoint, and probably from a social, political, and economic standpoint, number a little bit over two million, and have to make sure to muster their clout, so that their voices are heard, in addition to the other ethnic groups that I’m talking about.

This is the result of a series of questions, psychological, attitudinal kinds of questions, about what people think about holding on to their culture.

Fifty-eight percent believe they have strong ties to their ingrained culture. Twenty-six percent are
moderate, and only 16 percent of people don’t feel they have some ties.

Very interesting kind of series of statistics, because these numbers over time are going in the reverse order that we experienced during the earliest days of immigration in our country. People are holding on to their culture more than they have, and they’re not letting go.

Some of the reasons we could hypothesize that is true would include their sense of pride, continuous immigration, which results in a refueling of the culture.

In the case of the Hispanic market, they’re speaking Spanish, the quality and quantity of available media in language, there are over 500 now Spanish language radio stations in America. You can hear any language you want in this country, and that wasn’t always true.

All this is resulting in a refueling of the culture. We’re kind of an example.

If I can get a round of applause for my family here just for a moment, please.

Oh, come on.
Thank you.

There are two reasons that I decided to include this picture. One is because, you know, I travel too much and I miss them, but the other one is, we are kind of an example of this new household, this sort of multi-racial household that the census is trying to reconcile.

As I mentioned, my wife is from Columbia, my daughter’s name is Ilana. Can anyone spell Ilana? Just call it out and spell Ilana. Go ahead, how would you spell Ilana?

ANONYMOUS PERSON: Y-l-a-n-a.

MR. Berman: Y-l-a-n-a is how it is sometimes spelled. You’re going to have to scream if you want to try it.

ANONYMOUS PERSON: I-l-a-n-a. My daughter’s name.

MR. Berman: Okay. We’ll talk later. I said you must be Latino because she spelled it with an I, I-l-a-n-a, where in English it would be E-l-a-n-a, because I just sounds like E.

So I’ve already caused her to be more aware of multi-culturalism than she would than being if we didn’t
call her Susan, you know or something.

But my wife speaks primarily Spanish to Lani, we call her Lani also. Spanish and English to Sarah. She speaks only Spanish to her family, mostly Spanish to her family and friends, and she doesn’t really talk to me, but that’s more of a personal problem, not a linguistic one.

Oh, come on, I thought that was pretty funny.

Now we’re going to be talking about is kind of humanizing the statistics.

It’s really important for us to understand that we are, we are people. I mean, and that everybody has their own identities, and you can’t just say someone’s black or someone’s white. Stereotypes are usually inaccurate, and they’re not profitable.

So I’m six foot five, so how many of you, by show of hands, think that I’m good at basketball. Just raise your hands.

All right, lady, I’ll take you on right now.

You don’t think that -- Well, you wouldn’t pick a six foot five guy to play basketball on your team?

Generally I would get picked. But also, I’m Jewish, so there aren’t that many great Jewish athletes that I know
of.

So the only thing I’ve been able to reconcile is, I would be my own best agent. You know, but -- I’ll wait.

See, and diversity, you can make fun of your own, but you can’t make fun of other people, unless they give you that license.

All this is about cultural survival. I thought this was a pretty amazing magazine. I just saw it in a bookstore and this particular issue talks about American Indian religious freedom, and isn’t that what it’s about, cultural survival. What are we going to think is beautiful? What movies are we going watch? What language will be speak? What foods will we think are tasty? What fashions will we be wearing?

There is a sea change going on in this country right now, and I’m going to share with you some of those examples.

Tiger Woods, great tennis player.

Oh, come on.

Tiger Woods calls himself Cablin-Asian. Anybody ever heard that word before, Causasian, Black, Indian,
Here’s another example: One of our clients is the U.S. Postal Service. There was a postal service before there was a U.S., and you talk about a culture that’s different to change, they’re it.

The largest single employer in the world besides the military, and they don’t like change, and they know that I say this. I say this to them all the time, but to their credit, they are changing. The American Indian stamps, Hanukkah stamps, Chinese New Year stamps, and the reason they’re changing is because they’re making money from it, and they’re doing the right thing.

Here’s a couple of other examples. They actually hired us for this particular project to answer the following question: Why aren’t our Marilyn Monroe stamps selling in the Watts area of Los Angeles?

Hello.

I charged $45,000.00 for that. Yes!

I love this country.

I’m not sure how you would translate this into sign language.

Here’s another example. Lunar new year, as I
just showed you before, and this is the unveiling of it, so the way that they’re marketing it is very clever, they have Asian music. I’m not sure what style of music that is, actually. I think it’s Chinese, and they’re just into the whole culture and they’re making money from it. That’s the bottom line for them.

Wonder Bread, which is interesting on two levels, is, you know, white bread, and was for the longest time this sort of analogy that America is white bread, but I can tell you now they’re now, in fact, showing tortillas, and there’s a percentage of sales selling more tortillas than they are white bread. Isn’t that interesting?

Betty Crocker, another icon of our country, has been around since 1916, or 1918, I think it is, and so they always had a Betty, and they were always a real person.

So this is the Betty as she’s evolved about every 15 or 20 years or so, and what they tried to do is to make her contemporary, so they might do her hair a little bit differently, or change her makeup. But they couldn’t find the typical American woman for 1998, so they
morphed 75 photographs of real people into this fictitious person. So that’s Betty Crocker for 1998. Just kind of interesting that they did that.

Anybody use Cliff notes?

Oh, come on.

Thank you for having some integrity. They only sold like 40 billion of these things.

And Cliff notes for me were so important in college, that in my exit interview they asked me, one person dead or alive would I like to meet, and I said Cliff. Say thank you.

The point here, though, is that they have ethnic Cliff notes. I mean, look at ethnic authors for the first time in the history of the New York Times Best Selling List, there was a African-American number one best seller in fiction and nonfiction at the exact same time.

One of them was Dennis Rodman, I have to say at the time, but I’m not sure if he was fiction, or nonfiction, actually.

But multi-cultural Crayolas. I mean, just think about it. Where the amount of melon in people’s skin is represented in the box. But the big idea here I think is
not so much the crayolas themselves, it’s that we have an
opportunity to educate our children while their minds
can be molded. I think that’s the idea.

Superman is Samoan, and I think half Japanese
also. I mean, look at these icons. Superman, Betty
Crocker, Crayolas, Wonder Bread. What about ketchup,
let’s see what happens.

You’re out of there.

Salsa has surpassed ketchup in dollar volume
sales. We are eating more salsa than ketchup.

How many of you eat salsa? Just raise your hand
for a second.

It’s like almost everybody. I wish you could
see this. How many of you eat ketchup?

Fifty percent, if you can see what I’m seeing.

So I mean, you know, salsa, because it’s good. And it’s
good for you, and that’s the way the Hispanic market has
influenced our culture in this component of food.

We happen to be working with a big company on
finding the next salsa.

But that’s how foods sort of become
Americanized, or mainstream, they start with local
restaurants, someone goes and eats there and says, boy, I’d like to do that at home, what ingredients do I need to try and make it, and marketers respond to that need.

Responding to your diverse constituents’ needs is a great way to make money.

So are we a melting pot, or is there another model that more accurately would depict us, and we call it a salad bowl, but you can call it whatever you want. It just isn’t what it was.

And the people are holding on to their cultural identity and expanding what it means to be an American.

A way a company can start thinking about this is demassification of the marketplace.

Think of just looking at age cohorts. We know that little kids like and buy and eat different things than mature Americans.

So marketers today, business people today are changing the way they do business to target kids.

What if you’re targeting the mature market?

There are about 62 million people -- actually, 67 million people now who are over 52 years of age or more in this country.
So instead of having childproof locks on Tylenol, we now have easy-open locks. We now have larger signs in the streets so that people with declining eyesight can drive safely.

So marketers are waking up to this diversity, and these are just different ways that you can think about diversity, and how marketers, and how business people and professionals are trying to adapt their policies so they can make money from doing the right thing.

In our case, what we’re talking about is race and ethnicity.

Why should anyone care?

They spend a lot of money.

Hispanics, African-Americans and Asians together have 924 billion dollars, and I think if we add in the Native American community, it’s probably about another 17 to 20 billion dollars, but I have to check.

Does anyone know that? Do you happen to know, Mike?

MR. WENGER: It’s about 17.

MR. BERMAN: It’s 17 billion dollars, yes.

They have a lot of money, and they spend it, and they
spend it with people who want to do business with them, 
and the way you show you want to do business with them is 
by being there for them where you do business.

Inner-city consumers spend about 85 billion 
dollars per year on retail goods, and the unmet demand is 
between 25 and 60 percent throughout the country.

The reason that it’s unmet is because, in large 
case, many cases, it’s stereotypes.

How many more malls do you think America can 
absorb before at some point they’re going to, sales are 
going to start going down?

It’s already happening. Look at Time Square, 
look at the Gap opening up in Harlem, look at Magic 
Johnson’s movie theaters, which have the highest per 
screen average of any theater in America, in Los Angeles. 
I mean, think about it, he’s just making money. That 
guy’s brilliant. He’s opening up Star Bucks, because 
blacks drink coffee, too.

So I mean, that’s why there’s such enormous 
opportunity, I think.

What about the entrepreneurial spirit of 
different ethnic groups in our country? Blacks of 228,000
businesses, 300,000 Asians, 308,000 Hispanic, and they have grown at about three times the rate of nonethnic businesses, from 1987 to 1992.

You have to be a little careful, though, with that statistic, because we’re starting at lower numbers for sure. But at least they’re jumping on the band wagon, and they’re jumping on it in a big way.

We did a study called the Multi-cultural American Dream Index, which we had the honor of presenting at the White House, and I think people were just shocked; that the American Dream is alive and well in the minds of ethic groups, and they want to do well here.

They have a great work ethic, they want to be educated. If we didn’t make the changes that we’re making right now in policy, in terms of education, African-Americans would have reached parity, in terms of their education attainment in college in the year 2007.

I’m not running for office, and I really don’t have a political agenda, but I do think this is important. So how do you earn this, what we call license to conduct business?

You have to make a long-term commitment to the
constituencies that you serve. You have to be there. You can’t just come in and try to sell them something and get out. You’ve got to be there in the long term, and I’m going to show you some ways to do that. Obviously, having diverse employees as Secretary Slater talked about, empowering these folks, empowering diverse affinity groups, because you kind of have to spread the word.

It’s marketing to the new America, doing business in what we call the new America is not an intellectual decision, it is made on an emotional basis by most leaders in this country, who happened to be, for the most part, not of color.

So what you have to do is coach these leaders to get things from their hearts, or their stomachs to their heads, because if they think about it, you can’t deny what we’re talking about.

Support of grass roots institutions, of which you’re doing the promise, it’s not the best practice promise -- promising practices, which you’ll be learning about a little bit later, which is a great idea, learn and role model from other people who are doing great things, and you’ll be hearing more information about that.
But the bottom line is respect and cultural relevance in how you do business.

This is not a race or ethnicity thing. This is a human being thing. And that, I think, is what’s important.

Here’s just some examples of how you can participate: NAACP, National Urban League, Asian Business Association, Hispanic Chamber of Commerce.

You can make money by participating in getting strength within yourselves, and bringing your business case to the people who are in the position to influence change in our country, and they’ll listen to you because it makes intellectual sense.

I mean, you’ve got to do it in a way that works. You’ve got to take into account language, and demographics, and the values, and the way different people have verbal and nonverbal communications with one another, lots of opportunities to misunderstand each other, in the way we just behave day-to-day.

Let me just show you a quick example. Secretary Slater, can I ask you to stand up a second?

If I was just meeting him just for right, hello,
I’d go like this, hi, how are you, nice to meet you. But if we were in Latin America, I’d go hi, Como estas, like that. Right.

Now I’m big, and if you don’t want a guy like me coming at you, if you don’t know why I’m doing it, but the point is, it makes people feel uncomfortable if they don’t understand where you’re coming from.

So thank you. You’re very huggable, actually.

I’m sure this is my last speech on behalf of the President’s Initiative on Race. What a good way to end.

Here’s a store front in East Los Angeles, which is a real door, and I said -- in a very hispanic area, and I said, you know, these guys are pretty clever, we know Hispanics tend to buy lots of money orders because they have a very close affinity to their families, countries of origin, and they send a lot of money back. We know they like to play the lotto, the lottery, because they tend to like games of chance.

They are smoking, unfortunately, now at a high rate, they like promotions, which is that Marlboro thing on the bottom that says all new, and they said, okay, you know, they’re trying to market the right products in kind
of the right way, and then it struck me that all these
signs were in English, and the one sign that they had in
perfectly translated Spanish was, this door has installed
a checkpoint, anti-shoplifting system.

I would suggest to you that is not the right
message to send to your customers, that, you know, don’t
rip me off. They could say something like bienvenido, or
welcome, or things like that.

To their credit, I went in and talked to them,
we later got them as a client, and they’ve done a stellar
job in changing their behavior.

To conclude, just some broad thoughts. I think
it’s important that we understand that we are going from
homogenous to diverse, and it is not going to change.
Demassification is a way to respond to those changes, from
avoiding sanctions as a reason to doing things to making
money.

Let me pose kind of a rhetorical question.

How much gasoline could Texaco have sold if they
took 150 to 175 million dollars that they were fined, and
put it in marketing to diverse consumers?

You don’t want to act because you have to act
one act because it makes sense, and then you can make money from it. From confusion, whether it be a hug, whether it be a misunderstood message in marketing, whether it be not understanding your diverse consumers, work to understand them.

Develop programs to reach out to them, because they will reach out to you, and it will be profitable.

Last but not least, from overlooking them to embracing them. That’s the way to be successful in this New America. And I thank you very much for your time.

MR. WENGER: Thank you very much, Gary, for that incredibly insightful and dynamic presentation. I’m must admit, though, I’m a little bit shagreened. You showed a pictures of your family, and I haven’t done that. And so --

Before we bring the first panel up here, let me make one, one announcement. On August 5th and 6th we’re going to have an inner agency conference entitled, "Building Economic Self-determination in Indian Communities," and it’s going to be at the Grand Hyatt Hotel in Washington, DC.

