

## UNITED STATES OF AMERICA

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## THE PRESIDENT'S INITIATIVE ON RACE

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## RACE IN THE WORKPLACE

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WEDNESDAY

JANUARY 14, 1998

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The Advisory Board met in the Academy Auditorium at the Phoenix Preparatory Academy, 735 East Filmore Street, Phoenix, Arizona at 9:00 a.m., Dr. John Hope Franklin, Chair, presiding.

PRESENT

JOHN HOPE FRANKLIN, Ph.D.	Chair
ROBERT THOMAS	Board Member
LINDA CHAVEZ-THOMPSON	Board Member
ANGELA OH	Board Member
GOVERNOR WILLIAM WINTER	Board Member
REV. SUZAN JOHNSON COOK	Board Member
JUDITH A. WINSTON	Executive Director
ALEXIS HERMAN	Secretary of Labor

ALSO PRESENT:

JOSE CARDENAS, Moderator  
 DR. GLEN LOURY, Ph.D  
 MS. CLAUDIA WITHERS  
 DR. PAUL ONG, Ph.D  
 DEAN JOSE ROBERTO JUAREZ  
 DR. JAMES SMITH, Ph.D  
 MS. LORENDA SANCHEZ  
 DR. HARRY WOLZER, Ph.D

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## P-R-O-C-E-E-D-I-N-G-S

(9:00 a.m.)

CHAIRMAN FRANKLIN: Good morning. Will the meeting come to order please. I want to underscore the fact that this is an open meeting. I understand that there might have been some misunderstanding that the newspapers or some indicated that this was not an open meeting. It is an open meeting and I want you to understand that you're welcome; you're friends are welcome. Everyone is welcome to this meeting. And we're delighted to have you here.

Today we're conducting our fifth Advisory Board meeting. We're pleased to venture outside the Beltway and to come to Phoenix, Arizona. Our topic for this meeting will issues surrounding Race in the Workplace. We will examine this topic primarily through a round-table discussion with a distinguished panel.

After that roundtable is concluded, we will adjourn for lunch and my colleagues, Linda Chavez-Thompson and Bob Thomas, Alexis Herman will be joined in the afternoon for a corporate and labor forum that will be an afternoon session before a session of a community forum that will follow at 4:00 o'clock.

But that forum, that roundtable discussion

1 this afternoon on corporate and labor will not be an  
2 Advisory Board meeting, although many of us will be  
3 here and I hope you will be here, too, but it's not an  
4 Advisory -- or not a part of the Advisory Board  
5 meeting.

6 This is a meeting of firsts. As I  
7 indicated, our first time meeting outside the  
8 Washington area. It is essential to our work that we  
9 have the opportunity to see different parts of the  
10 country and hear from a wide variety of Americans.  
11 That's why we're so delighted to be in Phoenix,  
12 Arizona today. It will allow us as a group to hear  
13 from Americans that we have not heard from before.

14 Of course, as individuals we have been  
15 traveling to various parts of the country. Indeed,  
16 several members of the Advisory Board were in Santa  
17 Fe, New Mexico, in late November for the purpose of  
18 meeting with a group there. But this is our first  
19 group meeting outside and we are very delighted to be  
20 here.

21 And one of the reasons we are pleased to  
22 be in Phoenix, is that Phoenix represents a kind of  
23 city that in due course will be more representative of  
24 what America is and will be in terms of the burgeoning  
25 America mosaic. The population of Phoenix is some 79  
26 percent -- 71 percent caucasian, 19 percent Hispanic,  
27 three percent African-American, five percent Native

1 American and two percent Asian/Pacific Islander; more  
2 or less. Even as we speak, perhaps, the demography  
3 changes just a bit. But that's generally the picture.

4 And this is also the first time we've  
5 especially explored race as it affects economic and  
6 employment issues. The Advisory Board identified  
7 economic and employment issues as well as education  
8 issues as among the very first concerns that we wanted  
9 to study this year. We explored education's topics in  
10 our meetings at the University of Maryland and later  
11 in Fairfax, Virginia, and we now turn our attention to  
12 the intersection of race and employment. Remembering,  
13 of course, always, that education bears directly on  
14 the whole problem of employment and race.

15 Then finally, this meeting is the first  
16 time we've had an opportunity to hold a community  
17 forum as a part of our meeting agenda. We've decided  
18 to include this as a part of our visit because we  
19 understand how important it is to listen to voices of  
20 the community. And while it is essential to our  
21 process that we have the data about the economic  
22 conditions of all Americans, it is equally essential  
23 that we hear the concerns of the people of Phoenix  
24 from the people of Phoenix.

25 Now, it would be wonderful if we could do  
26 that in every city in the United States. That is,  
27 obviously, impossible. And so, as we visit Phoenix I

1 hope that the people of Phoenix will recognize the  
2 fact that they are sort of standing in for a large  
3 number of other American communities. You are the  
4 surrogate community representing so many of our other  
5 communities.

6 Now, we have been welcomed here by various  
7 individuals and groups already, but we are delighted  
8 to have with us the person who can represent this  
9 community more than any other for he is the mayor of  
10 the city. And I'm delighted to welcome to this  
11 platform Mayor Skip Rimsza, who will, of course,  
12 welcome us. Thank you very much, Mr. Mayor.

13 MAYOR RIMSZA: Thank you. I am very  
14 honored to welcome you all here to Phoenix. I believe  
15 this initiative is a great effort to move our country  
16 closer to its promise of life, liberty and the pursuit  
17 of happiness. Not for some but for all. This is a  
18 chance for every citizen in this nation to be a part  
19 of the great national conversation about America's  
20 diversity and about the strength it brings to our  
21 nation. It certainly brings strength to Phoenix.

22 We're so lucky to have so many cultures  
23 with roots deeply anchored in the southwestern soil.  
24 And that's why Phoenix, I think, is a perfect place  
25 for us to all come together today. As I've said so  
26 many times, our diversity is not something to be  
27 merely tolerated, it is to be celebrated. It is, in

1 fact, the secret of our success. It is, in fact, what  
2 makes us strong.

3 Our newest initiative in the City of  
4 Phoenix "We're all on the same team" is a cultural  
5 diversity campaign designed to educate and train  
6 ourselves about respect and fair treatment of all  
7 people. It's something we take great pride in. But  
8 it's just the latest in many steps we've taken to make  
9 sure that we really are all on the same team.

10 Last year, we commissioned an anti-hate  
11 squad whose sole responsibility is to investigate and  
12 resolve hate crimes. And hate crimes are particular  
13 heinous because they make victims of people not because  
14 of anything they've done but simply because of who  
15 they are.

16 On Friday, we'll be hosting and honoring  
17 the Dr. Martin Luther King, Jr. annual breakfast as  
18 we've done for 12 consecutive years. In fact, Phoenix  
19 is only one of the first 12 cities in this country to  
20 recognize and celebrate Dr. King's birthday as an  
21 official holiday. Our honored guests in the past have  
22 included Coretta Scott King, Rosa Parks, Stevie  
23 Wonder, the family of Cesar Chavez, and this year,  
24 Gladys Knight.

25 We have launched annual events for the  
26 United Negro College Fund, the Native American  
27 Recognition Days, International Women's Day, and

1       countless other diverse celebration. We have sought  
2       and attracted national gatherings of the U.S. Hispanic  
3       Chamber of Commerce, the National Bar Association, the  
4       National Urban League and, just for you, Secretary  
5       Herman, Delta Sigma Beta Sorority.

6               We have championed fair housing programs,  
7       anti-discrimination ordinances and various city  
8       programs like the Rights of Passage for Multi-culture  
9       Youth. We conduct business symposiums in Spanish and  
10      we've appointed hundreds of multi-culture men, women  
11      and youth to our boards and commissions. Can we do  
12      more? Yes. Always. But we're proud, I think rightly  
13      proud of what we've done so far.

14             So it's my honor to welcome you here to  
15      Phoenix and to wish you the very best as you undertake  
16      your important work here today. It's also my honor to  
17      introduce someone very special to all of you and  
18      welcome her to Phoenix.

19             Alexis Herman brings more than two decades  
20      of leadership to the people of this country. She  
21      spent her career on the front lines of a changing work  
22      force. As a business woman, a government executive  
23      and a community leader. Developing, promoting and  
24      implementing policies to benefit workers and to  
25      increase opportunities for the hard to employ.

26             She sits as a member of the President's  
27      Cabinet because as the President described, she



1 understands the needs of workers and she understands  
2 the challenges that they face.

3 I'm proud to introduce to you, the 23rd  
4 Secretary of Labor of the United States, the Honorable  
5 Alexis Herman.

6 Madam Secretary.

7 (Applause)

8 SECRETARY HERMAN: Thank you. And thank  
9 you very much, Mayor Rimsza, for your introduction.  
10 And I want to thank, through you, the people of  
11 Phoenix for all of the hospitality you have shown  
12 while we have been in your beautiful city. And I want  
13 you to notice that I am wearing the bird.

14 This morning we begin another series as a  
15 part of our national conversation initiated by the  
16 President about what it will take to build One  
17 America. A land where our growing diversity is a  
18 source of strength. And where promises like  
19 opportunity for all are real in practice as they are  
20 in principal.

21 It is only fitting that we are here today  
22 in a school amidst our young people. Because when you  
23 boil it all down, the President's Initiative on Race  
24 is really about one thing; American's future. It's  
25 about the kind of nation we want the children of this  
26 school to grow up in. It's about the children of our  
27 country. It's about how we want our children to grow

1 up, what we want them to be and where they will  
2 actually work in the workplaces of tomorrow.

3 Now, there are many things that we don't  
4 know about that future. But there are some things  
5 that you really don't need a crystal ball to see. We  
6 know, for example, how America will look.  
7 Demographers can give us a pretty good picture of our  
8 future population and work force. And they tell us  
9 that in the next century there will be no majority  
10 race in this country. There will be many faces and  
11 many races.

12 The question before us is not if there  
13 will be change. The question before us is how will we  
14 manage that change so that all may, in fact, benefit.  
15 It is not so much for us a choice as it is a  
16 challenge. And it is a challenge that will take hard  
17 work and honest dialogue.

18 And that is why we are here today. We're  
19 here to talk about the real challenges of America and  
20 to gain from the insight and the research of our  
21 distinguished panelists. Absolutely nothing is off  
22 the table today. Our focus today is on the workplace.  
23 It is on equal employment opportunity which is clearly  
24 fundamental to building One America because in large  
25 measure our labor is a central part of our identity.

26 Think about it. When you meet someone for  
27 the very first time, you may ask them what is their

1 name, where do they live and pretty soon the question  
2 gets around to, and what is it you do? Well, the  
3 answer will be I'm a doctor, I'm a real estate agent.  
4 Who is Janice? Is she a professor? Is she a travel  
5 agent? Is she software engineer?

6 But work is really more than just about  
7 our identity. It's also about dollars and cents.  
8 It's about being able to provide for your family.  
9 It's about being able to pay for the kids to go to  
10 college. It's about putting food on the table. And  
11 that's why this discussion is so important. We really  
12 can't expect racial unity without economic equity and  
13 that means opportunity.

14 And if you want to measure opportunity in  
15 any society, you have to take that yardstick to the  
16 workplace. Just how high are the barriers to  
17 employment? How long are the obstacles? In short,  
18 are people really being treated fairly? These are  
19 some of the questions and issues that we will examine  
20 today.