It is a real opportunity for business people all
over the country to come together and learn about Indian
communities, and learn about how you can relate in a
business sense to Indian communities.

Among the invited speakers are the President, who I anticipate will attend, Secretaries of Commerce, Agriculture, Treasury, the Attorney General, and the Administrator of the Small Business Administration.

I think this is a really terrific conference.

It is something you ought to seriously consider participating in.

We have with us today one of the senior -- one of my senior colleagues on the staff of the President’s Initiative on Race, Bambi Kraus, who is -- where is Bambi? All the way in the back.

Some time during this day if you would like more information on this conference, I encourage you to talk to Bambi. You will not be sorry.

And there are some flyers about the conference, I believe they were out on the table, but I really do encourage you to seriously think about participating in this conference.

And now it is my pleasure to invite Secretary
Slater back to the podium with the panelists for the first panel, who will be Sue Bhatia, Harold Law and Doris Serrano.

So if you would come forward, I am delighted to turn the podium back to Secretary Rodney Slater.

SECRETARY SLATER: Before we begin the panel presentations, let me also make an announcement, because this is an event that we would hope that many of you would attend as well.

We are going to take the list and actually work to provide invitations to all of you. There will be a White House Summit on transportation solutions dealing with the whole question of welfare to work.

It’s scheduled for September 14th. We, meaning the Department of Transportation, will be cohosting the event with the President’s Welfare To Work Partnership.

And as you know, this is quite an initiative, as we have worked with many in the private sector to move about five million people from the dependence of welfare, to the independence of work.

And in the afternoon of this summit, we will discuss the best thinking that’s out there as relates to
transportation solutions, in giving people access to
opportunity.

And really, that is what this discussion is all
about. We want to thank Gary again for that very
excellent presentation, and also for the humor that he
brought to the discussion as well, and I would hope that
there would be more of that as we go forward.

We are going to hear from a distinguished group
of individuals who will participate on this panel, which
will include Gary, who you’ll hear from more, but Sue
Bhatia is the Chief Executive Officer of Rose
International. It’s computer software consulting firm.
Sue holds a Master’s Degree from the University of
Missouri, and also works with a number of major
corporations throughout the region, and we look forward to
receiving from her special insights much like we received
from Gary regarding their work in this area.

Our next panelist after Sue will be Harold Law.
He is the founder and president of Decisions and Advanced
Technology Associates.

Harold provides information management and
industrial systems engineering services. Harold has more
than 30 years of professional experience spanning the aerospace industry, academia, and Federal Government.

The panel will be rounded out by Dora Serrano. Dora is the manager of the office of minority business within the Missouri Department of Economic Development.

Prior to coming to this position, Dora worked for the oversight division of the committee on legislative research within the state capitol, and the structure of government that is designed to really look at the work of the various agencies across government.

She is also a member of the executive board for the St. Louis Hispanic Chamber of Commerce, and again, this is a subsidiary, or a part of one of the organizations identified early on by Gary as a good organization to interface with, to get a better understanding and better relations within the Hispanic community.

I would like to welcome all to the forum, and I’m sure, as noted, that this will be very educational and inspiring as well.

So we’re going to start with Sue, and then we will proceed to the other panelists.
MS. BHATIA: Thank you. Well, the salad bowl
that Gary mentioned takes some funny people and some
serious people, like me, so I’m going to try my best here.

I am an immigrant. I’ve been in the country for
about 11 years and have owned my business for the last
five years.

I come from the Land of Ghandi, who fought most
of his life for freedom and unity among Indians. Whether
it’s India or America, I think we all understand that
united we stand, divided we fall, and the enemy philosophy
of dividing rule that brought India down.

Diversity helps business to stay globally
competitive. It is intended to uplift all segments of
society.

As minorities, like myself, become successful,
we create role models to inspire others within our
community.

Harmony is achieved by similar levels of
economic prosperity. Inequality leads to unnecessary
problems that hinder growth of the entire nation.

As a business owner, and since the founding of
Rose, we’ve created 150 new jobs. These people have found
gainful and more economically meaningful employment.

The economic development impact is derived from higher salaries which circulate back into the economy in the way of incremental tax revenue, investment and consumption.

Further, these employees have added great value to vibrant businesses in the St. Louis areas, like Anheuser-Busch, McDonnell Douglas, which is now Boeing, Monsanto, Mercantile Bank, Mastercard International.

In the markets Rose International does business in, our client base benefits from the best and brightest employees who help make them be more effective and profitable by reducing their cycle times and development costs. Therefore, our clients are able to re-invest in the economy.

As far as our employees go, most of our employees are -- many of our employees are minorities, and therefore, we’re creating diversity in the work place.

Often our clients are unwilling to consider candidates with H-1 visas, yet these candidates have the best qualifications sometimes for the job. And this may hurt us in the short-term and the economy in the
In summary, I would like to just say the reason to promote diversity in Corporate America is because it’s the right business decision.

Thank you.

SECRETARY SLATER: Very good. Thanks Sue. And now we’ll hear from Harold, and he will be followed by Dora.

MR. LAW: I, myself, am also an immigrant. I came here from China through Hong Kong back in the early days, and in the late 1950s.

The topic of discussion today is on economic value for diversity. I will confine my remarks, first of all, on economic value, and then on diversity.

These are the two very big topics which I can only touch upon certain aspect of them in the limited time this morning, and I hope to be able to link these two ideas together in some meaningful way.

Now since we are talking about how diversity can affect company’s bottom line, let me bring it down to a more concrete term. Let me equate economic value with productivity.
I think we all agree that if we have the right people to do the work, and under appropriate management and leadership, you can achieve certain, or desired level of productivity. In any company we need people who are qualified, experienced, committed, innovative, and so on. Those are the attributes of people who can have a positive impact on the bottom line of a company.

Productivity requires team work. An effective team work requires team members who are open-minded, accept and tolerant of one another, have mutual respect, and willing to cooperate.

The question now is, how can diversity enhance team work?

I think diversity can play a key role in cultivating and stimulating open-mindedness, which is, in my opinion, is the first step in building up an effective team.

Now let me dwell on this topic of open-mindedness for a moment.

In our society nowadays, diversity is no longer involved in only black and white. It is a multi-ethnic, multi-cultural issue.
A diverse group of people can provide an environment in which people of different ethnic, cultural and language background can interact and help cultivate open-mindedness.

Open-mindedness is a two-way street, and each individual has to be open-minded to one another.

Also in the process of becoming open-minded, each ethnic and minority group needs to be honest, and to deal with his own prejudices within.

Diversity exists even within various ethnic communities. Unfortunately, discrimination and prejudices also exist between ethnic groups, and we need to deal with it honestly.

Promoting diversity in the workplace is a delicate balancing act. If done right, it will result in mutual understanding and appreciation, cooperation and respect.

If done wrong, it will create animosity, misunderstanding, stereotyping, and conflict. And this is where effective management leadership comes in.

In my opinion, diversity can be promoted best at a grass root level. I think the President’s Initiative on
Race is doing it right, at the grass root level, in the community, neighborhoods and schools, especially at K through 12 levels.

It is a long process, and we have to give ourselves time and patience to cultivate and to encourage open-mindedness.

Without achieving this first milestone, it would not be too meaningful to talk about respect, cooperation, bridging racial divides, and ultimately, productivity.

With this premise, diversity can best be achieved through building greater understanding at a grass root level. Not through legislation.

We have seen the backlashes of Affirmative Action.

Affirmative Action has a noble and good intention, which is to provide opportunity and fairness, but the implementation of it has led to quota and racial preferences in jobs and college admissions.

We need to avoid these pitfalls. And I hope that the Initiative on Race will stay at the grass root level.

We need to cultivate, not legislate.
Thank you.

SECRETARY SLATER: Very good. Very good. And now we’ll hear from Dora.

Thank you, sir.

MS. SERRANO: Hello Ladies and Gentlemen. I am Dora Serrano, and I have been asked to speak to you today about the economic value of diversity.

In researching this topic, I came upon an interesting piece that it ponders, "How the world would be if Walt Disney was right and it really was a small world?"

I have put these on the table outside, and it’s something very interesting that I would like for you to have. "What If It Was a Small World After All?"

If we could shrink the population of the earth to a village of precisely 100 people, with all the existing human ratios remaining the same, it would look like this.

There would be 57 nations, 21 Europeans, 14 western hemispheric people, both North and South America, and eight Africans.

Seventy persons would be non-Christians and 30 would be Christians.
Fifty percent of entire world wealth will be in the hands of only six people. And these six people will be citizens of the United States.

Seventy people will be unable to read, 50 would suffer from malnutrition, 80 would live in substandard housing, and only one will have a university education.

When one considers our world from such an incredible compressed perspective, the need for both tolerance and understanding becomes glaringly apparent.

From these pieces we see that the world is not the way that we typically think of it. From our United States, and even more especially our midwest point of view, this is why it is vital to rehabilitate not only our views on the world, but also our views in domestic diversity and domestic work force.

The economic value of diversity are several. My principal focus here would be limited to the value of diversity in minority business enterprises, and the economic advantages all businesses to employ a wider diversity of employees.

The landscape of American demographics is changing rapidly. The rate of change will increase over
the next two generations.

It is this very change that it contains the
greatest economic values; either positive if one embraces
and takes advantage of all the change, or negative in the
form of cost if one ignores and resists the change.

Presently the ratio of race in America is
approximately 73 percent White, 12 Black, 11 percent
Hispanic, four percent Asian/Pacific, and one percent
American Indian and Alaskan Natives.

Over the next 50 years those ratios are expected
to change to approximately 53 percent white, 25 percent
Hispanic, 14 percent Blacks, eight percent Asian/Pacific,
and one percent American Indian and Alaskan Natives.

Those are significant different ratios from the
present.

By the year 2000, only 15 percent of the people
entering the work force will be American born, white
males, compared to 47 percent in 1987.

National leading number of minority business
enterprise increased by 62 percent from 1987 to 1992, and
the sales and receipts increased from 160 percent during
the same time period.
Unfortunately in Missouri, the rate of growth was only 37 percent for the number of firms, but the sales and receipts increased to 225 percent.

The coming changes in population and business ownership cannot be avoided. It is the desire of the businesses to maximize their profits, then each firm should try to tailor their products to the widest possible range of consumer possible. That is an economic benefit for diversity.

And in similar fashion, businesses that want to minimize their costs will want to efficiently utilize as diverse a work force as possible. That is an additional economic benefit from diversity.

Non-minority business will gain an economic benefit from embracing diversity in its work force, sooner rather than later.

Since the percentage of available white workers will decrease over the next generation, it would be more difficult and expensive not to pro-actively employ the growing percentage of minorities.

The businesses that get with the diversified level of operations quicker and smoother will reap higher
levels of productivity and efficiency in their firms. Those that do not will have an economic disadvantage, and could find themselves in jeopardy in a very short time given the rate of the change that is occurring.

One of the most significant benefits to support minority business development is job creation for minorities. Since minority-owned business tend to hire a higher percent of minorities, it follows that minority business are one of the best avenues to reduce unemployment and decrease the dependency on public assistance programs.

If the coming population shift shows that there will be a higher percentage of minorities, it will become increasingly important to create the jobs required to maintain a strong and viable economy. Without a strong economy, everyone loses. Economic exclusionary practices would no longer be profitable.

The barriers to growth in minority business ownership are many, but could be summed up to access to
capital and access to acknowledge.

It would be an economic benefit to all businesses to find ways to develop and foster minority business as fast as possible.

Majority business owners should look at the minority business sector as an economic benefit, rather than perceiving the development of growth and wealth creation, and being as a threat.

Minority business development would reduce public assistance programs, improve the capacity and the skills of the work force, and generally making a strong, more robust economy, with greater purchasing power, providing benefits for all businesses.

In 1994, Confluence St. Louis Task Force Report stated that one of the most promising and untapped resources in the region that has the potential to generate wealth for the community, create jobs and increase productivity and competitiveness is minority entrepreneurship in business development.

The ways to enhance minority business development are many and varied. No doubt, promoted by many in this room.
From my experience, it begins by providing the very basics. We have human resources that need to be provided with the right knowledge or knowhow, combined with access to capital resources to go about the business of being efficient in commerce.

Successful minority business development requires initiative, efforts and outreach from the business sector in all aspects of society.

It will require commitment on the part of the big and the small business alike. This commitment must then be sustained by the follow through, containing actions to demonstrate that inclusion and diversity brings about economic benefits, rather than the stereotypical belief that diversity adds cost and difficulty.

It is our mission as leaders to create a climate in the community in Missouri, and in the nation, that they will diversify the minority business of vibrant reality but eradicating barriers that have impeded economic development and vitality.

Thank you.

SECRETARY SLATER: Very good. I tell you, I think it would be appropriate to actually give all of our
panelists a round of applause, just collectively.

   [Applause.]

SECRETARY SLATER: What they’ve done very well is to give us a broad overview of the situation as it currently exists, and also, how demographics are changing the face of America, and how people aren’t willing to give up that which is unique and special about them.

   And so you, as business leaders, are challenged then, we as Governmental officials challenged then to figure out a way how to appeal to the best in the best, and then get that into the marketplace so that all of America benefits.

   And I think that they’ve all said it up very well. Let me just ask a couple of questions, and then we’re going to go quickly to the audience, because we really want your involvement here as well.

   By the way, I should say to Dora that I thought the use of this vision of a small world was quite effective.

   What it forces us to do then is to be bigger, but we, we can handle that a lot easier sometimes if we make things smaller. It’s just that all too often when we
make things smaller, we fail to see the value in it. And so we elevate ourselves by pressing down others.

In this instance she gave us the visual image of it, and we got a chance to see the world a lot more -- a lot clearer, a lot more clearly, I believe.