21 I've spent a good part of my life trying  
22 to address some of these challenges. Almost 30 years  
23 ago I worked for Catholic charities in my own town of  
24 Mobile, Alabama. I helped young men from the housing  
25 projects find apprenticeships and job opportunities in  
26 the nearby shipyards of Pascagoula, Mississippi. And  
27 I say young men because at the time it was virtually

1 impossible to get young woman into the skilled trades.  
2 And until that time, it was virtually impossible to  
3 bring in minorities, but we did it.

4 Later I moved to Atlanta, Georgia, and had  
5 the opportunity to place some of the very first women  
6 ever into white-collar jobs in the corporate sector.  
7 I can still hear some of the comments from back then.  
8 I was told, "You know, we'd hire them if only we could  
9 find them." And then I would ask the question.  
10 "Well, exactly what are you doing to find them?" And  
11 I was always met with silence.

12 Well, we've made a lot of progress since  
13 then in our policies and in our society, but we still  
14 have a very long way to go. I know that Janet Yellen  
15 will walk us today through some of the statistics.  
16 But let me begin, Janet, with at least just one.

17 Twenty years ago, I was working at the  
18 Department of Labor and at that time, the unemployment  
19 rate for African-American teenagers was over 30  
20 percent. Two decades later, I'm back at the  
21 Department of Labor but that statistic hasn't gone  
22 anywhere. Unemployment for African-American teens is  
23 still over 30 percent.

24 And Dr. Franklin, it has been at 30  
25 percent or above for each and every year for the last  
26 20 years. Today we must ask ourselves the question:  
27 What can we do to move a fact like this from the

1 statistics books to the history books. I'm very  
2 hopefully that our Congress working with our President  
3 will be able to finally put us on the right path to do  
4 something to reach these young people.

5 And now is the time to ask for it.  
6 Because, after all, we have the strongest economy in  
7 a generation. We've literally created more than 14  
8 million new jobs in the last five years.  
9 Unemployment, nationally, is the lowest it has been in  
10 a generation. And here in the state of Arizona, the  
11 unemployment rate is under four percent.

12 Nonetheless, throughout our inner-cities,  
13 on the reservations, in the barrios, too many  
14 Americans are still being left out and too many  
15 qualified minorities are finding the doors of  
16 opportunity and advancement still closed to them.  
17 Now, it is true that some of us here have different  
18 background. And some of us, perhaps, have different  
19 perspectives, but I believe at this meeting there are  
20 at least three fundamental things that we can all  
21 agree.

22 First, disparities and discriminations are  
23 real in today's American workplace. If we want a  
24 society that is truly colorblind, we must open our  
25 eyes to that fact. There are a variety of strategies  
26 to overcome those disparities and one of the main  
27 purposes of this gathering is to listen and to learn

1 about some of the promising practices that are working  
2 for the better.

3           Number two; workplace diversity is  
4 essential to success. Many employers will tell you  
5 today that if you're going to be globally competitive  
6 and remain the strongest economy in the world, then we  
7 must tap into the potential of every single American.  
8 The bottom line is this. A business can pursue  
9 diversity because it's right or it can pursue  
10 diversity because it is in their enlightened self-  
11 interest. Either way the answer is still the same.  
12 Diversity is good for business and it is good for the  
13 bottom line.

14           And that leads me to my third point. We  
15 don't have a single person to waste in this country.  
16 Because our President is right when he says, "We must  
17 be One America. Not a prosperous America and  
18 improvised America, but One America. Not a skilled  
19 America and a stalled America, but One America. Not  
20 an educated America and an ignorant American, but One  
21 America." In the end there is only one way to create  
22 that kind of a nation. It is not through machines or  
23 might. And as the President has said, "It must flow  
24 from the human spirit. It must come from all of us  
25 working together."

26           We meet today to meet that challenge. We  
27 meet today to help build One America for the 21st

1 Century. I thank Dr. Franklin and distinguished  
2 commissioners and all of our panelist and all of you  
3 who are here today for helping us to advance that  
4 agenda. And I thank you for the opportunity to be  
5 with you and I look forward to listening and learning  
6 from you today. Thank you very much.

7 (APPLAUSE)

8 CHAIRMAN FRANKLIN: Thank you very much,  
9 Secretary Herman. You suggested that Janet Yellen  
10 would lead us through the numbers and I hope she will.  
11 Dr. Janet Yellen was appointed chair of the  
12 President's Council of Economic Advisors and confirmed  
13 on February the 13th, 1997. Before that, she was a  
14 member of the Board of Governors of the Federal  
15 Reserve System and she was appointed to that position  
16 by President Clinton in February of '94.

17 Before coming to the Federal Server Board,  
18 Dr. Yellen was the Bernard T. Rocka, Jr., (ph)  
19 professor of international business and trades at the  
20 Hawes (ph) School of Business at the University of  
21 California in Berkeley where she taught -- where she  
22 has taught since 1980. Dr. Yellen has also taught at  
23 Harvard University and she had served as an economist  
24 with the Federal Reserve Board of Governors from 1977  
25 to '78.

26 She's written on a wide variety of macro-  
27 economic issues while specializing in the causes,

1 mechanisms and implications of unemployment. She's  
2 also a recognized scholar in international economics,  
3 recently focusing on the determination of the trade  
4 balance as well as the course of economic reform in  
5 eastern Europe.

6 But, of course, these days she's focusing  
7 primarily on the economic problems of the United  
8 States and those that relate to various countries of  
9 the world. And we are delighted to have her here this  
10 morning for the purpose of telling us something about  
11 the labor market issues and race in the United States.  
12 Dr. Janet Yellen. Thank you.

13 (Applause)

14 STATEMENT OF DR. JANET YELLEN

15 DR. YELLEN: Thank you very much, Dr.  
16 Franklin. And thank you to the Advisory Board for  
17 giving me a chance to discuss the important issue of  
18 racial and ethnic differences and economic opportunity  
19 in the labor market.

20 Before I begin, I'm pleased to announce  
21 that as part of the 1998 economic report of the  
22 President, we will be including a chapter on racial  
23 and ethnic economic inequality. The report which the  
24 Council of Economic Advisors submits to Congress each  
25 year will be released in early February. My  
26 presentation today will preview portions of the  
27 chapter that pertain to the topic of today's Advisory



1 Board meeting. Namely; racial and ethnic differences  
2 in economic well being and labor market success.

3 My goal today is to give you the numbers.  
4 To give you a sense of the economic standing of  
5 different racial and ethnic groups. Where we are  
6 today and where we have been. Of course, statistics  
7 are subject to interpretation. But I hope that my  
8 presentation will help set the stage for today's  
9 discussion.

10 I'll begin with a snapshot of economic  
11 well being of different racial and ethnic groups  
12 including income, wealth, poverty, the emergence of  
13 the middle-class and inequality. And I then turn to  
14 the labor market; unemployment, earnings, educational  
15 attainment and occupations.

16 But first, let me just make a brief note  
17 of that data availability. In my remarks today, I  
18 will mostly present data for blacks, whites and  
19 Hispanics only because the samples in our regular  
20 surveys are often not large enough to provide reliable  
21 estimates for smaller populations; such as Asians and  
22 Pacific Islanders and American Indians. But I have  
23 included information about these groups where it is  
24 available. I'll present a substantial amount of data  
25 so let me give you an overview of the themes that I  
26 hope you'll take from my presentation.

27 First, over the last half century,

1 disadvantage minority groups have made substantial  
2 progress both in absolute terms and relative to  
3 whites. But that progress has been uneven. In the  
4 1950's and especially the 1960's, economic growth was  
5 strong and improvements in economic well-being were  
6 widely shared.

7           The 1960's and early 1970's also witnessed  
8 substantial narrowing of economic differences between  
9 blacks and whites. But this narrowing seems to have  
10 stalled sometime in the early to mid-1970's. There  
11 are some hopeful signs of renewed progress in the  
12 1990's, but it's really too soon to tell if these  
13 signal the beginning of a new period of declining  
14 racial and ethnic economic disparities.

15           On average, the economic status of  
16 Hispanics relative to whites is lower today than in  
17 the early 1970's. However, the Hispanic population  
18 has grown rapidly over this period. Roughly doubling  
19 in size between 1980 and 1996. Therefore, in  
20 interpreting these trends, it's important to keep in  
21 mind the increasing number of Hispanic immigrants with  
22 lower education levels.

23           Just to cite one example; college  
24 completion rates increased substantially among native-  
25 born Hispanics over the 1990's even though college  
26 completion among all Hispanics was stagnant and the  
27 relative economic status of Hispanics was

1 deteriorating. Unfortunately, our statistics for  
2 American Indians and Asian and Pacific Islanders are  
3 much more limited. However, it is possible to draw  
4 some broad conclusions.

5           The economic status of Asians and Pacific  
6 Islanders is similar to that of white non-Hispanics.  
7 But there's a great economic diversity within that  
8 group. For example, despite similar median incomes,  
9 poverty rates for Asians and Pacific Islanders are  
10 about 70 percent higher than those of non-Hispanic  
11 whites although they're still far lower than rates for  
12 blacks, Hispanics and American Indians. According to  
13 the most recent data, American Indians had the lowest  
14 income and the highest poverty rates for all groups.  
15 A second major theme is that large racial and ethnic  
16 disparities in economic status persists so there is  
17 much to be done.

18           Now, let me begin my presentation of data  
19 with what is probably the most widely used indicator  
20 of economic success, economic well being; namely  
21 income. The first chart presents family income since  
22 1967. Inflation adjusted family income has risen for  
23 whites and is highest among whites and Asian and  
24 Pacific Islanders. Black family income grew only  
25 slowly while median Hispanic income actually declined.  
26 Black family income is a fraction of white income,  
27 rose in the 1960's but this trend reversed in the

1 1970's and 1980's.

2           Income measures economic status in only  
3 one year. Wealth, which measures the net value of  
4 assets at a given point in time may be a more complete  
5 measure of economic well being because it's  
6 accumulated over lifetimes and transferred across  
7 generations. Wealth is important because it can  
8 enable a family to maintain it's standard of living  
9 when income falls, due to job loss, family changes  
10 such as divorce or widowhood or retirement.

11           Racial and ethnic disparities in wealth  
12 are even greater than for income. As you can see from  
13 the bottom chart, the median net worth of white  
14 households was more than ten times that of black or  
15 Hispanic households in 1993. And there are also large  
16 racial and ethnic differences in wealth among  
17 households with similar incomes.

18           The emergence of a large middle-class is  
19 one of the great accomplishments of the post-war  
20 economy. As you can see from the top chart, the  
21 proportion of blacks who are considered very poor --  
22 which is defined here as family income below 50  
23 percent of the poverty line -- fell dramatically  
24 between 1940 and 1970. By 1990, nearly 50 percent of  
25 blacks had incomes that were more than twice the  
26 poverty line.

27           The bottom chart shows a similar emergence

1 of a large white middle-class. These charts used data  
2 from the decennial census. So the precise turning  
3 points are a bit hidden. Other data indicate though  
4 that for both blacks and whites, the middle and upper-  
5 income group taken together essentially stopped  
6 growing in the early to mid-1970's. And family income  
7 growth has picked up again in the 1990's.

8 Let me next turn to poverty. Poverty  
9 rates fell markedly in the 1960's, but stagnated  
10 starting in the early to mid-1970's. However, here  
11 again, there is signs of renewed progress in the  
12 1990's. As the black poverty rate as well as the  
13 difference between the white and black poverty rate  
14 fell to new lows in 1996.