And so I want to especially thank her for that. And again, enjoy the picture you had as you looked at this world from an elevated perspective, because I think that’s what enlightenment is about as well. And I think that’s what knowledge is about as well.

And remember, that’s what this whole process is about, enlightenment, and gaining a better understanding of things that we might then better use the powers at our disposal to make a difference.

This is my question: How can you improve corporate diversity without creating resentment in the existing work force?

Because I think that really cuts to the heart of the matter.

How can you expand the seats at the table without creating a sense of resentment on the part of those who are already seated at the table?
And why don’t we start with Sue on this, and then we will hear from maybe one or two others, and then move on to another point?

MS. BHATIA: I think it all depends on educating the people, as far as the different skills that, that the diverse people bring to the table and to Corporate America. If they view that as a valuable input, I think that would be important and key to making a difference.

SECRETARY SLATER: So the chief objective of providing the additional seats is as much to add to the bounty, as to actually take from it.

MS. BHATIA: Yes, yes.

SECRETARY SLATER: And all too often I think people think that it’s more to take from that which exists, viewing opportunity as something static, rather than alive and growing, and dynamic.

Let me ask -- Very good. Let me ask Harold. I thought you made a number of very good points, but you really keyed on this issue and you said it twice, so I want to come back to it.

You said basically cultivate grass roots activity, efforts, building from the bottom up, not

Why don’t you elaborate a bit on that. Because it really begs a question that I wanted to ask, and that is, how can Government play a role in this whole process, when generally, we think that our role is to legislate, to pass laws, to bring about a change in behavior?

MR. LAW: Okay. Let me answer the question in the reverse way.

I think that Government, for example, this particular initiative, I think it is doing it just right, because I think it is stimulating, cultivating atmosphere, and not legislating that you have to do this or that.

I think people are very fair in the corporation, and in any small businesses we need that kind of a stimulation, we need that kind of encouragement.

And I also pointed out that we need an atmosphere of fairness, and this kind of atmosphere of fairness in order to create this diversity can, can be -- can happen through appropriate management leadership.

And I think it is, you know, I’m looking at the larger corporation, if that can come down from the management to create a fairness in an environment, and
this will encourage this diversity.

And from my only experience, if I work in a company where I do not see the fairness of treatment, then I don’t care how much you talk about diversity, it is not going to happen, and I’m not going to believe it.

I think from the Government’s point of view, with this kind of initiative and actually encouraging it, I think that certainly will help.

SECRETARY SLATER: Very good. Let me ask maybe a specific follow-up question. I think your points there were very well stated.

What would you say are the critical, say, one, two, three things that good managers must do to create and bolster a climate of fairness, which you characterize as being essential to creating an environment for the growth of diversity?

MR. LAW: I would say that the management has to demonstrate, or practice fairness. And they seem to be the role model of building up as a team.

I mentioned that previously that as the team work, and without team work, we wouldn’t be able to increase the productivity.
And in this diverse environment, where your companies have various people from different ethnic background and cultural groups, and I think the management would have to be, first of all, be open-minded and to be fair, and I think then things will kind of follow. I think the environment created by the management is very very critical, and very important.

SECRETARY SLATER: Okay. Very good. I can tell you that in the previous meetings, one point that has been made consistently, is that the leadership has to come from the top.

There has to be that clear and concise statement about what the end objective is. And so I wanted to, to take advantage of Harold’s reference to this issue to bring that forward.

Let me ask Dora a question, and then we will come to the audience.

Dora, you made -- you talked about embracing change, which is quite interesting, because Gary, when he was talking about how we greet, talked about the handshake, or embracing now.

But the way you characterized it was, we can
make these changes, things that are for the good, if we embrace this.

And it’s really rather unknown. I mean, it’s fluid. It’s, you know, and there is the fear and the threat element that goes along with that. But then you also suggested that we can ignore it and resist it to our peril.

Why don’t you elaborate a bit more on that. How do we deal with -- how do you embrace something like this, and live with it?

MS. SERRANO: I think the first thing is, people have to realize that the world is changing, and it’s changing at such a rapid pace that we need to change with it.

With that in mind, we need to see that we all came from someplace, and it has taken a lot of immigrants from all over the world to come into the United States and make the United States what it is.

We are going to be having a decline of the white American man in the work force, and we need to have somebody else utilizing those spaces in working in those companies.
They need to realize that they need to bring the minorities, they need to bring other people who are equally capable to do those jobs. Somebody has to be doing that work.

And it is not because they are taking jobs from other people. It is because somebody has to do the work and is -- it’s just not enough American, Native American people that they are going to be able to be working in there.

I think it’s important to realize that we need to help who doesn’t have the same level of education or same accessibility of money. We need to help them for them to go in business.

We need to have some people who are going to be working with the smallest companies, so they can achieve the same level that the big companies have.

We are competing with the whole world. We are not just competing among us in here. And we need to realize that, and the sooner we realize, the better off we would be. Because otherwise, we are not going to be one of the powers in this world. It’s going to be some other country.
We need to embrace all the races, all the people
to work together to accomplish the same goal that we’re
trying to accomplish.

SECRETARY SLATER: Very good, Dora. Now, you’ve
had the benefit of my questions of the panelists, and what
we’d like to do now is to open the floor for you to ask
your questions, and please feel free if you’d like to get
further elaboration on a question that I might have asked,
especially the one dealing with how you deal with this
question of resentment.

I think that one may be one that we’ll come back
to, but please feel free to come forward, we’d like you to
state your name, and then direct the question to any
member of the panel.

MR. BUFORD: Good morning. I’m Jim Buford,
President of the Urban League of Metropolitan St. Louis.

Mr. Secretary, we’d welcome you to St. Louis and
all of your panelists.

I’d like to believe that we are a fair society
and a color blind society, but I too must take issue with
Mr. Law’s statement that we cannot legislate diversity.

I would like you, Secretary Slater, to elaborate
on the Administration’s position on Affirmative Action, and Miss Serrano, if you would elaborate on Governor Carnahan’s position on Affirmative Action.

We at the Urban League nationally and locally are strong supporters of continuing Affirmative Action to continue diversity.

When we get to be a color-blind society and fairness is exhibited, then I think we can alleviate it, but at this point, we can’t.

I’d like you to elaborate, please.

SECRETARY SLATER:  Let me just do so quickly, and if there’s a need for further elaboration, I will.

But the President’s position is that there is still a need for Affirmative Action, but he does believe that there are certain things that have to be done to ensure that there is fairness in this process, because there has to be fairness above all.

And in that regard, I believe that Mr. Law is absolutely correct.

I do also wish to state that the President doesn’t believe in quotas. He doesn’t believe that you should use Affirmative Action to provide opportunity to
people who are not qualified.

But he does believe that you should act affirmatively in reaching out to a broad talent pool to select the best that all of our communities produce, and that this nation as a whole produces.

But I can tell you that there is the need for this cultivation. This is not an effort for governmental loan, and the President is quick to say that.

But clearly, he argues that there is a place for Affirmative Action, but that we should mend the program so as to ensure that they meet the higher constitutional standard, as declared by the Supreme Court in the Attaran case.

Within the Government I can tell you that we have, with the passage of our most recent transportation legislation, preserved what we call the Disadvantaged Business Enterprise Program, designed to bring minority- and women-owned businesses into the transportation industry.

But it is a very flexible program, and it is not limited to just minorities and women, but when you’re talking about a 200 billion dollar bill, you’re talking
about a provision that provides for up to 10 percent, or
not less than 10 percent.

You’re talking about 20 billion dollars. That’s
a lot of job opportunities for people to employ people in
our inner cities, and to do the kinds of things that have
been discussed by the panelists here.

But that’s the way we’re approaching it within
the administration, mend, don’t end, but ensure fairness.
And don’t just look for Government, don’t just look to
Government for all the answers, look to the American
people for some of those answers as well.

MS. SERRANO: I can assure you that the Governor
has a commitment to Affirmative Action. I never have seen
the Government in Missouri to be so pro Affirmative Action
as Governor Carnahan is.

I have the proof of all the changes that have
occurred, especially in the past two or three years. He
is pushing everybody to accomplish higher numbers, higher
results, and doing more business with minority business in
the employment area.

It has been a total change in attitude,
especially in the top management. Governor Carnahan
believes that if top management believes and is committed to it, that they are going to trickle down to the employees to educate them, and to bring more people of all races, in all cultures, to the work force.

SECRETARY SLATER: Thank you. Since the question pertained to a comment made by Mr. Law, I would like to ask him if he has comments as well.

MR. LAW: I know that when I mentioned the cultivate, not legislate, I’m stimulating a lot of thinking, and creating a lot of opportunity for exchange of ideas.

The Secretary of State has said it right about Affirmative Action, and I’m totally in agreement with that, and also, with President Clinton. We need to mend it, and don’t abandon it. And any legislation that needs to be reviewed, then things have not been done in the past and that should be our lessons, a learning lesson.

And I think the main thing that I understand in this kind of a situation, is that we need to create an atmosphere of fairness for all people, and not just, not just a few.

And when I said not legislate, and I know that
the function of a Government, part of it is to legislate, but to the point that we need to create the atmosphere for all.

SECRETARY SLATER: Yes. Yes. Let me close out this with a comment, though not a necessary, still, I think very appropriate.

Mr. Buford represents the Urban League, and clearly, organizations like the League have been on the battlefield for many a year seeking to do just that, bringing the business community into the dialogue about this whole issue of creating a level playing field, and giving everyone the opportunity to reach their full potential.

I mention it because there are others in the audience like that as well, and that is what the President wants to do with this initiative, to lift up that kind of effort, to encourage it, to inspire it onward. Because there’s still work to be done, and to also say thanks for the distinguished history and legacy that these organizations represent.

We’ll go now to the next individual.

MR. MELLITUS: My name is Anthony Malitas, I’m
here representing the Hispanic Legion of Greater St. Louis.

I understand that this is a business and economic panel, and my question isn’t exactly a business or economic, but Mr. Berman brought a lot of information to us, and perhaps he might be able to enlighten me and the organizations here, and the participants.

For a number of years there’s been an effort by some individuals, some organizations throughout the United States to have English-only, or official English imposed upon us.

And I’m wondering whether or not your research has indicated something that would let us know that that’s going to go forward, or whether it isn’t, and how you might be able to square what they’re trying to do with the idea of diversity?

MR. BERMAN: So you give me the easy questions. Not to diminish, you know, the absolute relevance of what he’s saying, this is an enormous question.

Give you two brief answers out of respect to everybody’s time, but I’d be more than happy one-on-one to speak with you about it, because we have an enormous
amount of data on that.

Seems to me, I don’t know if you’ve ever seen those little silver balls that you -- that are hanging from strings and they go ch-ch-ch-ch, you ever seen those? You do two, and then the other two, you know, and that’s what’s happening. Because for every action, there’s kind of an opposite and equal reaction.

And so as the 1970 census and the 1980 census and the 1990 census continued to document the rapid growth, the unprecedented growth of the Spanish population in this country, people starting freaking out. And that’s the only way I can say it, because they were overreacting. It’s exactly what it is.

We have always had multi-lingual societies here, starting with the Statue of Liberty, and it’s always, I think, unless -- I mean, I’m not a constitutional attorney, but my impression is that freedom of speech does not specify what language you’re going to speak in.

And so, you know, I have to be a little careful here, because my opinion really doesn’t matter. What matters are maybe 5,000 people that we would have asked about this question. So let me now briefly answer you
The initiatives, starting with Prop 187, and all these other, you know, rather aggressive initiatives starting out in California and all around, and the number of states that have adopted, or are attempting to adopt English only, is in response to idea that, I think it’s just sort of scarcity of resources.

Secretary Slater asked the question, how do we get more seats at the table, you know, or, you know, change the seats without making other people worry?

My point of view would be to add more tables. A way to do that as it relates to diversity then, to answer your question, would be -- let’s say there’s some transportation people here, like TWA I heard, and other people like that, what about urban tourism as an idea?

Where -- and you can bet you’re going to see it in the next five years, if you haven’t already. People are going to be going to Harlem and going to church, and I wonder how much money Blacks spend on air travel, or hotels, or meetings. I wonder if the same is true about Hispanic, et cetera, et cetera.

Now let me link you briefly back to the idea of
what language that should be done in.

It’s my understanding, and I may be wrong, that in each instance the idea of the enforceability of what language you can pick has not been upheld.

It goes against our constitution from what I know of it, and I’m again, not an expect, but that’s seems to be what the courts are saying from a practical day-to-day standpoint. If I was a business person and I am, almost all of our staff our lingual, we make money from it, make a lot of money from it.

And as the world is becoming smaller, you know, let me end with sort of a joke, it’s kind of sad, that says, if you speak three languages, you’re considered multi-lingual, if you speak two languages, you’re considered bilingual, and if you speak one language, you’re considered American. And I just don’t think that’s going to hold up in the long term.

SECRETARY SLATER: I should say something on this point, and I think you hit it on the head with that last point.

This debate about whether, you know, there should be one official language for the country, really
begs the broader question, and it’s the point that was
made at the end.

I can tell you as we as Americans interface with
the world, our ability to communicate, to actually touch
people where they are, a powerful way to do that is to
have an appreciation for their culture and the language.
And the culture and the language is ours as well, because
that is America.

And we’ll talk more about this, but you hit it
at the end, I was thinking about it, I don’t want to take
too much time here. Please.

MS. BOWMAN: Good morning, my name is Janice
Bowman, I’m a manager of workforce diversity and staffing
with Wisconsin Electric Power Company, which
is Headquartered in Milwaukee, Wisconsin.

And I have a comment rather than a question.

SECRETARY SLATER: Sure.

MS. BOWMAN: And it builds on your question,
"How can we improve corporate diversity without creating
resentment at the table?"

And my comment is simply this: Is that we
experience the most resentment from those who are at the
table, white men first, and white women secondly, who have traditionally not had to think about the issues of others.

So it’s been our experience that it’s very critical to educate the people at the table already about the basic facts of the economics of diversity, similar to the information that was provided by Mr. Berman this morning.

The understanding and educating those folks on the trends, and societal trends and their impacts on diversity as well, and how that translates into dollars and cents, because that’s what matters, and that’s what they think about.

And as I mentioned before, generally, they have not had to think about the buying powers of others, because they have had it all along, and it just did not matter.

So that’s my comment.

And I think it’s also important for those at the table to understand, along with societal trends, how it is important for people of diverse backgrounds to want to do business where it is they see people who look like them, because where we see people who look like us, we believe
that our needs will be met.

Thank you.

SECRETARY SLATER: Very good. Let me say this:

Now we’re asking questions and responding to comments, that can occur as much as you respond to comments up here, as you might find a desire to respond to comments out there.

Is there anyone who would have something to add to, or to build on a point that was just made by Janice. Feel free.

I see a hand back there. Because see, this is about dialogue. And I want -- when you put something on the table that’s hot, you want to take advantage of it. Yes. And then we’ll come right back to you.

MR. DAVIS: Very briefly, and from a little bit different perspective than she took, my name is Eddie Davis, I’m the President of the St. Louis Minority Business Council.

One of the things that you mentioned earlier was the fact that you needed to have commitment from the top. I think that’s very true.

Having worked for 26 years in the corporate
environment, I’m very akeen to the fact that we hope to think that we live in a democratic society, but I think that we work in an autocratic society.

If it is not important at the top, it simply does not get done. And so what I think we need to do is to impress upon those C.E.O.s in the corporate arena who are committed to this notion of minority business development, the importance of them motivating, as well as educating their employees to participant.

One way that you can use the motivation factor would be to provide incentives by making it a corporate goal that minority business development be achieved.

You can also tie that goal to the incentive of having those individuals who have purchasing responsibility evaluated on their ability to help the company meet that goal.

And for those of you who are in corporations that have responsibility such as Janice does, in terms of diversity, I would encourage you to institute those notions to your C.E.O.s, and I think that you’ll see that your programs will be much more effective.

Thank you.
SECRETARY SLATER: Okay. Very good. Why don’t -- Let’s just go on in the order we have, and then I’ll get to you, but hold your point on that.

MS. WHITEHEAD: My comment’s actually, I guess, support some of what we’ve just heard as well, because it builds on, I think a real critical question, which I think is about increasing corporate diversity, and how do we do that by not causing additional resentment. My name is Madye Henson Whitehead. I am president and CEO of Strategic Vision.

I have worked for organizations very directly over the last 10 years, particularly in the private and in the public sector, around this whole area, and I think that education is important, and we’ve talked about that.

But one of the critical pieces that’s often missed is that it is not linked to strategy, and so you have to go back and link it to strategy in order for it to make a difference. And that is, tying it into the strategic thinking, the strategic vision.

Where does this organization want to go?

How, in fact, does it want to go, how does it want to grow; how does it want to increase its market
share, its penetration in various markets; how does it want to attract new non-traditional workers to the work force. That’s the strategic part of it that’s often missed, because we kind of go in and do some education, and come back out, and everybody feels good for a while, and then what we see is that behavior is the same. Because we haven’t gone back and linked it to the strategy.

So that is a critical piece that I would say in any organization that is serious about this, that that’s the first place that you have to start. And once you start to link it to strategy, it starts to make sense with why we have to do things differently, why we need some additional perspectives in that process.

And I think that those are the organizations that are starting to see real positive change in this particular area.

Thank you.

SECRETARY SLATER: Very good. All of you can see from the questioners that all of the pearls of wisdom clearly aren’t on the panel, and that’s with no disrespect to the panelists. They’ve done an excellent job, but this
is about getting everyone involved, and you’re doing a super job here.

Yes.

MS. ASHTON: Deborah Ashton, director of diversity for Medtronic, headquartered in Minneapolis.

I also have a comment. I think that it is very important that as we look towards One America, that we incorporate, especially our first generation immigrants into the businesses.

One of the things I think for the business world is that as we become more global, it’s important to have them involved also in aspects dealing with translation, but also nuances of the culture.

And that should not be something that’s done on the side by them, but something, in fact, that the company values and gives those individuals credit for.

The issue of fairness, I think that one of the things is that we like to think that everyone is fair. However, being a -- in management for 20 years, one of the things that I have noted is that there is something called "similar-to-me effect," which is greater bias, and also, manager bias, and it’s on an unconscious level. But the
reality is there, and that we -- it’s hard for a person to
know if he or she is not being fair sometimes, because
they have to step outside and look at themselves.

The issue of Affirmative Action versus quotas,
one of the concerns that I think I have had with the
debate about Affirmative Action is that, in fact, if you
looked at the results from the Glass Ceiling Commission,
the Affirmative Action has not been very effective as
opposed to quotas of saving slots.

We still know that 97 percent of your Fortune 500 executives are white males. Ninety-five percent of
your Fortune 1,000 are white males.

The concern I have, I think, is that individuals
who perhaps do quotas is because they have not developed
selection devices to minimize adverse impact.

I’ll give you, let you know, formerly I was the
chief of test development and validation for the
Commonwealth of Massachusetts. And what I found is that
if individuals believe that, in fact, you can devise a
selection device that will have more equity amongst the
selection, in fact, they are capable of doing so.

However, I have also known individuals in the
selection field, in the psychometric fields, who have said, and I quote, "You can either have a valid instrument, or you can be political."

If you start from that premise, then, in fact, there will never be the steps taken to minimize the adverse impact.

So I would say that yes, I agree, we do not need quotas, we need people who are qualified, but we also need individuals who believe that they can development selection devices, in which that selection will still show a variety of quality candidates.

And last but not least, I thought from Mr. Berman, since he shared his family experience, I have a sister who’s married to a German Mexican-American, and she called me once and said, "Deborah, you know, I’ve been trying to figure out, are my children Black, or are they Hispanic?"

I said, "Well, according to the U.S. census data, it’s white, not of Hispanic origin, Black, not of Hispanic origin, I said I guess your kids are Hispanic."

But I think that one of the things that, for an African-American, or a Black American, is that we are all
hybrids anyway, and I think the whole issue over
multi-racial, for myself as an African-American, is a moot
point, because most African-Americans I know are a
combination of African, Euro, and Native American.

Thank you.

SECRETARY SLATER: Okay. Very good. Let me
just say we’ve got three more questioners, and we’ve got
about five minutes before we want to conclude this
session.

Now we will go to another panel and there will
still be the opportunity to raise issues and questions,
but we do want to move on to the next presentation. But

MR. LEWIS: I’m Steve Lewis, and I am a business
owner here in St. Louis. The problem I see is, primarily
exists in the private sector.

Corporations often say they’re committed to
diversity, and perhaps they are, and are able to
demonstrate that by their hiring practices, however, the
individuals that have the responsibility and authority to
purchase goods and services for their organizations are
not committed to diversity, or working with others.
One possible solution to this problem of inclusion is to make the employee’s performance plan and appraisal process part used by inclusion.

So if, if the management at the top of the organization says we are all in favor of inclusion and diversity, if you take the person who’s purchasing the goods and services and says, you will be now appraised in your, in your bonuses and your financial well-being as based on that, is a way to clearly link their commitment to it.

Can you please tell me what other ways, or any other solutions that we can suggest to corporations today, that you would see that might be able the get people more included in the process?

SECRETARY SLATER: Well, why don’t we do this. Let’s ask that question of our panelists, because they’ve had direct experience in this area. I have as well, but we want to hear from them. Would either of the panelists care to volunteer?

Sue, I believe.

MS. BHATIA: I think I’d like to redirect what Eddie Davis mentioned about commitment at the top.
I think as large corporations in the area, most of them we do business with, the minority coordinators who are in charge of finding qualified minority businesses to do business with, I think that we’ve come across very committed people there.

But again, the authority lies higher up in, as far as having enough empowerment to help these businesses get their foot in the door, I think that’s lacking, where maybe a commitment from the top would really help.

That’s, that’s really the key thing.

SECRETARY SLATER: Okay. Gary.

MR. BERMAN: One quick point to that. Someone mentioned earlier that you have to have the commitment from the top down, and that’s obviously true. But I’ve seen a lot of things done from the bottom up, really, you know, and let me be specific in a very narrow way.

Let’s just say you’re a retailer, and let’s just say you’re Proctor & Gamble, or Anheuser-Busch. Actually, Anheuser-Busch is a very good example, located here in St. Louis, their salespeople go out and call and knock on the doors of all these mom-and-pop stores and the other stores, know that by treating these retailers with
respect, by giving them the products that they know their customers need, they’re going to be able to sell more product.

And in doing so, they need certain tools, and they can justify the use of those tools, because they’re making the company money. And so when you get then groups of people like that together, and say look, our customers want this, our customers want bilingual sales people, or people of color, or whatever the issues are that they’re dealing with, a lot of times, especially these days, as organizations are getting flatter, they can be hurt, you know.

SECRETARY SLATER: Okay. Very good.

MS. SINGER: My name is Deborah Singer, I’m from a World of Difference, and I was just curious. I know we talked about the decline of the white male worker, as well as -- I was going to ask about a bottom-up question as well.

I was wondering if you’d seen anything about unions, and how they had sort of, or other citizen groups, how they were sort of encouraging diversity within the unions, because I think that in that way also,
corporations, especially larger corporations can work from the bottom up, from their employees that way. I was just wondering if you saw anything like that?

MR. Berman: My wife actually started the World of Difference in America, coincidentally, so that’s a small world.

It’s a small world after all. Nothing wrong with having a good time at a conference.

Secretary Slater: That’s true. You should remember that.

MR. Berman: These are serious issues and everything, you got to lighten up.

Just an observation. Now I’m for sure not getting invited back.

Secretary Slater: No, no. You’re acting the same way as the first one, and you’re here, so you’re going to get invited back.

MR. Berman: But your questions are really good and serious ones. You know, something like unions, these days the circumstance of unions, I think is such that they want to embrace as many people as possible.

Secretary Slater: So do Republicans.
MR. Berman: You’re not just to link up how things are changing.

Secretary Slater: Oh, we’ve got a disagreement here.

MR. Berman: With the Republicans, or the first part?

Anonymous Person: Unions.

MR. Berman: Well, let me finish the point.

Secretary Slater: That may be enough to say there’s disagreement on this point.

MR. Berman: That they’re not trying to organize --

Ms. Bowman: What’s the disagreement? I want to hear it.

Mr. Lewis: The industry I work in, and we are signatory to a union, and it’s a union industry, and I am amazed at the lack of people of color in the industry.

When I look back 150 years, or 100 years, or even 50 years, when I ask people how did someone get to be a painter, or a mechanic, their father did it, their brother did it, someone else did it, the unions have not encouraged at all, in my opinion, inclusion of any sort.
Matter of fact, I even had a little discussion with the union that we’re signatory to, and the Department of Labor, because we decided we wanted to hire apprentices that were of color, where they told us they didn’t want us to do that.

I sat in a meeting and watched the Department of Labor guy tell the union how they could get around hiring people of color, and they could hire their sons and nephews. And I explained to them that since I don’t have any sons or nephews, that I had to hire these guys, because if I didn’t hire them, nobody would.

So what I see is, if you look at the statistics of the unions in the St. Louis metropolitan area, in any of the building trades, you will see that the numbers are very very low.

You can walk in any construction site, manufacturing facility, and you’d see that the numbers are extremely low, and I don’t think it has anything to do with anything, other than the fact that the people who run the unions aren’t interested in having people of color as members.

Because if -- I guess, since what I think
slavery was all about, was free labor, and if all these people of color during the slavery era and back before people of color could work in corporations, in anything else other than blue collar fields, all those skills didn’t go away in the past 40 years. Someone taught their kids how to do the same things. Somebody just wouldn’t hire them.

That’s what I see.

MR. BERMAN: Let me build on that. I don’t disagree with that.

What I mean to say is, that the state of the unions, in the declining membership, are starting to look for alternative types of industries to unionize.

It just happens, if you look at the statistics you’ll find that it’s true, that the nature and the types of industries that they’re going to unionize, happen to be heavier of color members, or industries than, than not.

That was my frame of reference to this. When I said the state of the unions, you know, I don’t disagree with you, it seems like that this is perfectly logical, that they would try to keep the good jobs, but what they’re trying to do to grow their membership and get on
their feet is to unionize nontraditional union things, and those people happen to be of color. That’s what I was talking about.

MS. DAWSON: I won’t take long.

I hope this doesn’t take up what I wanted to say later at my next session. I think this is very important, it is not a laughing matter.

SECRETARY SLATER: Sure.

MS. DAWSON: I’m in construction here in St. Louis. I am a contractor.

On the matter of unions: I am going to speak about what Mrs. Dora did, a small world, and I’m going to talk about just coming to this meeting from my office.

I passed nine union -- nine construction sites. I counted two minorities on those sites. I live about 40 miles from here.

That’s what you need to look at.

Don’t look at what is sent to you in statistics and on paper. Come into this town and go to the jobsites. Find out how many minorities are working, and then after you do that, then you come in and you find out how many have the six-and-seven-dollar-an-hour jobs.
We need our minorities up there doing crane work, truck work. We need our minorities up there making the kind of money that only the white man is making right now in St. Louis.

And they will never stand a chance unless we have it legislated. There should by fairness, sir, but that’s not reality. It has to be legislated in this area.

And you asked one of the most important questions today.

MR. BERMAN: I just feel a need to briefly address this comment about the idea of some levity, or something like that.

This is my 15th year of doing these kinds of things, which is not really that long. And I’m always learning some new, so for that I apologize.

Because, you know, I recognize that this is a very serious matter, and that the work that we’re attempting to do here is very important.

I also recognize that because of the emotionally-charged nature of what we’re talking about, and it’s complicated, and not going to be sorted out in one moment, that in some ways, by communicating it in
different ways, whether it be a combination of serious, or
in some cases trying to keep things a little bit lighter,
often times it allows for a breakthrough, rather than just
being attached.