15 As I noted earlier, despite median income  
16 comparable to that of whites, the Asian and Pacific  
17 Islander population has a higher poverty rate than the  
18 white population. The Hispanic poverty rate is high  
19 and has generally risen since the early 1970's. It  
20 surpassed the black rate in 1994 and has fallen  
21 gradually in this expansion. Finally, the latest data  
22 for American Indians from the 1990 census indicate  
23 that poverty rates among this group were the highest  
24 of all the groups considered; 31 percent.

25 Let me next turn to inequality. It's  
26 helpful to put the data on income and poverty in the  
27 context of more general trends in income in equality.

1 This chart shows a widely used index of inequality.  
2 Family income in equality has been rising fairly  
3 steadily since the early 1970's. Increasing in  
4 equality generally means that those at the bottom will  
5 become worse off relative to those in the middle or  
6 top. Since minorities are over represented at the  
7 bottom of the income distribution, widening inequality  
8 is expected to widen income gaps between minority  
9 groups and whites.

10 Now, let me turn to the labor market. The  
11 link between labor market success and economic well  
12 being is obvious. For example, wage and salary income  
13 make up over 80 percent of the income of people  
14 between the ages of 15 and 65. And the poverty rate  
15 among workers is less than one-third that of non-  
16 workers.

17 It's important to understand that changes  
18 in racial inequality and overall inequality are  
19 intertwined with broader changes in the economy and  
20 the labor market. I've already mentioned how the  
21 general trend of rising income in equality is likely  
22 to exacerbate inequality across racial and ethnic  
23 groups.

24 One of the most important recent  
25 developments in labor markets in the past 15 years is  
26 the rising demand for more educated workers.  
27 Economist have emphasized that technological changes

1 in production processes such as the increased use of  
2 computers have increased the demand for workers with  
3 a college education. This change has increased the  
4 pay of college educated workers compared to those with  
5 less education.

6 From the top chart, you can see that the  
7 earnings of college graduates compared to those with  
8 only a high school degree rose rapidly in the 1970's  
9 and 1980's. So how does the increased value of a  
10 college education then effect race differences on  
11 labor market outcomes?

12 Well, as you can see from the bottom  
13 chart, blacks and Hispanics are less likely to hold a  
14 college degree than whites and Asians. American  
15 Indians also have lower rates of college attainment.  
16 Therefore, these groups have been hurt  
17 disproportionately by changes in the economy that have  
18 raised the demand for college educated workers.

19 Let me now turn to unemployment.  
20 Secretary Herman discussed in her remarks an important  
21 indicator of success in the labor market is the  
22 unemployment rate. The economy is doing extremely  
23 well right now. And the unemployment rate has been  
24 below six percent for more than three years. The  
25 unemployment rate in Arizona is currently under four  
26 percent. And, of course, a strong economy benefits  
27 nearly everyone, especially those at the bottom of the

1 earnings and income distribution who are most likely  
2 to lose jobs during economic downturns.

3 Unemployment rates have fallen  
4 dramatically for all groups in the present recovery.  
5 And in 1997, the black unemployment rate fell to its  
6 lowest level in over 20 years. Nevertheless, large  
7 disparities are still apparent. In 1997, black and  
8 Hispanic unemployment rates were about twice those of  
9 whites. Unemployment rates for minority teenagers, as  
10 Secretary Herman mentioned, remain high; currently  
11 around 30 percent and can exceed 50 percent in severe  
12 recessions.

13 And as you can see from the chart,  
14 unemployment among blacks and Hispanics is not only  
15 higher but also tends to rise more in recessions. So  
16 there's reason to celebrate the strong economy and low  
17 unemployment, but other indicators of success in the  
18 labor market, such as earnings, also influence racial  
19 and ethnic differences and economic status.

20 Let me now turn, if I might, to earnings.  
21 Research has shown that particularly in the ten years  
22 following the passage of the Civil Rights Act of 1964,  
23 differences in wages between blacks and whites  
24 narrowed markedly. What's happened since then. The  
25 upper chart shows the ratio of black and Hispanic male  
26 earnings to white male earnings. As you can see,  
27 relative earnings of Hispanic and black men have



1 generally fallen since 1979. Evidence suggests that  
2 the decline began sometime in the mid-1970's.

3 Black women nearly reached pay parity with  
4 white women by the mid-1970's. However, as the bottom  
5 chart shows, this earnings gap has widened again.  
6 Again, you can see that the relative status of  
7 Hispanic women has declined. We have seen that  
8 earnings are lower for minorities than for whites on  
9 average and that education has become increasingly  
10 important. It's also interesting to look at earnings  
11 gaps for workers with similar educational attainment.

12 This slide shows that earnings ratios for  
13 people with similar levels of education are much  
14 higher than the overall ratio. This pattern suggests  
15 that a substantial fraction of the gap in wages  
16 between blacks and whites and particularly between  
17 Hispanics and whites is due to differences in  
18 educational attainment. But even for workers with  
19 similar education, disparities remain suggesting that  
20 education is important but it's not the whole story.

21 There's considerable debate about how to  
22 explain the remaining earnings differences. A number  
23 of factors may play a role and this slide lists some  
24 possibilities. The list is by no means exhaustive and  
25 the causes of earnings gaps are complex. Let me  
26 mention some of the leading potential explanations.  
27 One possibility is that there may be differences in

1 labor market skill. These skill differences could be  
2 linked to the quality of schools, to other investments  
3 in human capital and disadvantaged family backgrounds.

4 Secondly, there's undeniable evidence that  
5 discrimination is a continuing problem in the American  
6 workplace. A critical question is the extent to which  
7 racial and ethnic earnings gaps are due to  
8 discrimination or to other factors. And these are  
9 subjects that our panelists have all studied so I  
10 suspect we will be hearing more about this soon.

11 Let me offer a couple of additional  
12 possible explanations for the trend in earnings  
13 differentials between black and white women. As I  
14 mentioned, black women made extraordinary progress  
15 relative to white women in the 1960's and the early  
16 1970's. But the trend then reversed. As you can see  
17 from the top chart attainment of a college degree  
18 among white women has risen quickly. Faster than for  
19 black women.

20 And this occurred at the same time that  
21 the demand for college educated workers was rising.  
22 This may explain some of the increase in the  
23 black/white earnings gap since the mid-1970's. It's  
24 clear that education is not the whole story, however,  
25 because earnings gaps for people with the same  
26 education level also widened during this period.

27 Another possible explanation relates to

1 labor market experience. The bottom chart shows that  
2 labor force participation has grown more rapidly for  
3 white women than for black women since the 1970's.  
4 This means that their work experience was also growing  
5 more quickly and experience is rewarded with higher  
6 earnings.

7 Finally, let me turn to occupations. Like  
8 wealth, occupations may tell us more about long-term  
9 economic status than wages or unemployment in any  
10 single year. There was significant improvements in  
11 the occupational status of blacks in the 1940's,  
12 1950's and '60's. For example; black men moved out of  
13 agricultural work into higher paying blue-collar jobs  
14 in large numbers. And black women shifted out of  
15 domestic service and into other service, clerical and  
16 blue-collar occupations during this period.

17 More recently, growth in the higher paying  
18 managerial and professional occupations has been  
19 strong. And over the past 15 years, the increase in  
20 managerial and professional employment has been  
21 especially sharp for women. These charts show that a  
22 far higher fraction of whites than blacks or Hispanics  
23 work in managerial and professional occupations.

24 Hispanics are much less likely to be  
25 working in managerial and professional occupations and  
26 there has been little improvement in the percent of  
27 Hispanics employed in these occupations over the past

1 15 years. Since 1990, there has been noticeable  
2 growth in the proportion of black men in managerial  
3 and professional positions, although they still lag  
4 far behind whites and black women.

5 Well, let me sum all of this up by saying  
6 that when it comes to racial and ethnic economic  
7 inequality, we see major achievements over the last 50  
8 years. But there was clearly a slowing of progress  
9 from the mid-1970's to the early 1990's. Recently, we  
10 have seen some signs that progress may be picking up,  
11 but it's too soon to tell. In any case, it is clear  
12 that unacceptable large economic disparities remain.

13 I hope that this has been helpful in  
14 providing some background on these important issues.  
15 Thank you for giving me the opportunity to speak to  
16 you today, and I'm very much looking forward to now  
17 hearing the panel discussion of these topics. Thank  
18 you.

19 (Applause)

20 CHAIRMAN FRANKLIN: Thank you, Dr. Yellen.  
21 Before we hear the panel discuss these topics which we  
22 are all awaiting somewhat breathlessly, I want to  
23 remind you that from time to time in our meetings  
24 there are initiatives that have been taken by the  
25 President or some branch of the government. And  
26 today, we're moving even beyond that to announce an  
27 initiative taken by an institution outside government.

1           And I have the great pleasure of  
2           introducing our colleague, a member of the Advisory  
3           Board, Linda Chavez-Thompson who is Executive Vice  
4           President of AFL-CIO who will speak on -- who will  
5           make the announcement.

6           STATEMENT OF MS. LINDA CHAVEZ-THOMPSON

7           MS. CHAVEZ-THOMPSON:     Thank you, Mr.  
8           Chairman. For the 13 million members of the American  
9           labor movement, the women and men who drive our  
10          trucks, build our homes, teach our kids and care for  
11          us when we are sick, the goal of creating workplaces  
12          free of discrimination is just as important as the  
13          goals of fair wages, decent benefits and safety on the  
14          job. That is why I am proud to serve on the Advisory  
15          Board of President's Initiative on Race and it is why  
16          workers across the country are working hard to improve  
17          race relations in the workplace.

18          While our society has made progress over  
19          the last generation, one of the lessons that Americans  
20          are learning from the Advisory Board is how much more  
21          needs to be done. We in the union movement are  
22          determined to redouble our efforts against  
23          discrimination. Thus, I am pleased to announce that  
24          the AFL-CIO is launching two new initiatives to that  
25          end.

26          First, the federation is preparing a  
27          practical guide to improving race relations, equality

1 and opportunity in the workplace for free distribution  
2 to both union and non-union audiences. This will  
3 bring together the experiences of working people in  
4 addressing race or discrimination problems on the job.  
5 It will focus on best practices within unions and in  
6 cooperative labor/management projects. The target  
7 date for publication is September 1, 1998.

8 Secondly, the AFL-CIO will sponsor forums  
9 similar to that in Phoenix this week. These forums  
10 will highlight how workers and managers have joined  
11 together to improve race relations and fight  
12 discrimination in both union and non-union workplaces.  
13 We will ask employers to participate and I personally  
14 would like to invite members of this Board to take  
15 part in these forums. In these initiatives and in all  
16 that we do, the AFL-CIO, we use the lessons learned by  
17 working women and men in improving race relations to  
18 contribute to society where racial justice is finally  
19 done. Thank you, Mr. Chairman.

20 CHAIRMAN FRANKLIN: Thank you, Ms.  
21 Thompson. The President has reacted immediately to  
22 this announcement and it's just come over the wires  
23 since we've begun our meeting and President Clinton  
24 has this remark to make about the announcement. I'm  
25 quoting now.

26 "Thousand of union men and women have  
27 been working hard to improve race

1 relations in the workplace. Members of  
2 the AFL-CIO, in the tradition of A.  
3 Philip Randolph, have continued to lead  
4 the fight against discrimination in the  
5 workplace and in society. Today, the  
6 Race Initiative Advisory Board meeting in  
7 Phoenix will hear worker and union member  
8 testimony highlighting these efforts.

9 "I am pleased that today the AFL-CIO has  
10 announced two initiatives to redouble its  
11 member's efforts against discrimination.  
12 I applaud their decision to take on this  
13 challenge by supporting these initiatives  
14 to help further the dialogue and learning  
15 from today's Race Initiative Advisory  
16 Board meeting in Phoenix.

17 "The AFL-CIO leadership, in sponsoring  
18 workplace forums on race will provide  
19 additional venues for thoughtful dialogue  
20 and education of workers, managers and  
21 employers. I encourage members of the  
22 Advisory Board to participate with Board  
23 Member Linda Chavez-Thompson and the AFL-  
24 CIO in these forums.

25 "Additionally, the AFL-CIO's decision to  
26 produce a workplace guide to improve race  
27 relations will be key to moving dialogue

1 and learning interaction. This practical  
2 step will help workers and employers  
3 throughout our nation implement best  
4 practices for addressing racial issues  
5 and job discrimination in the workplace.  
6 "I urge all business to join this effort  
7 to improve race relations in the  
8 workplace. It is efforts such as those  
9 announced in Phoenix by Ms. Chavez-  
10 Thompson that will bring our nation  
11 closer to One America."

12 That's the message from President Clinton.

13 Well, we would now like to turn our  
14 attention to our roundtable topic for today: Race in  
15 the Workplace. Our moderator for this discussion will  
16 be Mr. Jose Cardenas. Mr. Cardenas is a partner with  
17 the Phoenix law firm of Lewis & Roca. He is an active  
18 and dedicated member of the Phoenix community. His  
19 many activities include being a founding director of  
20 Harmony Alliance, serving as a member of both the  
21 steering committee of the Arizona Minority Council  
22 Program and the Stanford University Board of Visitors,  
23 just to name a few of his activities.

24 He will introduce to you this morning's  
25 panelist and I'm pleased to introduce Mr. Cardenas.

26 MR. CARDENAS: Thank you, Mr. Chairman.  
27 Madam Secretary. I was talking this morning with a



1 senior advisor for the President's Initiative on Race  
2 and I asked her how we would run the roundtable this  
3 morning. She had some very helpful suggestions.  
4 Suggested that we might model it after the  
5 McNeil/Leher Report or the McLaughlin Group, perhaps,  
6 without some of the raucousness.

7 I didn't tell her because I didn't want to  
8 make her nervous that I had already decided that I  
9 would explain the process today by comparing and  
10 contrasting it with ABC's Political Incorrect. And I  
11 swear I made that decision before last night's program  
12 came on which featured a fairly serious though  
13 obviously very superficial discussion of affirmative  
14 action with of all people Charlton Heston. So it will  
15 turn out to be more of a model than I had anticipated.  
16 Secretary Herman, don't worry though, I will not do a  
17 monologue.

18 But I do fully intend and I think the  
19 panelist share this intent to make this a very candid,  
20 a very lively discussion that will certainly be much  
21 more informed; better informed than anything you could  
22 hear on late-night TV. Obviously the scope of the  
23 discussion will also be much broader than simply  
24 affirmative action.

25 I'd like to, in terms of setting out the  
26 parameters, steal for what will be just one of many  
27 occasions, Dr. Loury, one of our panelist, who

1 commented that the subject that we're discussing today  
2 has been too much the subject area of lawyers and  
3 philosophers. And we don't want to have a discussion  
4 today that focuses on abstract legal principals or  
5 philosophical principals. We want to make this real.  
6 We want to make it concrete. We've urged all the  
7 panelists to do that to make it meaningful to the  
8 people of Arizona. Because this is an important topic  
9 to all of us not just one particular group, but to all  
10 Arizonians.

11 What we intend to do for the next hour or  
12 so is focus on three key things that are related to  
13 the subject of race in the workplace. Those three  
14 themes that I've asked the panel to focus on are: The  
15 causes of the disparities that Dr. Yellen's data show  
16 exist; the impact of racial discrimination, to what  
17 extent is it still a factor in today's job market; and  
18 finally, we're going to talk about policy and program  
19 responses to racial disparities including affirmative  
20 action.

21 Let me begin by introducing our panelists.  
22 In the interest of time I'm not going to go into  
23 detail on their biographies. You've got that  
24 information in the materials that were made available  
25 to you when you came into the room. So let me just  
26 hit some of the highlights.

27 Beginning on the left, our first panelist

1 is Professor Jose Roberto Juarez, Jr. He's and  
2 associate dean at St. Mary's University Law School.  
3 His research has focused on employed and language  
4 discrimination. He was with the Mexican American  
5 Legal Defense in Education Fund, MALDEF, for three  
6 years.

7 Dr. Paul Ong is Chairman of the Urban  
8 Planning Department at UCLA. He has written  
9 extensively on the subject of Asian-American economic  
10 issues.

11 We next have Ms. Claudia Withers who is  
12 the Executive Director of the Fair Employment Council  
13 of Great Washington, a civil right's research and  
14 advocacy organization which focuses on employment  
15 testing and civil right's litigation. She's a  
16 practicing attorney and a professor of law at American  
17 University.

18 And finally, our last panelist on this --  
19 to my left is Dr. Glenn Loury who has written  
20 extensively on a variety of issues including poverty  
21 and racial inequality. He is currently a professor of  
22 economics at Boston University.

23 Let me ask you this, is this microphone  
24 audible? It seems like I'm -- okay, good. I got the  
25 sign from my advisor that everything's okay. I'm sure  
26 she's going to give me a hard time about Political  
27 Incorrect reference later.

1           On my right, Dr. James Smith, Senior  
2           Economist at The Rand Corporation. He has done  
3           significant and widely cited work on black and white  
4           wage and employment differences and has also done work  
5           on the impact of immigration.

6           Seated next to him is Ms. Lorenda Sanchez.  
7           She is the Executive Director of the California Indian  
8           Manpower Consortium which is the largest social and  
9           human service organization in the United States.  
10          Through that experience and through her experiences on  
11          boards at the local, regional and national level, she  
12          has become one of leading experts on economic and  
13          employment issues facing American Indians.

14          Finally, we have Dr. Harry Holzer who is  
15          a professor economics at Michigan State University and  
16          is nationally recognized for his research and books on  
17          race in labor markets.

18          The way I intend to proceed here is to  
19          begin with questions to the panelist and my questions  
20          typically will identify the panelist whom I would like  
21          to kick off the discussion. But there's no intent to  
22          limit it to those particular panelists and I have told  
23          them that anybody else should join in who wants to  
24          comment. Members of the Board are also welcome to  
25          comment. But we will at the end of our panel  
26          discussion ask for specific comments from the Board.

27          I've also told them that they should feel

1 free to tell me if I've asked a dumb question. And  
2 all of them have assured me with a rather  
3 disconcerting amount of enthusiasm, that they will  
4 indeed do that, and so let's get started and hope that  
5 the first one isn't too tough.

6 The first area that we want to focus on is  
7 causes of disparities in economic opportunity, income,  
8 unemployment, poverty. And the issue is whether  
9 racism and racial discrimination are a cause of those  
10 disparities or are there non-racial causes such as  
11 what is referred to pipeline issues; education, family  
12 background, location of jobs and so forth.

13 I'd like to begin Dr. Smith with you and  
14 followed up by Dr. Holzer with a question that points  
15 out a disparity in terms of perceptions. Whites,  
16 according to a recent poll, 65 percent believe there's  
17 no difference between the economic and social  
18 conditions of blacks and whites. Yet, Dr. Yellen's  
19 data show that there clearly are differences and that  
20 the disparities, particularly those between whites and  
21 Hispanics are growing. How do you explain the  
22 disparities, if you will, between the perception and  
23 the actual disparities that exist.

24 DR. SMITH: That's an absolutely brilliant  
25 question.

26 MR. CARDENAS: Thank you, I appreciate it.

27 DR. SMITH: Did I say that right?

1 MR. CARDENAS: We're off to a good start.

2 DR. SMITH: Well, I think what you would  
3 learn from a statement like that is not to pay  
4 attention to every academic study because I would find  
5 it absolutely incredible that two-thirds of white  
6 Americans do not know that there's an income  
7 difference between the races. If I asked the people  
8 in this audience to say that the average black and the  
9 average white person in this country earn the same  
10 amount, I don't think anyone would say yes. So I  
11 think that's a poor starting point for the discussion.

12  
13 It's not that people are ignorant about  
14 the fact that differences exist. I think where there  
15 is a difference is that -- and let me talk about race  
16 rather than the other issues we'll come to -- is  
17 people have a very different perception about what the  
18 cause is. That whites tend to put less emphasis on  
19 things like discrimination, things like -- that are  
20 barriers imposed on blacks and blacks see that world  
21 very differently. They see a lot of barriers to their  
22 efforts to improve.

23 So I think there's a very sharp  
24 distinction between blacks and whites on what they  
25 think the underlying causes are for good reasons. But  
26 I don't think we should just think that if we informed  
27 the American public about what the facts are that it's

1 going change reality very much.

2 MR. CARDENAS: Thank you. Dr. Holzer, do  
3 you want to add to that?

4 DR. HOLZER: Yeah, I agree with Jim on  
5 that. I think -- my guess is that most people do  
6 perceive disparities and that the majority of white  
7 Americans are likely to hold individuals responsible  
8 for their own economic outcomes. And that's the place  
9 where really some of us who study these issues might  
10 disagree.

11 To further discussion along those lines,  
12 I thought I might start to layout or talk about some  
13 of the potential causes of disparities that Professor  
14 Yellen listed in her list before and give you at least  
15 some of my perspectives on it and maybe some of the  
16 other panelists can join in afterwards.

17 First of all, based on my own work and the  
18 work of many others, it's clear that some  
19 discrimination does persist in the labor market. And  
20 in terms of African-Americans, I think the stage at  
21 which that discrimination is most severe is at the  
22 hiring stage; just trying to get a foot in the door in  
23 the first place. It's clear and I've done a lot of  
24 research looking at employer behavior and how they  
25 hire and what skills they're looking for and are  
26 actually -- what kinds of people they hire and  
27 promote.

1           It's clear that American employers are  
2 more reluctant to hire blacks than any other ethnic  
3 group in the United States. Especially black men,  
4 especially younger black men, and that's true even  
5 when people have comparable credentials in terms of  
6 education and experience and the like. And there's a  
7 lot of difference reasons for why employers feel that  
8 way and we can come back to that.

9           I don't think that all employers  
10 discriminate. I don't even think necessarily that a  
11 majority of employers discriminate. But I think  
12 there's some major pockets of discrimination in hiring  
13 left in the American force. From my own studies, the  
14 kinds of employers that I see that are most reluctant  
15 to hire African-Americans are first off small  
16 employers, small establishment, who don't feel like  
17 they have to worry very much about affirmative action  
18 requirements or even EEO lawsuits.

19           And secondly, employers who have lots of  
20 white customers and are reluctant to hire blacks into  
21 sales positions or clerical positions where there's a  
22 lot contact with those customers. Finally,  
23 establishments that are located somewhat further from  
24 where a lot of black people live; certain parts of the  
25 suburbs. So even when they get applicants from those  
26 communities, they feel less pressure to hire them.

27           So from my work and from others, you know,



1 those are the major pockets of discrimination in  
2 hiring against African-Americans. Having said that,  
3 I'd want to emphasis that my belief and I think the  
4 belief of most economists is that that is by no means  
5 the entire story. There remains several other  
6 important determinants of these disparities and  
7 several other important barriers to advancement for  
8 minorities.