But you taught me a lesson, and I apologize if
I, in any way offended you.

SECRETARY SLATER: Okay.

MR. ARMOUR: My name is Patrick Armour, I’m by
way of Tulsa, Oklahoma. John Hope Franklin, Dr. John Hope
Franklin’s hometown, and Bob Goodwin, CEO of Points of
Light.

I’m from Akron, Ohio, where President Clinton
first started these Town Hall Meetings. Akron, Ohio being
the rubber capital of the world, and I’ve been a dockman
at Yellow Freight, and American, CFS, and I can go on down
the line.

So I want to talk from about several different,
different areas very briefly.

First of all, I am a union, no longer kid, but I
am a union man. My dad’s first cousin was the first
United Rubber Worker Vice President, United Rubber Workers
Vice President, when it was really the rubber capital of
the world.

I’m the C.E.O. of the New Millennium Community, in Tulsa, Oklahoma, which deals with industrial, commercial, community, neighborhood and development.

Our board of -- our chairman of the board is a female, who happens to be black, former politician, educator, and I’m trying to give some coloration to this for one reason.

It is not always from the top down, sometimes it is from the bottom up. Because although I’m the C.E.O. of this very innovative new company that is doing, I feel a very decent job in trying to deal with the diversity of the work place and programs, to use not the N. word, because I personally resent it when I say this, I say this with another piece of pride, because I’m the only one in my organization that does not have, not only a degree below a Master’s, but I have no college, but I’m the C.E.O.

But because I am a former, what you would call, "street nigger," I’m talking about racial initiative now, I’m talking about going through the American process of not belonging to the Urban League, not belonging to the
NAACP, not because I was not invited, but because I came another way.

And there is a tremendous amount of talent that companies, organizations, nonprofit, for profit, governments, we miss this talent, because we have a tendency of always just looking from one direction, and not doing what we’re now seemingly starting to do here, and that is, to look from every given direction and say, number one, not only how do you make a buck, but you’re being decent in making a buck, and you’re building not only a company, you’re also building a community.

So I guess what I’m trying to kind of put on the table is, as a man that is strongly linked to the union, and I am a C.E.O., which makes me a for profit guy, who sometimes has to look the BA in the face and said get out of my office before I throw you out of the window.

See, we guys can come from that direction as well. Also, be sensitive enough to know that when she strikes the pen and says okay, I’m sick and tired of this male stuff that’s going on in, let’s get down to business, I’m talking about the chairman of our board, the C.E.O., Miss Dorothy DeWitty, who is very able-bodied and minded,
71 years old, and we are doing this kind of business,
where we’re getting to this type of conference, because
she says, and we are all are saying along with this, and I
didn’t this, and I’m done.

Two of our greatest assets are two white
businessmen, and we also have -- no, three, we also have a
white female in dreadlocks, if you can get to that, who
has one of the strange certifications in the EPA arena.

So the diversity and the initiative to see the
reality. We are now beginning to just now get down to the
reality of this world ain’t just black and white, it is
not just male and female, but it’s all of it as a race, as
a union race, as well as a C.E.O. race.

It’s very important for us to take a look at
this, and jokingly and seriously, get down to some real
dialogue about how are we going to continue to maintain
this company of this country being the best in the world.
And I think it’s with this kind of operation, so I want to
thank you for that.

SECRETARY SLATER: Thank you. Let me just say
this. We do need to wrap up this session.

And I actually think we can wrap it up with the
last point that was made. I think it’s clear that we’re talking about a unique organization, the one that was just referred to, but it includes diversity.

And it also includes, I sense, people who understand the value of teamwork, and the worth that they bring to the total effort that is broader, bigger than the total of the parts.

And so I do think that that’s exactly what we’re discussing, and we’re talking about finding that kind of talent in all stratas of our society.

Wherever the talent is, we have to go out and mine it, and bring it to the forefront if we as a nation are to continue to enjoy the prosperity that we now enjoy. Maybe not to the degree that everyone would desire, meaning spread across the board, as if we would desire it. But we’re moving from strength to strength.

In that regard, I want to thank all of the panelists, as well as those who came forward with both questions and comments. This has been very good.

We now know that this leadership comes from the top, and it also comes from within the organization. And that’s helpful for me to know, because I’ve actually said
to my employees, that I am willing to lead by following.

I’m willing to empower them, and I’ve also
shared with them that there is no position within the
organization that is more important than any other
position.

And that is not to suggest that I don’t know
where I’m going, but it is to communicate that I know that
in order to get there, I have the -- I have to have the
best of the team, working as a team, with everyone feeling
free to express himself or herself.

And clearly, that’s what you have with this
panel here. So I want to thank Sue Bhatia, also Harold
Law, Dora Serrano and also, Gary Berman, for the quality
presentation that they’ve made, along with the added input
that all of you have brought heretofore with your
questions and comments and your participation.

At this point we’re going to turn it over to
Mike, who will talk about some of the Promising Practices,
and then we’ll have a little break, I believe, and then go
to the next session of the program.

MR. WENGER: Thank you again. Give our
panelists a round of applause.
Thank you very much, Secretary Slater, and all the panelists, and all of you for what was clearly an interesting, thoughtful, and thought-provoking discussion. You know, this is a difficult issue. It’s hard for people to face the pain of the past and its ramifications today. It’s hard for people to face the fears that exist. It’s hard for people to talk about this issue without emotion.

And that is why President Clinton initiated this effort, and that is why this effort is vital to continue. We need legislation clearly to protect people’s rights, and to ensure equal opportunity for all.

At the same time, we need this kind of dialogue to hear people’s stories, to acknowledge the pain, and then move on beyond the pain to a positive future. And so I thank everybody on the panel, and I thank all of you for your participation.

We have made significant progress, I think that’s undeniable. We still have a long way to go. I think that’s also undeniable.

But one of the most encouraging aspects of this year, to me, and I think to all who’ve participated, is
the number of activities that are going on in communities around the country, efforts to bridge racial division, efforts to narrow racial disparity. We call those that we’ve identified Promising Practices.

Across the country, especially in the corporate community, we have seen many ongoing efforts that are designed to bridge racial division. We have a long way to go, but there is a lot going on that’s positive.

We are trying to capture those ideas, and the lessons learned from all of the positive efforts, so that others can adapt them to their own circumstances. And we need to let people everywhere know that they’re not alone, that they’re not voices in the wilderness, that they are part of an ever-growing body of Americans, who are committed to bringing us closer together.

So one of our top priorities has been to identify and shine a spotlight on promising practices, community based and national efforts, that are designed to promote racial reconciliation, increase positive dialogues, and expand opportunities for everyone.

To date, we’ve posted about 200 of these promising practices on our website. Our goal is to get to
There are a number of examples I could give you of such activities by Corporate America. One that I would cite is Time Warner, which is in partnership with the American Library Association, has created a traveling photographic exhibit and education project, which is entitled, "It’s Us, a Celebration of Who We Are in America Today."

You may have seen some of their posters around.

Levi Strauss Foundation has developed and implemented a unique community development process, entitled project change, in which they actually have been promoting efforts at racial reconciliation and narrowing disparities in communities where they have plans.

There are other examples like that.

What we’d like to do today is get from you any thoughts you have, any things you know about that are promising practices, and then include them in the Compendium of Promising Practices, which we will publish at the end of the year.

In your packet are materials on Promising Practices, and we encourage you to fill out the first page
of those in the next few minutes.

Elizabeth Belenis, who is standing in the back in a red jacket, is our representative here from the Initiative who’s working on Promising Practices.

She’ll be happy to answer any questions you might have. She’ll be even happier if you’ll complete the Promising Practices Identification Form in your packet and give it to her before you leave here today.

So I encourage you to do that, and I encourage you to do that right now. Let me say a couple of other things.

Let me first take this opportunity, as we move on to the next segment, to thank the members of the Initiative staff who are here with us today for their efforts.

The person who really drives the, both the corporate and religious forums for the Initiative is Danielle Glosser, she has done, as always, a terrific job heading the team of people who’s been working on this effort.

She’s in the back. I think she’s wearing a yellow jacket. Karen Bruchard is the advance person who
makes sure the trains run on time, that everybody is in place, that people know where they’re supposed to be and when they’re supposed to be there, and what they’re supposed to do, and I don’t see Karen, but she’s somewhere around here, probably making sure that lunch is getting here on time. And so she is crucial.

Lydia Sermons, who is in the back, is our press secretary, and she has done a terrific job, and there she is in back.

I introduced Elizabeth Belenis a minute ago, she’s working on Promising Practices. And finally last, but certainly not least, Bambi Krause, one of the senior colleagues at the Initiative, who works primarily on American Indian Outreach, and has done absolutely fantastic job.

And I recognized her earlier, but I’ll be happy to recognize her again, she’s also in a red jacket.

Why don’t we take about five minutes to fill out these forms, and if you have any questions, Elizabeth is here to answer them.

Let me then describe what will happen next.

In about five minutes, we will convene the
break-out groups, and associated with that will be lunch, you’ll be happy to know that.

On the side of the tables are numbers. The people who are sitting at the tables with the numbers on the side, stay right where you are. The people who are sitting in front of the tables, turn around when we start the break-out groups, and that will be the break-out group, your break-out group.

People sitting at the table with a number, and the people sitting at the table directly in front with a number, those will be the break-out groups, and we have people identified who will lead the discussion at each of the break-out groups.

What we are looking for is your input. There is a series of questions which will be discussed in the break-out session. There’s some forms that we’d like to be filled out based on the answers to those questions. Danielle will be collecting those forms.

We want to use those forms to help guide us in the future, and to help inform our report to the president.

So you can be assured that the information that
we gather today will, in fact, come to the direct
attention of President Clinton.

Sometime during the break-out session, Danielle
or someone will tap each break-out group on the shoulder,
and when she does that, that particular break-out group
will go get their lunch, which is behind this curtain.

I want to thank the Mayor’s office for providing
that lunch.

So what we need to do now is take about five
minutes, no more, please, to fill out your Promising
Practices Identification Form, ask Elizabeth any questions
you want, take a quick stretch.

We’ll then convene in about five minutes in our
break-out groups. During those break-out groups, you will
be asked to go get your lunch in some order.

After the break-out groups we will reconvene for
panel number two, which I think will be a fascinating
panel, and then we will have closing comments by Secretary
Slater.

So thank you very much for being here. Thank
you very much for your contribution. Take a five-minute
stretch, fill out your Promising Practices Form, and then
let’s get in our break-out groups.

Thank you.

[Whereupon, there was a lunch recess.]

SECRETARY SLATER: Okay. We will now start the afternoon with reports from all of your efforts during the luncheon period, where there was a, I think a robust discussion dealing with building partnerships and the elements of Promising Practices.

And what we’d like to do now with this panel is to discuss key elements of success pertaining to your, your discussions.

We will hear from four individuals who really bring a lot of expertise to this program today with their many many activities in the private sector.

We will start with Miss Jacquelyn Gates, who is the Vice President of Ethics, Compliance, Diversity and Organizational Development with Bell Atlantic.

She will be followed by Mr. Lee Pepion, who is the Vice President of the Native American Business Alliance, and they’re both seated here to my right, your left.

And then they will be followed by Mr. Charles
Matthews, on my extreme left at the end of the table, and Mrs. Susan Boyle.

Mr. Matthews is the Vice President of Diversity Management for Quaker Oats Company, and Miss Boyle, Susan Boyle, is the Director of the Diversity for Monsanto.

So clearly, we have representatives of key businesses with responsibilities for these matters. And Mr. Pepion, representative of a key alliance dealing with matters of importance as relates to Native Americans.

We look forward to hearing from all of them. We will then start with Miss Gates.

MS. GATES: Good afternoon. As indicated, I am the ethics officer, also known as the corporate conscience for Bell Atlantic.

We’re the second largest telecommunications company in the United States, and our goal is to be the premier telecommunications company in the world.

We’ve just experienced in 1997 a merger between Nynex and Bell Atlantic, and the President’s Initiative was launched during that period, and really afforded us an excellent opportunity as we created a new company, to take the best from both of our previous histories, as
corporations, and to adopt the best practices.

And so we actually engaged in 1997 in conversations on diversity, which of course had a very key element, conversations on race.

We had over 50 formal conversations in our corporation at all levels, and so hopefully, I’ll be able to just touch on a couple of comments that were made earlier, the debate between whether or not leadership accountability is what drives diversity in leadership, and/or, do you need to have a grass roots movement?

And I think Nelson Mandela has said it quite eloquently, that it’s inter-dependent, and it has to happen at all levels, and it has to take place simultaneously.

And that’s one of the reasons that we’re very proud to be associated with the President’s Initiative. It’s because of our employee resource groups, we have 10 of them, African-Americans, Hispanics, Asians, Native Americans, we have the disabled, we have gays and lesbians, we have the veterans. We even have an In-Roads Association, because of the history that we’ve had in hiring In-Roads interns, and then bringing them on as
permanent employees.

It’s because of those groups, for example, the hispanic support organization that came to us about five years ago and said aren’t you looking at the population growth among hispanics as indicated by Gary Berman earlier today.

We don’t have enough bilingual reps to communicate effectively with that growing customer population.

Today we have multi-lingual centers that started with telefonica and China tone, which is our Chinese business office where we have over 750 reps in our corporation, satisfying and hopefully delighting our customers, recognizing the diversity and the growing diversity of our customer base.

Twenty-six percent of our work force, and our work force is approximately 135,000 employees worldwide, 26 percent of our work force are people of color, so the EEO laws, some of the conciliation agreements that we participated in years ago, because perhaps the quotas were not being achieved successfully.

Today we do have good representation. Eleven of
our officers are African-American running very critical businesses, as part of the total Bell Atlantic family. We have a lot more to do. We were just cited as number 17 on the Fortune 50 List for best companies for minorities to work in.