9 I think the most important of which is  
10 skills. In her talk, Dr. Yellen focused on the rising  
11 demand for education among American employers and I  
12 think that's certainly true. What I've also found in  
13 my own work is that there's a much wider range of  
14 skills that go beyond just education that matter to  
15 employers. Their demand for that, those skills, has  
16 risen over the last 20 years very considerably.

17 These skills include the whole range of  
18 cognitive skills; reading and writing abilities. The  
19 ability to do arithmetic on the job. The ability to  
20 use computers. They include social and verbal skills.  
21 The ability to deal with customers as well as  
22 coworkers. They involve a wide range of credentials.  
23 High school and college degrees, but also previous  
24 experience; previous training, et cetera.

25 So there's a wide range of skills and  
26 credentials that employers are looking for and  
27 minorities have fewer of those skills when they enter

1 these workplaces. There are less likely to be hired  
2 because of that and they're less likely to be paid  
3 well once they do get hired.

4 Now, I want to emphasis the lack of  
5 skills, in my mind, is not an innate characteristic of  
6 minority groups, it reflects lower opportunity to  
7 develop those skills. Because many minorities still  
8 come from families with lower income. Neighborhoods  
9 with lower income and racial segregated school  
10 systems. And there turns out to be a high correlation  
11 between racial segregation and school equality and the  
12 quality of education people attain once they leave  
13 those schools.

14 So even though skills are becoming  
15 increasingly important in the labor market, that still  
16 represents other barriers, other places in society  
17 besides just the labor force that still matter.

18 Finally, let me throw out just a couple of  
19 other things and then I'll let other panelists  
20 respond. Location of people versus location of jobs  
21 can matter. Jobs are becoming increasingly  
22 suburbanized. And often the fastest growing parts of  
23 the job market are in the parts of suburb areas that  
24 are furthest from the downtown areas and the less  
25 accessible by public transportation.

26 Now, populations are also suburbanizing,  
27 including the black population and Hispanic

1 population. But for those who get left behind in  
2 inner-city areas, they're going to have some trouble  
3 getting out to those jobs. Especially if they lack  
4 private automobile transportation. And sometimes it  
5 has to do with more with information about these  
6 distant areas. People are still unaware of where jobs  
7 are located and how to get to those places.

8 Also, informal contacts and informal  
9 networks. A large fractions of employers hire  
10 informally, through networks of their employees. If  
11 minorities and especially from lower income  
12 communities are not plugged into the right networks,  
13 they will have more difficulty getting access to those  
14 jobs relative to people with the same skills.

15 So there's a very wide range of barriers  
16 that people continue to face in the labor market;  
17 discrimination and many other problems and they  
18 reflect a wide range of barriers that the people still  
19 face in achieving success.

20 MR. CARDENAS: Thank you.

21 MS. WITHERS: I'd like to --

22 MR. CARDENAS: Yes, Ms. Withers.

23 MS. WITHERS: I'd like to respond a little  
24 bit to what Professor Holzer said about hiring  
25 discrimination. I think the studies that we've done  
26 at the Fair Employment Council and others have done  
27 certainly indicate that hiring is a real barrier for

1 African-Americans and Latinos.

2 We have found, to the extent that one can  
3 quantify it, it's true that in the tests that we've  
4 done and we've done -- conducted over 2,000 employment  
5 tests, about 80 percent of the time employers don't  
6 appear to treat blacks and whites or Hispanic and  
7 Anglos differently. But in about 20 to 25 percent, at  
8 the time, we've found that the minority applicant was  
9 treated less well than the non-minority applicant.

10 And it was in a range of things. It was  
11 in things like opportunities to interview. So that in  
12 talking about your skill issue, the skill issue which  
13 I think is an important issue that we need to  
14 confront, we found that many times our testers weren't  
15 able to demonstrate skills because white applicants  
16 were able to get to the interview process more often  
17 than applicants of color.

18 With job offers and referrals, again we  
19 found that white applicants were more than four  
20 time -- over 400 percent were likely to get a job  
21 offer after there had been an interview. We found  
22 that when there were offers given, again with  
23 applicants testers of similar or equal qualification,  
24 we found there was a compensation difference. So that  
25 if both a black and white applicant were made the same  
26 offer, there was still a dollar or so difference in an  
27 hourly range.

1           We found that black applicants were more  
2 likely, when both applied for the same job, to be  
3 steered to a less attractive job. For example, in  
4 applying for a job as a car sales person, the black  
5 applicant was told that the way to get a job, the way  
6 to get a handle of the car sales person is to become  
7 a porter; the person who washes the car. The white  
8 applicant was steered right to the job that he had  
9 applied for.

10           And finally, and you mentioned the  
11 informal networks. We found that there was real  
12 difference in information about unadvertised  
13 opportunities. So that the informal network piece  
14 definitely worked to the detriment of black  
15 applicants. Even when an employer had information,  
16 even when an employer said, we don't have anything for  
17 the both of you, he or she was more likely to say to  
18 the white applicant, but wait a minute, let me tell  
19 you about this opportunity that's coming down the pike  
20 next week.

21           Let me tell you about my competitor down  
22 the street who has a job that you might be good for.  
23 Let me tell you about who else you can talk to. So  
24 that even though there were -- both were told there  
25 was no job right then, the white applicant was often  
26 given a more of a leg-up, if you will.

27           We also found that there was some

1 distinctions regionally. Suburb areas are more likely  
2 to discriminate. In terms of employers categories,  
3 there's one thing I do want to put into the  
4 conversation. The rate of discrimination that I  
5 mentioned, one in four, for race ethnicity tended to  
6 be the same across employer categories except for one  
7 sector that we really need to pay a lot of attention  
8 to and that's employment agencies.

9           When we looked at employment agencies  
10 which increasingly are the gatekeepers, if you will,  
11 to job opportunities, we found the rate of  
12 discrimination to be about 67 percent. And so that as  
13 we look at regions where employability programs are  
14 using employment agencies to help them place their  
15 people, employment agencies need to be looked at very  
16 carefully as the potential engines, if you will, of  
17 discrimination.

18           So I think while we need to talk about  
19 skills and education, we found that it's real  
20 important to make sure that employers, under the guise  
21 of needing people who have the right social and  
22 cognitive skill don't apply perceptions about which  
23 groups might hold those skills in keeping people of  
24 color from even getting a chance to demonstrate what  
25 they do or do not have.

26           MR. CARDENAS: Professor Juarez, you were  
27 nodding your head vigorously at various points.

1                   PROFESSOR JUAREZ: Well, I simply want to  
2 point out the difficulty that we face in treating this  
3 whole issue of discrimination in the workplace.  
4 Because as Dr. Holzer pointed out employers are  
5 looking for a variety of skills. But some of those  
6 skills can themselves sometimes be a subterfuge for  
7 discrimination. So that when we talk about an  
8 employer who says, well, the reason that I hired this  
9 particular person is because they had better people  
10 skills. They were better able to relate to the other  
11 employees in the work force.

12                   Quite often that means, gee, the white guy  
13 got along a whole lot better with all the other white  
14 guys and if we had this Chicano, she was going to make  
15 us all uncomfortable and so that's why we didn't hire  
16 her. And, of course, the employer isn't saying the  
17 last part of that, but that is, in fact, what may be  
18 happening. Not always. And I think it is very  
19 important to recognize that there are a number of  
20 different factors that are operating here.

21                   I just wanted to point out to the Advisory  
22 Board that the United States Government, itself, has  
23 done a lot of testing in this area and I was just  
24 remembering an experience that we had back in the  
25 1980's with a study that was conducted by the General  
26 Accounting Office. When the Congress passed the  
27 Immigration Reform and Control Act of 1986, Congress

1 required that employers, for the first time, verify  
2 the authorization of employees to work in the United  
3 States.

4 And MALDEF, among many other civil rights  
5 organizations vehemently opposed employer sanctions  
6 arguing that those were going to result in  
7 discrimination against those who were perceived to be  
8 foreign born. So that even though my ancestors had  
9 been in the United States since before this part of  
10 the country was the United States, I am quite often  
11 perceived to be an immigrant or perhaps a descendent  
12 of recent immigrants. So that is a reality that I as  
13 a Hispanic always face.

14 Well, the General Accounting Office,  
15 pursuant to the statute that Congress passed,  
16 conducted studies on this question of potential  
17 discrimination against those who were perceived to be  
18 foreign. And they did testing in a variety of cities  
19 including San Diego and Houston. And they released  
20 their report in 1990 and there were some very  
21 interesting results from that.

22 Among those results they showed that  
23 Hispanics in the study were three times more likely to  
24 encounter unfavorable treatment of some kind by the  
25 employers. Not getting the initial interview or being  
26 told that there was no longer an opening, et cetera.  
27 Three times more likely than Anglos to receive that



1 kind of unfavorable treatment. And Anglos received 52  
2 percent more job offers than equally qualified  
3 Hispanic U.S. citizens.

4 The response of some of the members of  
5 Congress and some of the political organizations to me  
6 was very fascinating. Because remember the purpose of  
7 the study was to look at the issue of discrimination  
8 on the basis of either citizenship status or perceived  
9 citizenship status. The response that many in the  
10 political arena had to this study was, well, wait a  
11 minute. That doesn't have anything to do with  
12 employer sanctions or with immigrants or anything like  
13 that. That's just plain old-fashioned racial  
14 discrimination against Hispanics. That's been going  
15 on forever and ever and so that's the explanation for  
16 this differential treatment.

17 Of course, those very same members of  
18 Congress and those very same political organizations  
19 today are the ones who are telling us that we no  
20 longer need to worry about race. So if we had a  
21 problem in 1990 that was based on race and now in  
22 1997, race has disappeared as a significant factor in  
23 the workplace, I just have to raise a real question  
24 about what's going on. I don't think that there has  
25 been that significant change in the intervening seven  
26 years and I think that we really do need to continue  
27 to look at these issues.

1 MR. CARDENAS: Dr. Ong, you wanted to  
2 comment.

3 DR. ONG: Yeah, one of the things that's  
4 coming out implicitly, but it's very important  
5 explicitly is to understand that the patterns of  
6 discrimination and practices of discrimination very  
7 systematically across different ethnic racial groups  
8 and across different social classes.

9 So, for example, if we look at the  
10 immigrant-based populations, Latinos, Asian/Pacific  
11 Islanders, there are issues, for example, language  
12 discrimination. I'm not just talking about that you  
13 don't have the English language skill, but the  
14 question about whether you could this to access,  
15 whether you could use language at the job site.

16 There are different patterns. Interesting  
17 some stereotypes and prejudice in a sense open job  
18 opportunities at the same time limiting it. So if  
19 you're perceived as being a hard worker, you may have  
20 certain type of job opportunities. But at the same  
21 time, the serotype may carry farther that prevents you  
22 from moving up, it gets -- it's bumping up against a  
23 glass ceiling.

24 There's also different mechanisms across  
25 different occupational groups and social class and how  
26 discriminatory practices occur. We find, for example,  
27 in Los Angeles, which disadvantages African-Americans

1 at the low skill level, the assembly level, is in part  
2 not having to access through those social networks  
3 which are very strongly ethnically based. It  
4 certainly has implications in terms of who's hired,  
5 for example, in the electronics industry.

6 At the same time, if you move up the  
7 ladder in terms of skills, go up to technicians, you  
8 go up to engineers, there's a different set of  
9 practices that, again, in some ways, give systematic  
10 advantages and disadvantages to certain populations.

11 I think there's another thing we should  
12 confront is that these sets of prejudice, stereotypes  
13 of practices in some ways really pits one group  
14 against another in a multi-racial society that has  
15 become multiracial. And we talk about this sort of  
16 hierarchy of preferences, it also translates into  
17 hiring practices, promotion practices. One of the big  
18 debates in immigrant-receiving communities, such as  
19 Los Angeles, is to what degree do these stereotypes  
20 and prejudices effect African-Americans by  
21 substituting that type of labor for immigrant labor.

22 And finally, a final point which is sort  
23 of interesting. I find remarkable that there seems to  
24 be a systematic variety to how minorities react to  
25 perceive discrimination. And, in part, this is based  
26 on survey work done in Chinatown in San Francisco of  
27 workers there. And if anybody knows any history of

1 Chinatown, there's been a -- it is the oldest ghetto  
2 in this country. Long before other urban ghetto were  
3 formed. It is a product of racism and there is a  
4 legacy understanding of racism. And even today, there  
5 is the perception among its residents that employment  
6 opportunities is driven in part by discrimination and  
7 they feel that they're effected by it.

8           But what's interesting is when you ask  
9 then question, what's the proper solution? For this  
10 population, it is not necessarily government  
11 intervention. So even if we do perceive common  
12 problems of discrimination and even that's, you know,  
13 debated in how we perceive this and how we measure it,  
14 there still may be very dramatic differences across  
15 ethnic racial groups of how do we proceed to address  
16 this problem.

17           MR. CARDENAS: Professor Loury.

18           DR. LOURY: Well, I think I probably  
19 should comment since everyone else has, practically.  
20 Briefly I agree very much with what was said on the  
21 other side of the table by Dr. Holzer in laying out  
22 the different issues.

23           But I want to, without in any way  
24 minimizing the importance of discrimination, come back  
25 to the skills question. Because I think this is a  
26 very important question in that there's a danger of  
27 not attending to it because it is so difficult and

1 because the moral imperative of doing something about  
2 discrimination is so compelling. I share that  
3 comparative -- I share that imperative, I share that  
4 judgment that we need to fight discrimination.

5 But let's take a look at how vastly  
6 different are the opportunities to develop their  
7 inherent talents as between young people in this  
8 country who belong to different communities. If you  
9 look at the quality of schools in inner-city America  
10 and if you compare the achievement of the students who  
11 come out of those schools with the achievements of  
12 students in other schools in the country, you see  
13 really powerful differences. These differences are  
14 not a figment of anybody's imagination and they are  
15 not irrelevant to the effectiveness of these young  
16 people in the economy or in later life.

17 And these are not things that are beyond  
18 our capacity to be able to do something about. So in  
19 my own mind I sort of break down the question of how  
20 do we explain the kinds of group differences and  
21 economic status, that Dr. Yellen was pointing to, into  
22 issues of opportunity, issues of skills capacity and  
23 then issues of, if you will, preferences, culture,  
24 patterns of behavior that vary quite dramatically  
25 across communities. And I think that it's important  
26 to point out the problem of discrimination, but it's  
27 also very important to move beyond that problem

1 because these other areas are also significant.

2 Finally, let me point out that we should  
3 not have the expectation that even in a rightly  
4 ordered world, we would necessarily have perfect  
5 economic equality between groups. There is, after  
6 all, a fair amount of variation in the economic  
7 experience among whites of various ethnic origins and,  
8 moreover, the experiences of different non-white  
9 ethnic groups are dramatically different.

10 The book by Roger Waldinger (ph) the UCLA  
11 sociologist, about the New York City labor market over  
12 the last 30 years is a striking illustration of this  
13 to me. One of things that he demonstrates there is  
14 that the importance of whites, working-class whites in  
15 the New York City labor market has diminished, there  
16 has been an opportunity for certain niches in various  
17 industries to be occupied by others.

18 And what has happened is that some of  
19 those niches have had a kind of ethnic -- you know,  
20 they've kind of gotten an ethnic quality. They've  
21 become niches into which particular groups of people,  
22 immigrant groups from different parts of the world or  
23 whatever, have moved. And because of the reliance on  
24 referral networks for hiring and so on, there's been  
25 a difficulty of other groups getting into those jobs.

26 Now, to point this out is not necessarily  
27 to, you know, try to create a device of conflict

1 between groups, but it's simply to note something  
2 about the opportunity structure. Which is that if you  
3 are really isolated in society as some of these people  
4 in these inner-city communities are -- I mean the  
5 linguists find that their speech patterns give  
6 physical evidence of the extent to which they are  
7 segregated from and separated from social intercourse  
8 with the rest of the society. The employer's  
9 suspicions about them are to some degree driven by the  
10 employer's recognition of the distinctiveness of these  
11 young men and young women on the basis of the way in  
12 which they carry themselves, behave, present  
13 themselves, dress and so on.

14 This kind of isolation is, you know,  
15 beyond sort of residential segregation, it's beyond  
16 the segregation of schools. It's a kind of radical  
17 ghetto-ization of people which significantly  
18 diminishes their opportunities. So I thought that  
19 also should be put on the table.

20 MR. CARDENAS: Thank you. Dr. Ong,  
21 several of our panelists have now talked about one of  
22 the key pipeline issues and that is education. Given  
23 the relatively higher academic achievement of Asian-  
24 Americans does that mean that there is not now or at  
25 least in the near future there will not be a  
26 discrimination problem for Asian and Pacific  
27 Islanders?

1 DR. SMITH: You're going to be quoted on  
2 this.

3 DR. ONG: I'm going to be quoted on this  
4 and so I've got to be very careful. I think the  
5 experience of Asian/Pacific Islanders point to exactly  
6 what Professor Loury talks about. That one of the  
7 important keys to success and opportunity in this  
8 country is having access to education. Having access  
9 to good education, having access to higher education.  
10 And that becomes a platform.

11 You cannot close the racial gap without  
12 address that. And to a remarkable degree,  
13 Asian/Pacific Islanders have been able to do that.  
14 They've been able to do it for a number of reasons.  
15 Partly because people argue -- and I think there's  
16 some truth to it, a-cultural background. But partly,  
17 also, because of the selective migration.

18 It's not -- there's something about the  
19 history of immigration, particularly after 1965,  
20 that's been very selective. We have gotten a  
21 selective class of Asian/Pacific Islanders immigrants  
22 who are not only driven, but also in their own home  
23 country tend to be highly educated. So there's been  
24 achievement there and we shouldn't deny it. At the  
25 same time, we shouldn't deny the fact that there's  
26 still pockets within certain populations where  
27 education is really lacking.



1           But that being said and acknowledging the  
2 accomplishment, there's still questions about how can  
3 you translate that education into equivalent dollar  
4 earnings. And the more carefully we do these studies,  
5 the more carefully we hold, for example, the  
6 institution that you receive your degree and comparing  
7 comparable people with similar majors and so forth,  
8 that we do see a discrepancy in earnings between  
9 Asian/Pacific Islanders and whites.

10           So there is some residual discrimination  
11 there. It also shows up in terms of the ability of  
12 translating your education into moving up into higher  
13 management. If you take the high-tech industry where  
14 Asian/Pacific Islanders are heavily concentrated, it  
15 is unusual because what you see is that there is a  
16 large gap in terms of opportunity to become managers.  
17 Some of that gap is explained if you just focus on  
18 U.S. born or those who are educated predominately here  
19 in the U.S., but it doesn't completely close the gap.

20           And then there's the second thing that  
21 happens is that besides a glass ceiling is that where  
22 you end up in management. Disproportionately,  
23 Asian/Pacific Islanders end up managing R&D projects  
24 and not managing the business. And then, you know,  
25 the more quality research indicates that there's a  
26 certain amount of steering that's going on.

27           So what we do, we do see some residual, we

1 see some discrimination occurring. How it occurs is  
2 very specific in terms of earnings, in terms of where  
3 you end up in management if you do end up in  
4 management.

5 DR. SMITH: May I add into that?

6 MR. CARDENAS: Sure.

7 DR. SMITH: Because I think, in fact, it's  
8 one -- I have studied this issue for different groups  
9 as well. Maybe, to just make it very simple, and I  
10 think it builds into what Glenn Loury was talking  
11 about, if you just take very simple dimensions of  
12 skill, like education, quality of education, language,  
13 how young you are, and you take Asians as a group,  
14 you, in fact, find that they are paid either equally  
15 with the white majority or slightly more.

16 If you take Latinos and do the same thing,  
17 this is wage discrimination. These are people with  
18 different skills. And I'm not talking about a complex  
19 set of skills. I'm talking about basic skills on  
20 schooling, quality of schooling, how many years of  
21 schooling you've had, how young you are, language  
22 ability, it also explains almost all the wage  
23 difference for Latinos.

24 When you do the same study on race, it  
25 does not and there is a separate issue on race. Wage  
26 discrimination on the basis of race and I mean  
27 black/white is much more important phenomenon than

1 wage discrimination in the aggregate for any of these  
2 other groups. And it, as Glenn said, it's not a  
3 denial that discrimination, that not many acts of  
4 discrimination should be dismissed if they're not  
5 episodes. But if you look at the aggregate data, you  
6 do not see large wage differences in all these other  
7 ethnic groups with the white majority except for  
8 blacks. There's something quite different going on  
9 there.

10 MR. CARDENAS: Thank you. I think you've  
11 answered the question I was about to ask and that is  
12 if college education is a great equalizer --

13 DR. SMITH: Then it was a really brilliant  
14 question.

15 MR. CARDENAS: How does it explain  
16 disparities noted by Andrew Hacker (ph), for example,  
17 in the disparate income for black lawyers compared to  
18 white lawyers of the same age group and is the answer  
19 -- you said there's something else going on what is  
20 it?

21 DR. SMITH: No, I think -- I'm not going  
22 to be -- maybe Glenn's familiar enough with that study  
23 to comment on it, I'm not. I think there are a lot --  
24 race is the issue and again by race, I mean  
25 black/white. There's an issue on race that is one of  
26 the defining issue of our country and we have never  
27 resolved it. That's why we're having this discussion

1 again. We have never fully -- we're doing a lot  
2 better than we were doing 30 years ago and we're doing  
3 a lot better than we were doing 100 years ago, but  
4 we've never gotten past that.

5 And I think discrimination in all sorts of  
6 subtle, sometimes not so subtle ways, plays a much  
7 bigger impact on racial way disparities than they do  
8 on other groups. And I think the issue for Latinos is  
9 an issue of how -- because of immigrant population,  
10 how important the role of immigrant -- that's an  
11 important issue and that's a worth topic of  
12 discussion. It has to do with our immigrant policy  
13 and how we treat immigrants, but it's different than  
14 the racial issue in this country.

15 And so I'm much more -- in fact we were  
16 teasing each other earlier that how we have now  
17 expanded off what the definition of a protected  
18 minority group in this country was. I mean initially  
19 we started with the civil rights movement and the  
20 defining issue at that time was race. We expanded to  
21 include ethnic groups, women, gays and in a very --  
22 1979, white men over 40 are protect -- I am a  
23 protective minority group in this country because I'm  
24 a white male over 40 and it's not factious. It's a  
25 lot of the activity in terms of resources and  
26 government activity and discrimination cases take  
27 place with white males over 40. I think we've lost

1 our sense of what the initial issue was -- and that  
2 doesn't mean don't worry about these other things.  
3 But the issue here is an issue of blacks and whites.