When our Hispanic employees saw the listing, they were quite upset, because of that, that 26 percent only three point, about five percent are Hispanic. It’s a baseline. It is not where we want to be. It is not the perfect representation. But it certainly is an indication that we’re moving in the right direction.

One of the challenges that corporations face in achieving fairness is not just achieving representation by numbers, but having a communication channel for employees to safely communicate when a company, which is a microcosm of society, demonstrates that people don’t know how to treat one another in the work place, that’s the reality of our society today.

Respect is not always demonstrated, peer to peer, supervisor to employee, company to vendor/supplier, and what outlet do you provide for those individuals to communicate when the standards of the corporation are not
being adhered to. And that’s why we consider having the office of ethics a best practice.

I have a 24-hour, seven day a week guideline that employees, vendors and suppliers and customers can call in to identify any breaches of standards.

A caller can remain anonymous. Very often the trust level is not there. Maybe this mechanism is there to communicate the concern, but I’m also afraid of retaliation.

How can I communicate my concern, know that it will be investigated and resolved, but I still want to remain anonymous. And we allow that to happen.

In 1997, over 3,500 calls went into that guideline. Forty percent of them were for guidance and information. Managers don’t know necessarily how to manage a diverse work force.

We make assumptions that because you’ve been given the title, that you can effectively lead a team. Team leadership today is challenges. That’s why good leaders will say, I’m willing to follow, because everyday it’s a learning experience.

That’s why education is so critical. And in
1998, every manager in our company will go through EEO training.

Let me just quickly speak to leadership accountability. The commitment that you’re hearing me talk about is a commitment that is demonstrated and spoken from the top of the house.

Our Chairman, Ivan -- our C.E.O., Ivan Seidenburg, and our chairman Ray Smith, both actively speak on this issue.

Just about now our chairman is giving a second quarter broadcast on results, and every broadcast is included with -- includes a statement on employee development, employee activity, the commitment to diversity on the part of the company. It’s a message that has to constantly be reinforced.

And so legislating diversity is not the sole answer. Affirmative Action is incredibly important.

I would not be an officer of the company reporting to the chairman’s office if it wasn’t for Affirmative Action.

It was in 1973 that Affirmative Action allowed me to enter the halls of Corporate America. But it was
qualifications, it was continuous effort and courage to challenge the process that allowed me to move forward to the position that I have today. And more courage today than ever before.

And so I think that some of these examples of best practices in our corporation can inspire other companies.

Just in closing, one of the concerns that came out in our discussion earlier was that there wasn’t enough representation from corporate America here today, especially from St. Louis-based companies.

And I think that that’s an issue to engage more corporations as much as possible. But I think that the President’s effort to identify Promising Practices is probably the way to, to inspire within Corporate America. Because everything that we do is around benchmarking.

What are other companies doing?

You can believe that our phones are off the hook now because of the Fortune article. Other companies want to know how to do it better. Other companies know, well, Bell Atlantic, if you do have some lawsuits that are pending, and we do too, how did you get to be number 17?
It doesn’t mean that we will never have lawsuits, it doesn’t mean that we will never have improprieties, but it is not the commitment of the company to ignore diversity.

It is the commitment, and we are showing through action that we are going to drive diversity leadership, whether it’s legislated or not, we will cultivate it.

Thank you.

SECRETARY SLATER: Very good. Thank you, Jacquelyn. And now we’ll hear from Lee Pepion.

MR. PAPION: Good afternoon. And as he said, I am Lee Papion, Vice President of the Native American Business Alliance, and I also own my own chemical company.

I’m going to talk to you today about the Native American Business Alliance.

The Native American Business Alliance came into existence because of -- we didn’t have representation in the business world.

There has been and continue to be groups that represent the Native American businesses, but they are mostly funded by Governmental agencies, and when the Government decides to take the money away, they go away.
The Native American Business Alliance is a nonprofit corporation designed to be self-sustaining by obtaining corporate sponsorship, such as Toyota, Honda, General Motors, Ford, Hewlett Packard, Universal Studios, and many others, as well as our membership news. Our members are located in Alaska, California, Florida, New York, et cetera. Thirty-seven states in all. We are in the process of working with the natives of Canada, and hope to have them join us soon. Our mission is to facilitate mutually beneficial relationships with the private and public business sector with Native American-owned companies, to educate the communities on Native American cultures paving the way for future generations.

We stress the values taught by our heritage. At all times, these values are paramount in our business relationship with corporate and public businesses. Fully realizing that we are holding the future of our youths in our trust, the directors and the members of the Native American Business Alliance shall at all times maintain the highest involvement from educational programs to ensure that youth are prepared to face the
challenges of the future.

We strongly believe that the native American companies are fully capable of competing on an equal basis, and encourage business communities to provide opportunities based on sound business principles, that would be mutually beneficial to both parties.

The Alliance is presently preparing for our first conference that would be held in Florida, the first quarter of 1999.

We hope to provide a forum to link Native American businesses with Corporate America, and the public sector, such as the Department of Defense, et cetera.

Our goal is to have 500 Native American companies attend this conference.

We presently have a website, www.native-america-Bus Org.

We also provide our sponsors and members with a directory. We only provide those directories to our members and sponsors in an effect to increase our membership.

This forum today is to focus on one economic value of diversity. Two, building relationships between

I wish to comment. Item one. Economic value of diversity.

The Native American population is one to two percent of the population of the United States. This leaves us with the status of not being recognized by Government, politicians, or Corporate America.

Our votes are not recognized, our purchasing power is not enough to be a force to be reckoned with. Corporate America. We do not have board of directors positions that other minorities clamor for, and we are mentioned -- and are not mentioned when politicians and other minorities, or corporate speak about minorities.

It is the African-American and Hispanics that are mentioned. We are working to change that, so the majority groups will find a value in Native Americans as parts of their diversity programs.

I must also add that we are the only minority that has to provide proof of our ethnic background. And I ask the question, why?
Item two. Building relationships between majority-owned and minority-owned businesses.

The Native American Business Alliance is building these relationships with minority-owned businesses by attending various trade shows with our booth and representatives.

A number of the corporations that sponsor the Alliance have come from them doing business with us, sharing best practices and fostering productive racially diverse workplaces.

In order for these practices to happen, we must first have management set a program that will reflect their community, development training inside their companies, and support these programs to train minorities for the workplace.

It is essential that leaders of the minority community to provide industry with awareness to support the needs of the public and private sector.

We must, as minorities, make Corporate America and the Government aware of what programs that will help us.

In our community we have minority construction
companies working with various groups to provide
apprentices for the market.

   We are also holding events that employ
scholarships to local Catholic high schools, that will
provide future participants in the workplace.

   The Native American Business Alliance is
developing a program to send Native Americans to college
and provide internships in industry in order to develop
future entrepreneurs.

   In closing, I ask Corporate America -- Excuse
me. In closing, I ask Corporate America to take a look at
the Native American reservation as a place to build
plants, produce products for America. We have the lands,
we have the manpower.

   They can certainly build factories in Mexico and
South America, and in the Far East.

   The Government of the United States must look at
the opportunities that go overseas and to other countries.
The Native Americans can produce these products if the
same chance is given them.

   We may not have the purchasing power of the
votes, but we have the ability to perform. We are proud
people.

I thank you.

SECRETARY SLATER: Thank you, Lee. And let me just say by way of reference to one or two of the points that you made, clearly, your comments about the need for the leadership of the country, especially from the office of the President and others to, you didn’t say this specifically, but I’m saying it this way, to recognize the fact that Native Americans are very much a part of this dialogue, that it is not just a black/white issue, but it includes all of us.

That’s something that the President has taken to heart, and I know that there are other things that we’re trying to do, that speaks specifically to some of the unique challenges, and the unique relationship that we all have with Native Americans when it comes to our sharing of this precious land that we have been afforded by God.

So I appreciate your comments in that regard.

I also found it interesting, and this is something that I may be the only person who didn’t know as a fact, but that your point about Native Americans being the only minority that has to prove its identity, and
that’s something that we clearly need to, we need to look into, and we’ll follow-up with more discussions about that.

MR. PAPION: I want to comment on that. It’s pretty offensive to us.

SECRETARY SLATER: I can tell. And I wanted to come back to it, and I could tell. But go on.

MR. PAPION: I think one of the things that, when was it, Hitler, he developed, these cards and stuff, where he ran his country. And I don’t think that we need to -- I know I do not look like a Native American, but I’m three quarters Blackfoot Indian. I mean, but I don’t look like one. I have to produce, through Corporate America, a card that says I’m three quarters a Native American, and I have a heritage, you know.

I think they, America and the Federal Government could find other methods to ensure that we’re a minority.

SECRETARY SLATER: Okay. All of you, I could see when Lee first made reference to that point that it was something that, that caused him to go a little deeper to even express, and I think you’ve seen that, and we appreciate you for elaborating on it even more.
Yes.

MR. PAPION: Thanks for giving me the opportunity.

MS. DAWSON: I’d like to back him up. I am a Native American, and I was working on a school job for the St. Louis School Board about five years ago, I had a full crew of Native Americans and black minorities.

My Native Americans were stopped work and thrown off the job because they did not have their tarot cards in their pockets. These were full-blood Native Americans. I am a half breed myself.

I felt, and I feel sometimes like I’m an unemployed in St. Louis. Like I’m not a part of the United States. And Native Americans are the poorest of the poor in this area, and we have the least businesses, and we get no bank loans, we have no support.

So you wonder why Natives Americans don’t succeed is, they are given no support.

I happen to be an 8A contractor, I am a woman-owned company, I am a minority, I am a DBE, I am a Native American. You would think that my company would be prospering.
After 18 years, I am still struggling, and I hired more minority labor than any company in St. Louis, and I have been beaten up for it. If they can run me out of town, they will run me out of town.

That’s the truth, what Mr. Papion said, is the truth. There’s only one other place I know that required people to identify themselves, and that was Hitler, when he marked the Jews.

Native Americans are marked, and we have to prove who we are.

SECRETARY SLATER: All right. Any other comments on this point?

I do think that my expression of our collective sentiment on this point is, it comes from all of us, and we appreciate your standing to, to echo, to support the comments that had been made by Lee. Okay.

Now we will turn to Susan Boyle, and then we’ll go to Charles. We’ll go to Susan Boyle first. She is the Director of Diversity for Monsanto, and she’ll be followed by Charles Matthews.

MS. BOYLE: Well, first of all, thank you for letting me be here. It was interesting what Mr. Slater,
when talking about learning and listening.

    I’m here about learning and listening. It’s been a really fabulous experience. Part of the reason for that is, I don’t live in St. Louis. I live in a very diverse place called San Francisco, California. Very diverse.

    I kind of -- I sort of live the monitor of my life, I lived there, my job is sort of here, because I work for Monsanto, my husband stays home more than I do, I have a brother who’s gay, and I have kids who are probably more independent than anybody I know, who are constantly out there searching out new friends and family members.

    So it’s a real pleasure to be here, because it’s different for me personally, so I appreciate listening to what you’re saying about the community you live in. Because it is a community I work in.

    And the work that I am doing right now, I started only about five months ago, so it’s a new challenge. So that’s another part of why I’m here to learn and listen.

    We had a very nice break-out, and part of what Danielle wanted me to talk about here is, from a Monsanto
perspective, where do we see ourselves being successful, what does that look like?

And I have to say after five months, I don’t know. It is not that I don’t know because I don’t think we are. It’s that I don’t know all the answers about what we are right now, and I’m still looking and learning.

Well, what I’d like to share with you are some of the things you’ve heard, and also, some of the things I feel.

In our company we try to separate what we call facts, and what we call stories. So some of these are facts, but also, some of them are my very own stories about what I’ve seen so far.

As it relates to leadership, what we have is a gentleman, a chairman named Bob Shapiro, who I actually met his wife for the first time last night, and I walked up to her and said, "It is very nice to meet you, I love your husband."

He is one of the most phenomenal leaders that you could ever be around, and his great skill is that he allows others to lead.

And in that skill I think I’ve learned a lot.
But most of all what you learn is the question about grass roots versus leadership comes up, it really is about leadership; it’s about how we act and what we do.

And I credit our leader for teaching us, as an organization how to do it, how to do diversity from any angle that we want to.

We had a discussion in our break-out about accountability and goals. I don’t think you can do this kind of work without measurement.

We tend to serve our measurements up in a couple ways, but they fall in four buckets at Monsanto. The first is, how we develop and treat our people.

When we talk about people, we don’t talk about talent, and we don’t talk about assets. We talk about people, because we all live and breathe, and we’re human.

And how we treat our people is all the things that we all know about, and many of you are involved, and it’s about training and succession planning. It’s also about caring and creating a good environment for people to work.

We care about where our people come from. We’re trying our best to recruit and go to colleges like Howard
University and invest in programs and education so that people can come to us from very very many different backgrounds.

We hold ourselves accountable in a couple ways. One, we have a steering committee, and I hate the word steering committee. Steering committee sounds like a bunch of people that sit around and look at each other, and then they go off and have a coffee break.

Our steering committee is accountable for the performance of diversity within our company. And how the initiative, not only how we report out on the initiative, but also how the initiative is working.

The other thing that we hold ourselves accountable for, it’s in our management incentive plans, so part of our incentive plans, say, are about how -- 50 percent is about how we treat our people, and how we work with each other, and diversity obviously shows itself out in how we manage, and how we trade, and how we create those succession plans, and very very much how we mentor.

We also are striving to build a more diverse community. I met Sue just before the initial panel discussion, and one of the things that I feel very
challenged by is, I came from a background six months ago
where I was working on the operations line, and a hard
business line, and now I’m in the -- this HR place, which
feels a little harder to measure, well, you know, it
really isn’t, because we’re either performing or we’re
not. And you either have the measurements in place, or
you don’t.

And the measurements as they relate to are, for
example, I know that the first half of the year we gave
maybe 40 million dollars out in businesses to -- in
contracts for minority-owned businesses. My belief is it
just isn’t enough. That’s my belief.

So my job and the requirement Monsanto has on me
and the steering committee is, so how do you make a step
change?