4 MR. CARDENAS: Professor Juarez, did you  
5 want to respond.

6 PROFESSOR JUAREZ: Yeah. I certainly  
7 agree wholeheartedly that it is absolutely essential  
8 to recognize the unique history of African-Americans  
9 in this country and the legacy of that unique history.  
10 It is only African-Americans in this country who have  
11 the legacy of slavery that no other group, with the  
12 exception of Native Americans in some portions of this  
13 country, have had. And so -- and I don't want to  
14 minimize the legacy that then gives all of us as  
15 Americans. We continue to deal with that legacy and  
16 I think this work that this Advisory Board is doing  
17 has to be very connected to that legacy.

18 Nonetheless, I do want to disagree, at  
19 least in part, with what Dr. Smith has said. That is,  
20 when you look at how people with high levels of  
21 education are treated out there in the workplace and  
22 when you control for factors like citizenship and,  
23 obviously, you're controlling for language because  
24 only people who speak English well are going to get  
25 college degrees and higher education degrees, you  
26 continue to have wage differentials. And that has  
27 been established very currently.

1           Certainly in Texas in the legal  
2 profession, where the best way to get the highest  
3 paying job as a lawyer in Texas is to be born white.  
4 It doesn't matter how well you do in law school. It  
5 doesn't matter about your reputation and so on, the  
6 best predictor I can give you for your assuring  
7 yourself of a high salary as a Texas lawyer is to  
8 happen to be born white. Those are realities that we  
9 face.

10           I think it's also important to recognize  
11 that the history of racism in this country is very,  
12 very complex. And then in particular when you're  
13 talking about the southwestern United States, that, in  
14 fact, racism is a very complex phenomenon so that you  
15 are dealing with -- or racial diversity is not  
16 something that is new to the southwest. It is  
17 something that we have had in the southwest for a very  
18 long time.

19           And I think it's absolute -- I'm very,  
20 very concerned because I have heard it suggested a  
21 number of times that the real problem that Hispanics  
22 have, for example, is really a phenomenon of  
23 immigration. We're really just Italian- Americans.  
24 If we hold on long enough everything will take care of  
25 itself. We will succeed in the way that  
26 Italian-Americans have succeeded and in the way that  
27 the Polish have succeeded and so on.

1 I disagree with that analogy completely.  
2 That is, I am not an immigrant. I am not -- my  
3 ancestors never were immigrants. This country came to  
4 my ancestors. It has nothing to do with immigration.  
5 It has, my experiences, the discrimination that I  
6 suffered had everything to do with the perception that  
7 I was not white. And I think that that continues to  
8 be a reality for far too many people in this country  
9 and that it does extend, unfortunately, beyond the  
10 African-American community.

11 In a sense I wish I could say, well, we'll  
12 just bide our time and everything will be all right.  
13 But I don't think that that is, in fact, going to  
14 happen. If we aren't sure that we address the  
15 problems of racism with the African-American  
16 community, with the Hispanic community, with the  
17 Asian-American community and with the Native American  
18 community. Those, all of those groups are groups that  
19 perceived to be different. Who are not perceived to  
20 part of that One America by at least some within our  
21 society and that is precisely why we have to continue  
22 to address these issues.

23 MS. OH: Mr. Cardenas, can I --

24 MR. CARDENAS: Yes. Yes, Board Member Oh.

25 (Applause)

26 MS. OH: I am a little disturbed by your  
27 declaration and I really hear it as a declaration that

1 the issue is black and white. The issue, as far as  
2 I'm concerned, is understanding who is an American in  
3 the 21st Century. And we need, yes, to understand the  
4 data that are currently available.

5 But what I heard this morning was that  
6 there is a lack of information. There is no depth nor  
7 breadth to what we know about those who are neither  
8 black nor white. Which suggests to me that one of the  
9 things that we must undertake is to make funds  
10 available to examine those groups about whom we have  
11 no information at this time, and yet we know are  
12 significant growing populations that will change the  
13 profile of this country's racial demographic over the  
14 next 50 years.

15 So I, again, want to just say that my view  
16 on our task, and I don't know how everyone else sees  
17 it, is that we are engaged in a process that has to,  
18 by definition, take us to some of the most hurtful,  
19 painful realities of who we are as a country. But  
20 through that process we need to arrive at a place  
21 where we can say with some confidence that this is an  
22 American in the 21st Century. This is what makes an  
23 American in the 21st Century. This is one aspect of  
24 our lives that we check-in with in order to see where  
25 we are. I simply wanted to say that. Thank you.

26 CHAIRMAN FRANKLIN: May I insert just for  
27 a moment. I was going to introduce the Board at the



1 time that I thought you were going to ask them. So I  
2 want to be certain that everyone in the audience knows  
3 who the Board members are since they have not been  
4 introduced. That's Ms. Angela Oh from Los Angeles.  
5 An attorney in Los Angeles who is a member of the  
6 President's Advisory Board.

7 Next to her on her right is Robert Thomas  
8 of Republic Industries and who is a member of the  
9 Advisory Board. Here is, you've heard from Ms. Linda  
10 Thompson, Linda Chavez-Thompson already. She's a  
11 member of the Advisory Board. Executive Vice  
12 President of AFL-CIO.

13 Dr. Suzan Johnson Cook. A member of the  
14 Advisory Board from Bronx, New York. Where she is  
15 pastor of Faith Community Church in the Bronx. And  
16 Governor William Winter of Jackson, Mississippi, who  
17 is a member of the Advisory Board. And our Executive  
18 Director, Ms. Judith Winston.

19 So that -- since they haven't been  
20 introduced, I apologize for not having done so. And  
21 since they are beginning to participate, I wanted all  
22 of you to know just exactly who they are. Thank you,  
23 Angela.

24 MR. CARDENAS: Thank you. Let me, Ms.  
25 Sanchez, direct a question to you. I think many  
26 minority parents, just like other parents, will tell  
27 their children that if you work hard, you can achieve

1 the American Dream. And yet, we look at the  
2 statistics on poverty and you see that they are  
3 substantially higher for minority groups, particularly  
4 for American Indians than they are for whites.

5 Does this mean that the formula of hard  
6 work equals American Dream doesn't apply to  
7 minorities, it's a white's only formula?

8 MS. SANCHEZ: I believe there is some  
9 truth in that. And I know that I work -- my work with  
10 the American Indian population over the past 25 years  
11 seems to uphold that the American Dream is not one  
12 that is seen in many American Indian communities  
13 whether it's in the cities, but more importantly in  
14 our rural and reservations areas.

15 I'd like to comment further on the  
16 comments that were just made in regards to the  
17 demographics and to the data. And we find that those  
18 in the paper that were shared earlier through census  
19 statistics, that the information about the American  
20 Indian is very limited. And many times in our work we  
21 find that people believe that what they have learned  
22 through the education system that Indians are a part  
23 of history is so untrue and we have to end up  
24 educating America. Educating our teachers and telling  
25 our children American Indians are alive today. There  
26 are not as many as there were before, but we do have  
27 a history and we do have something to offer this

1 country.

2 And we have to become involved. We have  
3 to become a part of educating ourselves about who we  
4 are and that's where the California Indian Manpower  
5 Consortium has undertaken a major study of our  
6 reservation communities. And over the past six years,  
7 we have done a demographic study of 63 of the 98  
8 reservations that we're responsible for in the state  
9 of California.

10 Number one to find out who are we. What  
11 are our skills. What are our educational levels.  
12 What type of occupations and industries are on the  
13 reservation or within a 30-mile radius of our  
14 reservation. So as an employment and training program  
15 providing job services to an Indian population, if we  
16 don't have any place to move our people into jobs,  
17 then what are we training them for.

18 Then we've found that in just the  
19 statistics from the 63 tribes that have been done, our  
20 poverty levels range from 12 percent to 82 percent in  
21 those communities. Figures that America, for the  
22 general public, would never, ever tolerate.  
23 Unemployment, on the other hand, is, in some cases,  
24 between eight to 72 percent. But we have a lot of  
25 work ahead of us and we can sit back and not do  
26 anything about it or we can look at those statistics  
27 and start designing education programs, start training

1 people for jobs that we've identified in those areas.

2 But what we've needed to do as a people  
3 over the past 20 years is just to rebuild our own self  
4 esteem and pride in who we are as American Indians  
5 because I think being Indian was not a real popular  
6 thing for a number of years.

7 And I certainly know the horror stories  
8 that my mother and grandmother shared with me. And I  
9 was afraid to even say I was an Indian the first nine  
10 years of my life and then realized, that's who I am.  
11 I'm one of the very few remaining full-blood American  
12 Indians and if nothing else, you know, no other ethnic  
13 background for me. So I've dedicated my life to just  
14 finding out who we are as a people in the communities  
15 that we work in, and do what we can and at least once  
16 a week sharing and educating a school district about  
17 our history and letting people know who we are and  
18 some of the challenges that we have.

19 But we've had to assess ourselves. Do an  
20 inventory of our skills and our people and our  
21 communities. And we all want to have that American  
22 Dream and it's defined differently for different  
23 communities and for different people, but, you know,  
24 this is America. It's the only place the American  
25 Indian can call home and we want it to be a place  
26 where we all can work and live together. And we're  
27 not going to achieve that unless all the people

1 recognize that there is a serious race problem in this  
2 country. And that we begin to work together on coming  
3 up with the solutions and a team effort.

4 I do want to commend the Mayor in his  
5 opening comments on the team work and the team effort  
6 here in the Phoenix area. And the council here on  
7 their efforts to take this platform out nationally.

8 MR. CARDENAS: Dr. Smith, as Ms. Sanchez  
9 has indicated, the American Dream may be different for  
10 different groups and I noted with interest that your  
11 forthcoming book is entitled ***Hispanics and the***  
12 ***American Dream***. Can you elaborate on that?

13 DR. SMITH: Well, it's forthcoming for a  
14 long time, embarrassingly long. I have done -- I am  
15 doing as, in addition to doing a study of all  
16 immigrants, recently I am doing a study of Hispanics  
17 in America. And you're right. People think Latinos  
18 are immigrants. Their history goes back generation  
19 after generation. One of the richest histories we  
20 have except -- you know, it's as if we had a lot of  
21 new Irish immigrants that came in the last 20 years.  
22 We think of Irish people as only immigrants and now we  
23 -- and certainly where I live in Los Angeles, we think  
24 of Latinos as immigrants.

25 There's a rich generational history and  
26 here I am going to disagree with you. I have studied  
27 the generational progress of Latinos across the

1 generation, tracing one generation to the next; see  
2 how they do in education, see how they do in income.  
3 And their generational progress is impressive. Each  
4 generation does a lot better than the previous  
5 generation, and by the time you get to the third  
6 generation, there are no education differences left  
7 and there are no wage differences left with the --  
8 whatever it is, the majority in this confusing mosaic.

9           That is not the history, generational  
10 history by race. That progress, while it has been  
11 there, you have to look over 200, 300 years to see the  
12 same kind of generational progress that you're seeing  
13 for Latinos. And again, I'm not --I live in Los  
14 Angeles. I see what the attitude is and I hear the  
15 expressions. Of all the studies, I do the most  
16 violent reaction I get is when I study immigration.  
17 Because people have this instinctive reaction. I've  
18 gotten death threats on it so I know of what you  
19 speak.

20           But when you say, when you look at these  
21 agri-datas (ph) and you look at how fast the progress  
22 has been. How have Latinos -- I think that it's one  
23 of the things you should be extremely proud of; the  
24 generational progress Latinos and Asians have made has  
25 been impressive. Better than the Italians. But the  
26 racial issue, the generational progress has been  
27 extremely slow there.