It is not just is it okay, which I think this
whole initiative is about. It’s about how you raise that
bar, and it’s meeting people like Sue and saying, give me
your card so that in networking with folks that we can say
to each other, what can we do, how can we create something
that changes the way we work?

You know, and that, how we show ourselves up in
the community that we work with is extremely important. And I know that there are a lot of concerns for those who are aware of the fact that Monsanto is going through a merger, you know, what does that mean for the City of St. Louis?

I don’t know. I honestly don’t know.

What I know is, I am a virtual worker. And my community has to be whenever I go. And what I think that this initiative is about is, it’s wherever race is. It’s about wherever diversity shows its face.

So when we think about our community as Monsanto, right now our community has to be the world, because the world keeps getting smaller and smaller and smaller.

It’s a global place, and we’ve all seen how information has changed that, and accessing people has changed that over the last even three years.

I don’t remember what it’s like not to carry a portable computer with me everywhere I go. You know, it is about productivity, but mostly it’s about communicating wherever you need to communicate.

So when it comes to community, Monsanto is
trying its best to involve itself, whether it was at the
time when the churches were burning in the south, or
whether it’s donating to educational areas, whether it’s a
special space program; awareness of our Monsanto fund
reaches everywhere.

So that’s sort of like, those are like our
accountability, our goal area. That’s not rocket science.
It’s really not rocket science.

It’s obviously what you do within those. But I
think one of the primary drivers of our success is also
about passion, and how passion relates to culture.
Because every place that you work has a culture.

And I think one of the things that we grappled
with in some of our discussions is like how you act and
what you do at work. And I think you said it, how, how
you come to be, I think. How does it be for all of us?

And when we think about it at Monsanto, it takes
a lot of courage, it takes a lot of courage to stand up
and say, I don’t want to carry a card that says who I am.
That’s courage. That’s speaking out.

And I think in order for us to really see
diversity as an initiative, change within the corporate
America, all of us are called upon to encourage us. And courageous can be considered a judgment, because you either are or you’re not.

This lady in the audience is very very courageous because she stands up and she says how she feels. That’s how I see it.

And all I’m saying is, to me it translates to passion and speaking from the heart.

The other thing which kind of bounced off of some of the things that were discussed earlier was the idea that we call "thinking locally and acting globally."

So as you drive to work and you see those construction, and you count nine construction sites, and you only see two minority groups, that’s a local perspective, and that, that’s what you carry into this room with you.

When I look around the audience and I look at what types of folks are here, and I’ve had a chance to meet, that’s a local experience I’ve had here today.

But my responsibility is to take that back and make a global impact. Then we all just define our own globalness. Mine happens to be in account of a big
But if we can take all those experiences and think about them locally but apply them globally, this is going to go that much further.

I think some of our, the challenge area, I think some of our greatest challenges are meshed in what I’ve just described, which is, how do you blend mind and intellect with heart and emotion, because this is a very emotional topic, and sometimes it comes out in humor, and sometimes it comes out in tears.

And I have been in meetings, and I have forced, and I don’t mean forced from a bad perspective, I mean drawn is a better word, I’ve drawn some of our management into meetings and focus groups where you can hear people talk about their experiences. Because when people talk about their experiences and you hear it, you can’t walk away without being changed.

Now what I believe that we’re trying to do with diversity and our challenge is to bring that piece of heart and apply it to the metrics that we report, because we have shareholders. We have performance requirements.

So when you blend diversity and you blend
performance requirements, you get the economic value out of it, isn’t that like the greatest gem of them all.

I think that something else that’s hard, as much as we’re trying to, you know, act, think globally and act globally, how do you define diversity globally?

When I’m talking to a group of folks and they raise their hand and they say hello, I’m from England, and by the way, diversity means we don’t have EEO in England, you know, we don’t do that there. So what are you telling me to do?

That’s a challenge. What is diversity in South Africa? What is diversity in India?

So when you’re a global company, how do you act that out?

And what we have found is we do two things. We talk about diversity in a narrow perspective and a broad perspective.

And the narrow perspective has to do with gender, and race, and age, and so forth. When we talk about in a broad perspective, it’s who’s in the room that’s going to the human being side.

So what was talked about this morning, it’s
beyond demographics. It’s about who’s in the room. It’s why you want to bring a bunch of engineers together and throw in a musician, because out of that comes creativity and innovation. And that’s what our company’s about right now.

We’re not, again, we’re not about -- we’re about dramatic step change. And so we’re doing some of those experiments.

We had an exercise where we brought a poet in. We had people that were sitting there trying to figure out the next strategy for the company, which happens to now be food, health and hope, something I can be really proud of. A poet helped us get there. Sat with the CEO, sat with the group. It’s about diversity in a broad sense when you see those types of things happening.

So what I’m going to say are, the last thing that I was asked to talk about are key elements for success.

I think it’s be serious. You can have fun, but you can be serious, be serious about this.

And by being serious, we’ve published a diversity report. And I know that some companies publish
diversity reports, but not all companies do. And I don’t mean publish it to yourselves, I mean publish it to everybody out there.

Because what’s going to happen, if you’re smart, is you have to publish it again. And in that you’re going to have to say, did I do well, or did I not? Did I make a contribution, or did I not?

And in the time of a merger, it’s very difficult. It’s very difficult to keep everybody on track, and keep everything moving ahead.

But you know, I have a diversity report that we sent out to the universe, that I’m going to say we are going to be great, we are going to show ourselves, because everybody remembers when they were in grade school, and they had to bring their report card home, and if they didn’t get a good grade, it felt really bad. Everybody remembers that. That ties your emotion into it.

The other thing is, fast is good. I think a lot of what’s happening in Corporate America is slow is okay. Slow is not okay.

There is a very very close friend of mine who was a president of our company, used to say, shoot for the
moon, you might get a star.

It causes you to push as fast as you can on that rocket ship, and if you get a star, you’ll probably get more than you asked for. So fast is good.

And my last comment would be, hold a mirror up, hold a mirror up to your corporation, and hold a mirror up to yourself. Because when you hold a mirror up to your corporation, if you are true with what you see, you’ll be able to get -- you’ll see the bumps in the road, you’ll see the pits, but you also see the mountains and good things, but you’ll be hopefully true about where your performance really is.

It’s more than the written report. It’s where that mind and emotion come together, and hold it up to yourself. Because one of the things that I really -- we were talking about this at the break, too, one of the things I’m really challenged with, is I believe what will the best thing I can do, Susan Boyle can do is, take us from this thing called compliance, and move us into competitive advantage, because of the economic value we have talked just to, and then move that into even further into, wow, Monsanto’s a great place to work. I want it to
be a very great place to work.

So I look in the mirror and I ask myself, am I making a difference toward that everyday.

Thank you.

SECRETARY SLATER: I think we should all hope for the experience of knowing that wherever we work, that it’s a great place to work. And that we as individuals make a great contribution to its enterprise. Whatever that is. Whatever it is.

I’d like now to, and Susan, thank you, thank you. I’d like now to introduce, or bring on Charles Mathews.

Again, Charles is the vice president of diversity management for Quaker Oats Company.

MR. MATHEWS: Thank you, Mr. Secretary.

SECRETARY SLATER: Yes.

MR. MATHEWS: Since I’m last, I also know I must be brief. Let me begin by indicating to what you all know, obviously, that most corporations are different, just like, as I’m sure, this group has gone around America, they have discovered that there are differences in America.
In corporations we call them cultures, and the Quaker Oats culture is probably different than many other cultures.

I recall when I first got to Quaker Oats, we did kind of a study, and we put a number of people in the room who happened to be females, another group of employees in a separate room that happened to be of color, and obviously another group that happened to be white male.

And we said to these individuals, given all of the companies you have worked for in the past, or even Quaker Oats, what does diversity mean to you?

Interesting enough, and some of you could have predicted this, most of the folks who happened to have been white females, indicated that for them, diversity was about people of color.

People of color clearly indicated that for them, the diversity was about white females. And white males indicated that it was not about them.

So I think oddly enough, when you -- when we toss out this word called diversity, it’s real clear that a lot of folks don’t start out in the same place.

And I guess it goes to what this group is trying
to deal with, this whole issue of fear in America when you say diversity, does that mean you somehow exclude someone else? Does that mean if you’re a white male, that perhaps a woman or a person of color may get the job, or the person of color, perhaps a white female, may get the job?

It has all kind of implications for different folks. So clearly, we don’t start out in the same place.

So given that profile, I think the Quaker Oats Company certainly, we started out differently, because certainly, I think it’s probably fair to say that when we talk about issues around race, or issues around diversity management, all of us who are trying our best to make a difference, are -- can clearly say it’s the right thing to do.

And for those of you who may have an opportunity to read some of the congressional record, when they try to pass a Civil Rights bill in 1960s, you may recall many senators and members of the house got up and they all quoted, it was the right thing to do.

And the problem with that legacy is, there’s still a lot of folks in Corporate America who wonder whether those of us who may be female, who may be of color, wonder whether we have real value.
We’re there because we’re the right thing to do, or are we, in fact, making a real contribution.

So at Quaker, three years ago, we started out, not with the notion that it was the right thing to do, that’s a given. Of course it’s right to be respectful for folks who may be different, it’s right to live your life by the golden rule, kind of do unto others as you would have others do unto you.

But at Quaker, we started with the business case, because we felt that was the strongest arguments we could make about making change within the Quaker Oats Company.

And for us, it was easier, I suspect. For those of you who may not know, at Quaker, apart from just making grits and oatmeal, we also make a whole lot of other things like Gatorade, and Rice-a-Roni, from San Francisco, and we do Rice-a-Roni and Pasta-Roni, and things of that nature.

Couple of things I was interested in when I met with my business leaders. When you looked at who purchased our products, interestingly enough, for those of you who may not know, it’s probably about 25 percent of
the people who happen to buy Gatorade happen to be people of color.

For those of you who don’t know the consumer business we’re in, most of the people who actually go in supermarkets and buy products, vast majority of them, 90 percent of them happen to be female.

So when we market, we try to market certainly to females. We also try and market our cereals to youngsters.

For those of you who have been in a supermarket recently and you go down the cereal aisle, there are thousands of boxes of cereal. And unless you have a young person with you, you’re probably not sure what to get.

Before I started at Quaker Oats, I just used to buy Corn Flakes, it was real easy to pick it out. But now that I’m at Quaker, I try to make sure I buy Quaker products.

We started with the business case, and the business case clearly suggested that at least for our products, that fast, the fastest growth, and the consumer that was buying the most products for us happened to be people of color, happened to be women.
We said to ourselves, how can we grow those niches, if, in fact, we own Aunt Jemima Bisquits and Syrup, 37 percent of the people who buy those things happen to be of color.

How can we grow the 37 percent to 40, and for our business leaders, many at the time happened to be white male, that made sense to them, because there was something in it for them.

Because fundamentally, at least at the companies I have had associations with, most people try to figure out if I do this, what’s in it for me?

How can I benefit, even in my pension plan, in my salary, what’s in it for me? Can I meet my goals?

So we really drove the business case and tried to show as best we could to all of our leaders what was in it for them, by demonstrating the change in demographics.

Also, we tried to look at who, in fact, would be those employees of the Quaker Oats Company 10 years from now, 15 years from now.

And for those of you who may not know, you can take some time to look at some of the educational demographics, there is a fundamental change taking place.
We happen to hire a lot of folks who happen to be MBAs in marketing, finance, so forth.

For those of you who may not know, you look at 1995 data, 36 percent MBAs in America at that time frame, and growing, happened to be female. About 16 percent happened to be of color. If you add those two numbers together, it tells you that roughly 50 percent of all the MBAs in America, any given year, are females, or folks of color.

We also hire a lot of folks with backgrounds in accounting, finance, and other business administration fields. Again, you look at all those disciplines, half of them happen to be female or folks of color.

So we said to ourselves, what can we do to grow our niche in the marketplace, and how can we, in fact, recruit the best and the brightest?

And are there, in fact, some barriers, some issues, some gaps within our culture that may cause us, when we finally bring these folks on board, not to be in the position to keep it.

Because I tell folks over and over again, the issue when you talk about diversity management is not
simply how can you get the very best, but more
importantly, how can you keep the very best. And that
goes to culture.

So what we have tried to do within our culture
is spend a whole lot of time focused on the internal
environment. Once we bring folks on board, and again, I
saw often that if you throw enough money down on the
table, you can recruit anyone, and we’re no different. We
recruit great folks.

Our issue is, how do we retain those great
people?

So we’re spending a lot of time in what we call
critical drivers of success.

What are those factors that we need to do to
make sure that both internally and externally we have the
best company in the world, where people want to work for
us, as opposed to companies like P & G, or General Mills,
companies like that?

So we spend a lot of time focused on what we
call the environment, and we do a lot of assessments. We
do as many as other companies may do. We do former
employee assessments, organizational assessments. We have
affinity groups, an African-American affinity group, Asian affinity groups, a place -- an organization we call safe place, which is an affinity group of gays and lesbians.

And we spend a lot of time trying to get their sense of what the culture’s all about. Because quite frankly, even though I may be an African-American, I’m also a vice president.

So how I see Quaker is not the same way someone else may see Quaker, who may be African-American, and may be a secretary, may be a manager. It’s a different field.

So we spend a lot of time on this thing we call workplace environment and assessment. And we also spend a lot of time, and I certainly spend a lot of time, clearly pointing out to the leadership that we don’t own, I say "we," the people in my group, what we call organizational effectiveness, that would be the staffing and recruitment people, the diversity management people, the human resource development people.

We don’t own this thing we call diversity management. We’re kind of idea people. We’re facilitators, but we take the position it must be owned by the senior management and all the other managers.
It is a, truly a business issue, not simply, quote, "the right thing to do," unquote. Then it ought to be owned by all the employees, particularly the managers.

So our management team at Quaker Oats leads the effort, they own it, and they communicate it on an ongoing basis.

Because I’ve often said, and I’ll say to you here, that we live in the world where, if you tune in to CNN, and they have a report of this particular meeting, when you hear what is said on the news, you wonder whether you attended that same meeting.

So it’s probably okay to say that most people, if you don’t give them the right information, they may, in fact, walk around -- walk away with the wrong information.

But more importantly than that, I’ve said to folks all the time, to the degree that employees may have bias, and I think it’s probably fair to say that we all have bias, whether we’re white males, whether we’re people of color, whether we’re gay, we all have our biases, and for the most part, we take the position that when you come to work in this place called Quaker Oats, you don’t leave your biases in your car, at the front door. Whatever
biases you may have, you walk in the front door with. So what we try to do is work on those biases while folks are employees. But since we’re only a small company, we can’t really do a lot of the external. We can do some, but we can’t do a lot externally.

That’s why this particular initiative, Mr. Secretary, I think is important, because I think many companies in America are trying hard to work on the kind of the issues that will bring folks together.

But we don’t have control over these folks once they leave our oasis called the workplace, so it’s important that there’s some national effort to deal with this issue.

So we spend a lot of time working on issues that we think will eliminate bias and bring all of our employees together.

And then we come down to this issue of, how do we define this thing we call diversity?

Here, in a sense, we’d define it to be race. Within the real world, I think, certainly within the corporate arena it’s difficult to define diversity as simply being race.
There's not the political support, there's not the employee base support, I believe, to make it extremely successful.

So what we have done at Quaker Oats is define adversity to be all of us, because we are truly diverse. Whether based on age, whether it’s based on sexual orientation, whether it’s based on a number of other factors. That being said, we made clear to our employees, given the issues that exist in America, we must have a stronger focus on issues around race, primarily, and gender secondarily.

Because clearly, if you did a poll, conducted a poll of most Quaker employees, they would say to you that the number one issue in America is race. And if that’s the issue in America, it’s also an issue within our work force.

So to say it another way, if we had about a million dollars, we’d probably spend about 60 percent of that million around issues of race and gender, and the 40 percent would be spent on the issues that impact all the other employees.

Then what we try to do is, obviously, develop
what we call a comprehensive strategy. What are those best practices in 10 bucket areas we try to structure. One bucket is representation. How do we go about recruiting and identifying, and retaining the best possible people in the world.

What are some of those community outreach initiatives that we can do to ensure that there is a length between what we say internally, and what we do externally.

I mentioned before this bucket called workplace environment. What if some of those employee support systems that we can, in fact, put in place, whether it’s flex time, job sharing, day-care assistance, whatever it may be, to build the base with all of our employees, what kind of employee development opportunities, whether it’s career planning, mentoring, can we put in place. What kind of structure will drive it?

Oftentimes C.E.O.s will say we have issues around diversity, we’re willing to focus on it, and then they don’t give an H. I. percentage, or a business person five percent of his or her time to make something happen.

I would argue to you, you can’t deal with the
issue of race that way, or issues of, broader issues of diversity. You really need a structure in place to drive you forward.

How then are you communicating and making it a success?

And the final bucket is, this whole issue of accountability, how, in fact, can you hold folks accountable for what we do?

What we have tried to do at Quaker Oats Company, given all the buckets I’ve described, we have tried to identify what we think are 10 to 15 best practices that we put into a book we call a Diversity Progress Index, Best Practices for Recruitment, retention, employee support, accountability, and we tie all those best practices to where, to the performance management system.

Every single senior executive, every single senior manager at Quaker Oats Company has the responsibility to drive this process we call diversity management. And we tie it back to the performance management system.

And the system’s often tied back to what, the reward system. So in an ongoing base, whether it’s
quarterly, or whether it’s yearly, every single manager is being held accountable for what he or she may do to drive a culture, where every single employee can feel he or she can make their, and reach their full potential.

Now it is not just about if you have hiring opportunities, how many hires did you have? That’s certainly a metric.

There’s also about diversity training, it’s about 360 feedback, it’s about recruitment initiatives, it’s about a whole lot of things that you as a manager can do to help create the kind of culture, where when we go to a historically black college, or we go to Kellogg, or we go to Princeton, wherever we may go, people will say after searching the Internet, and after talking to their friends, people will say I truly want to work at Quaker Oats Company.

And our goal is to do just that, is to try to have the kind of environment where people want to be, people want to have fun, people want to work, and obviously, when everything is said and done, we can all make money.

Thank you.
MR. WENGER: Thank you very much, Mr. Mathews.

Let me apologize, Secretary Slater had a 2:40 plane, and was -- his staff told him he had to leave no later than 2:00 o’clock, and he did stay until almost 2:15, and if he could have stayed longer, he certainly would have. So he apologizes for having to run off.

Let me first thank the members of the panel for interesting, thoughtful, and thought-provoking presentations.

Let me ask the audience if you have comments or questions, and let me put it in this context, without trying to limit what you might want to say, but let me put it in this context.

We have heard from a number of people here today that there still are multitudeness problems around the issue of race in the business community in corporate America.

At the same time, we have heard from people from Bell Atlantic, and from Quaker Oats, and from Monsanto, and from others that there actually are good things happening, and there are committed people trying to make a difference.
What’s clear to me is that the message of both points is that this is an effort that needs to be ongoing over time. We clearly are not going to solve the problems we face in a limited amount of time.

Clearly, this is an ongoing, long-term issue, which we need to continue to address over time.

So my question would be is, what can we, as the Initiative, do to make a difference? What are your suggestions, and what do you think Corporate America can do to make a difference in the future?

And I’d like the audience to come forward.

We’ll try to end at about 2:30, but, but let’s see if we can get some discussion going on that.

And if any member of the panel would like to take a shot at that, you’re welcome to as well.

MS. GATES: As the members of the audience come up to the mike, I just want to respond to Lee’s concern about the self-identification process.

Corporations also have a self-ID process to be in compliance with immigration, and it’s the I-9 process, when new hires are brought into the company. But that process only began, I guess maybe eight years ago.
Individuals hired into corporations prior to, let’s say 1990, someone identified the person and not the employee.

It was someone at the reception desk, it may have been a recruiter, and that was done usually by sight. And what we found through our employee resource group is a high level of resentment, certainly our Native American employees and our Hispanic employees believed that their count, or the EEO profile representation was inaccurate, because people didn’t have a chance to self-identify.

And so Monsanto, as you go through your merger, again, merging gives you an opportunity to do some new things.

And as a new company, we initiated, not because of compliance, not because the Government said to do it, a self-identification process for all employees.

The Native American group, when they saw the results, could not believe that we had just hired so many Native Americans, and we had not, but people were able to now self-identify.

It is also more fashionable, as Gary indicated earlier, because of cultural pride to now say yes, I am
hispanic, you can’t tell by my color of my skin, I don’t have the sir name for you to identify, but I am. And people want to, and so I would recommend that as well.

Just one other item. Cyber hate is certainly a new element that because we’re in information systems and telecommunications, it is an area that we must put a lot of effort to negate the negative forces that are associated with that form of discrimination, and our company has taken the lead by establishing the cyber hate website for the leadership council on civil rights, and we work with a number of other civil rights organizations in that regard.

So there is a lot that companies can do as we continue this journey together on uplifting our nation.

MR. WENGER: Thank you very much. I’m told we have to end in the next five or so minutes, so what I would like to do is go directly to the audience, and ask you if you can keep your comments brief, but we want to hear what you have to say.

MS. WOOLFOLK: I’m Ida Goodwin Woolfolk. I’m the assistant superintendent of the city schools here.

MR. WENGER: And it’s good to see you again.
MS. WOOLFOLK: Good to see you again, Mike. And it’s -- I’m responsible for community outreach, and I do diversity training as an advocacy, among other things. But I just wanted to leave my 8th grade opening speech with you, and we haven’t come very far, and this was 40 years ago.

"The major problem facing America today is developing a friendly and cooperative attitude toward other people, and to improve diversity." And that was my 8th grade beginning.

And I’ve almost become exasperated with the process, but I’m not tired yet. And I want to leave with you the fact that when we do diversity training, we start out with the word "share," and the S, of course, is for sexism, H for handicapism, and then the E is for elitism. But the only thing that’s touching as an audience is race. They’ll talk about sexism all day long and agism, but people are very uncomfortable with racism.

My question that I think I will leave with you -- I enjoyed interfacing with Charles Matthews. My last statement is, I understand, and it’s still true, that the only free people in America, in Corporate America are
still black women and white men.

MS. CHARLES: My name is Verna Charles. I’m the C.E.O. of Environmental Management and Transportation here in St. Louis, and I’ve been told that I am the only black woman in this city that is in the hazardous waste business.

I just wanted to make a comment that I am very happy that I came today. I’ve enjoyed everything and I’ve learned something, especially from my friend Lee, he had told me -- gave me some information that I had no idea that that problem existed, so I hope that you guys learned something from us as well. Because that’s what race is all about, learning from each other.

And I think the key to everything is education and communication. If we don’t talk to each other, we don’t know what’s happening with each other.

And what I would like to leave, for someone to tell our Secretary of Transportation, Rodney Slater, which is my home boys, I guess they would call each other, we’re from the same hometown, went to the same school, is that I think they should make Government facilities more accountable to the jobs that they issue out to various
people, to make sure the minority groups are included.

    If you don’t make them accountable for what
they’re doing, they’re going to submit a report to you
that they did exactly what you said, when none of that has
been done.

    Thank you. I was very impressed with each and
every one of you.

    MS. DAWSON: You asked for suggestions, I’d like
to give you some.

    MR. WENGER: Your name?

    MS. DAWSON: I’m Roberta Dawson. I’m president
of Cherokee Contracting in St. Louis.

    In talking about an atmosphere of fairness for
all, not just the few, the gentleman that was sitting up
here made that statement, I’d like to say it again, an
atmosphere of fairness for all, not just the few.

    I would like to see the work in St. Louis with
the minority contractors given to the real minority
contractors. Not the companies that, we call them
overnight wonders, that the bigger contractors have
created.

    And there are real minority contractors out here
that have really built their businesses, financed their businesses, and they’re the forces of the forest here. And I would like to see that if you work hard, and you strive to build a business, that you really get to build one.

It is not who you know, but it’s what you know, and how hard you work, that your business would get to grow. That’s something that really has to be looked at.

The other thing is the agencies in St. Louis, the federal, state and local agencies, when we go to them for help, we need them to really help us, and not just shove us aside.

I just asked for a federal investigation, I am the one that asked for the investigation, I have not received one iota of what happened to that investigation. Everybody else has, but I have not.

So the agencies really need to help us when we go to them, and not treat us like we’re stupid minorities.

Programs: The minority programs in St. Louis need to be cleaned up.

The minority programs in St. Louis right now are utilized to make the wealthy more wealthy. They are not
helping the poor minorities, but the wealthy are getting a lot wealthier off of them.

If we are going to have things like mentoring programs and all of this, that’s really great and wonderful, let’s make sure they really are mentoring.

Mentoring means knowledge. Mentoring doesn’t mean for a minority company to sign a check, or to sign a contract saying that we are doing it, when we are not.

And you know what that also means? It means we don’t make a dime. We get our overhead paid, we get a few bucks, but we don’t really get any money, and that’s why, after 30 years of minority programs in St. Louis, and I mean all of them, federal, state and local, you don’t have minority companies here that have grown or lasted.

8A programs after nine years don’t exist. Why? Because they never got the knowledge. They were used and abused.

The big boys made all the money that minorities did not. But you see, money isn’t important. Knowledge is.

After nine years, if you have the knowledge, you’re going to keep that company. But if you don’t have
the knowledge because somebody used you and abused you, you’re going to fold.

You really want minority companies, help us get the knowledge. How do you help us get the knowledge? By not letting them abuse and misuse our companies.

When they say they’re mentoring us, are they really, or are they having us sign checks and contracts saying that we’re doing the job and we are not?

How do you find out? Check our bank accounts. Don’t look at the, don’t look at the tax forms, don’t look at all of that. That can be setup.

Look at that minority contractor’s bank account. Are they growing financially? Is their company growing, not somebody else’s company?

There are such easy ways to help us. There are really silly ways to help us that seem to really be the things that keep coming down here to us, but there are real ways to help us.

Grow. You want minorities to grow because we’re the ones that are going to work and use, and we are going to be the ones that hire other minorities.

If you don’t want us to grow, keep sending down
the stuff you’re giving us. The programs that are not working. They’re written to work. They’re coming from Washington written to work, they get down here and they are not working, because they are not being implemented the way they were meant to be implemented.

Let the minorities that know how to do the job do it. Let the overnight wonders leave so that we can survive, we can grow, and we can be there in the future to hire other minorities. That’s when you’re going to see a difference.

Thank you.

MR. WENGER: Thank you very much. Let me apologize for bringing this to a close, because I think, actually, we could go on considerably longer, and I must say that I have not yet been to a forum, whether it’s corporate leaders forum, or religious leaders forum, or any other kind of forum where there was enough time.

This is an issue that requires time, it’s an issue that many people have much to say about, and so I hope that we will have another opportunity to do this sort of thing.

But I want to thank Secretary Slater, I want to
thank Gary Berman, I want to thank all of the panelists, and I want to thank all of you for a wonderful and interesting forum.

I want to thank the staff of the President’s Initiative on Race, I want to encourage you to return your Promising Practices forms to Elizabeth Belenis, return your information from the break-out sessions to Danielle Glosser.

And I want to close with a quote from President Clinton. He said, in talking about the Initiative, he said that building One America is our most important mission. Money cannot buy it, power cannot compel it, technology cannot create it, it can only come from the human spirit.

And what we are about at the President’s Initiative on Race is touching the human spirit.

And it’s my view that if we continue this dialogue, and if we heed our consciences, we can, together, overcome many of these problems, and build One America. Not with money, not with power, not with technology, but with the spirit of hope, and fairness, and commitment, and courage which has been present here today.
So I thank you all very much for coming, and I wish you God’s speed.