1           And I'm not trying to divide these groups  
2           by saying this. I'm saying there is a special,  
3           special issue and let's not lose -- let's not deny the  
4           other issues and let's not lose sight of that special  
5           issue by being so inclusive as to say that we're  
6           talking about every single issue of discrimination in  
7           this country. That's all I'm trying to say.

8           MR. CARDENAS: Professor Juarez I know you  
9           want to respond to that but let me do this because  
10          there are three topics we needed to talk about and I  
11          think we've covered the question of the existence of  
12          disparities and the causes of them. We would be  
13          remiss if we didn't spend some time talking about  
14          solutions.

15          And Dr. Ong, if you would lead the  
16          discussion there. What can we do to eliminate the  
17          disparities?

18          DR. ONG: Let me just, Mr. Chairman, I  
19          just want to go back and comment. This is a  
20          discussion -- I don't want it to be reduced to a  
21          black/white discussion. Although I agree with 75  
22          percent of what you're saying. I think there are  
23          other --

24          DR. SMITH: Much higher than average for  
25          me.

26          DR. ONG: But that leads us to questions  
27          about solutions and clearly there's two ways to think

1 about solutions. One is talking about programs we  
2 have had such as affirmative action, anti-  
3 discriminatory laws. How do we better enforce it.  
4 How do we in California deal with a post-209 period.

5 The other one which also points to what  
6 Angela Oh talked about is what can we learn from the  
7 history. And again, drawing on this so remarkable  
8 transformation that's occurred for two -- at least one  
9 of the populations; Asian/Pacific Islanders.

10 Going back just to World War II. You had  
11 a college education. You were born in the U.S.  
12 You're an Asian/Pacific Islander. Your chances of  
13 getting an equivalent job was almost nil. That's a  
14 reality. But within something less than a century  
15 that has changed. And I acknowledge that change.

16 But why did it change? Why did this  
17 society in a post-World War II period which equated  
18 essentially Asians to African-Americans, in a number  
19 of different ways and in special ways in terms of  
20 immigration laws, in terms of land holding, in terms  
21 of citizenship. How did we make that remarkable  
22 transformation.

23 I think it's less of a story about the  
24 population itself, that we -- a true credit to that  
25 population. Partly it's special migration; special  
26 migration. It also speaks to this society and how it  
27 was able to transform itself for some groups but not



1 others.

2                   Unfortunately, and here's what Angela Oh  
3 talks about when we look for solutions and answers to  
4 this that we don't understand how that transformation  
5 occurred. Why did it, in some sense, opened up more  
6 doors -- I'm still not buying that all doors are  
7 opened yet for Asian/Pacific Islanders. But why did  
8 it open more doors for some populations and not  
9 others. Why during the very moment, at the peak of  
10 the civil rights movement, the civil rights  
11 legislation, that some populations were able to take  
12 advantage of the new opening.

13                   If we could begin understanding that I  
14 think at a different level, not at a program level,  
15 not at specific policy such as affirmative action, I  
16 think we could get at some of the answers.

17                   MR. CARDENAS: Dr. Loury, you've written  
18 on the antipathy to affirmative action, at least the  
19 current antipathy, last night on Politically  
20 Incorrect, Charlton Heston after emphasizing that he  
21 was in the trenches in the civil rights movement in  
22 the '60's, then described affirmative action as a blot  
23 on society.

24                   You have written about a new kind of  
25 affirmative action which you call developmental  
26 affirmative action. Could you elaborate on that for  
27 us, please.

1 DR. LOURY: Sure. Sure, I can. Let me  
2 preface that just by saying that I think there are two  
3 things that would be extremely unproductive for this  
4 commission and this conversation. One is what I'll  
5 call comparative victim-ology, you know. This group,  
6 that group, that group, which one is the worst. Which  
7 one has suffered the worst. It's clear that while  
8 distinctions can be made that discussion is not  
9 productive.

10 Another thing that's very unproductive is  
11 glossing over the social reality that is driving the  
12 facts that we're looking at by, for example, an  
13 amalgamated process that ignores distinctions when  
14 those distinctions are important. That is, also, in  
15 my judgment, very unproductive. So that's all apropos  
16 of commenting on the earlier discussion.

17 Now, I've spent a lot of my career  
18 criticizing affirmative action. My earlier writings  
19 on affirmative action called attention to the fact  
20 that there were problems with the targeting of the  
21 program in the sense that the people who tended to be  
22 most susceptible to benefiting were not necessarily  
23 the people who were most disadvantaged in the groups  
24 that we were trying to help.

25 Called attention to problems with the  
26 incentive structure of the program in the sense that  
27 to the extent that you made it easier for people to

1 make progress without necessarily having acquired the  
2 skills associated with that progress, you would  
3 undermine the incentives for them to acquire those  
4 skills.

5           And also problems with the politics of the  
6 policy in the sense that you engendered resentment and  
7 so on. And I envisioned a more focused, targeted  
8 conception of affirmative action. That, for example,  
9 recognized the importance of opening areas in which  
10 groups hadn't participated in the past, countering the  
11 effects of historical discrimination and so forth, but  
12 did not go to the point of basically having an  
13 entitlement to people on the basis of their ethnic  
14 status and so on.

15           However, I've watched the discussion on  
16 affirmative action in the last five years become, in  
17 my view, very stilted and rigid and extreme. People  
18 who say that if you have a multi-billion dollar state-  
19 run system of higher education and you want to attend  
20 to the ethnic composition of the student body, you are  
21 engaged in the same kind of activity as were the  
22 southern governors who stood in the school house door  
23 to prevent the integration of their university some  
24 years ago. Which is to say, you're discriminating on  
25 the basis of race.

26           Thirty years ago, it was the white  
27 governors who didn't want blacks to integrate the

1 schools; today it's the liberals who don't want the  
2 most meritorious students, whatever their race, to get  
3 into the schools. That strikes me as an extremely  
4 bazaar distortion of the reading of our history. I  
5 can very clearly make a distinction between a racial  
6 discrimination that's intended to perpetuate the  
7 pariah status of a despised group of persons on the  
8 one hand and admittedly a racial discrimination that  
9 is a distinction made on the basis of race which meant  
10 to abet the participation of the descendants of those  
11 discriminated against people on the other.

12           So when -- I didn't Charlton Heston last  
13 night but if this is what he was saying, you know,  
14 people site Martin Luther King. They say, Martin  
15 Luther King said and Martin Luther King offered a  
16 vision for our country, and then they take those words  
17 and apply them at a very kind of tactical level of  
18 policy and say, therefore, we must be colorblind in  
19 what we do. But there's no necessary connection  
20 between the vision of a society in which we are all  
21 American on the one hand and the administrative  
22 procedure of dis-attending the racial identity of the  
23 people with whom we are dealing on the other.

24           I mean let me try to be concrete about  
25 that. I'm the U.S. Army, I've got an officer corp and  
26 I've got enlisted personnel. Do I dis-attend the  
27 racial composition of my officer corp relative to my

1 enlisted personnel. That is, am I colorblind, do I  
2 simply don't count, don't care. Or do I recognize  
3 that the cohesion and effectiveness of my institution  
4 will be advanced to the extent that I have qualified  
5 members of all of the different ethnic groups in my  
6 army represented among my officer corp. Well, I think  
7 quite clearly that's the latter.

8           And if I do that and if in so doing I take  
9 count of people's race, am I doing the same thing that  
10 the old army used to do when it wouldn't allow blacks  
11 in at all, it wouldn't allow them to be officers or to  
12 take certain jobs? Well, clearly I am not. And it  
13 strikes me that the discussion about affirmative  
14 action has now, 20 years into it, arrived at, in some  
15 political quarters, the stilted and I will say silly  
16 posture that to make any acknowledgment of race is to  
17 engage in the same moral affront that was engaged in  
18 when race was the basis of a systematic suppression of  
19 people of African descent.

20           Now, finally, with respect to what I've  
21 recommended about affirmative action, I'll just say  
22 this. I believe that when we acknowledge the skills  
23 problem, if we're serious about doing something about  
24 it, something that I will call developmental  
25 affirmative action needs to be a part of that. And by  
26 that what I mean is a focus on the processes by which  
27 people can develop skills and then trying to open

1 those processes disproportionately to populations that  
2 are severely disadvantaged by virtue of their under  
3 achievement of those skills. Okay?

4 The army does this quite clearly when it  
5 tries to bring people along the pipeline to promote  
6 them to the higher ranks. It spend a lot of resources  
7 on doing that. There's no reason why an  
8 administration of higher education in a state couldn't  
9 have a substantial portion of its budget structured in  
10 such a way to recognize that, well, there are some  
11 people in the state who simply not able to avail  
12 themselves of the tremendous opportunity that a  
13 University of Michigan or a University of California  
14 at Davis or Berkeley or UCLA affords to our citizens.  
15 And we need to make sure that we're bringing those  
16 people from Oakland or we're bringing those people  
17 from Detroit through some process that ends up with a  
18 great deal more of them than is now the case being  
19 able to take advantage of those opportunities.

20 A company that says, we really don't have  
21 enough blacks in the managerial ranks, what are we  
22 going to do about that? And then disproportionately  
23 attends to the development of the managerial and  
24 operational skills of its black employees in order to  
25 rectify that situation is in my view engaging in  
26 developmental affirmative action.

27 Now, I'm not going to hide from the fact

1 that that involves a kind of racial discrimination by  
2 which I just mean literally paying attention to race  
3 in order to implement a program that's meant to open  
4 up opportunity to people who are not now enjoying it.  
5 But I think it's a defensible undertaking and in no  
6 way is it morally equivalent to the historical use of  
7 race to exclude people from opportunity as some  
8 critics of affirmative action are now asserting.

9 DR. SMITH: Could I follow up on that.

10 MR. CARDENAS: Certainly.

11 CHAIRMAN FRANKLIN: Dr. Loury, there are  
12 some people who would agree with you and who would  
13 then put a timetable on it. I know and I think you  
14 know some of people said, five years, ten years,  
15 whatever, and they call that developmental affirmative  
16 action. Would you -- do you see it in terms of some  
17 timetable or --

18 DR. LOURY: Dr. Franklin, no, I do not.  
19 I would say this. People are concerned about a  
20 slippery-slope problem. About the problem that if you  
21 engage in a little bit or an attenuated form or a  
22 targeted form of something, it may tend to expand and  
23 grow because there are those who want to take us back  
24 to the bad old days of quotas. That's why we hear  
25 talk about time limits and so forth.

26 I think there is a problem of  
27 implementation and of ensuring that, you know,

1 legitimate and defensible "racial discriminations" and  
2 I know that the word will be a problem but I think we  
3 have to be candid about what we're talking about. We  
4 are talking about making distinctions on the basis of  
5 race when we talk about affirmative action. People  
6 worry that those legitimate uses will expand into  
7 something else.

8 But, you know, five years is not going to  
9 be enough. I mean I don't think anybody who has any  
10 sense of what the numbers are here and what the nature  
11 and extent of the problem is can say five years or ten  
12 years. After all, we are, you know, 40 years after  
13 Brown and look at the quality of public education for  
14 black kids in the big cities of this country. Okay?

15  
16 So why would I want to say five years and  
17 then quit, tie my hands in that way, if the nature of  
18 the problem on the ground five years or 10 or 20 years  
19 from now still warrants some such action. So I don't  
20 think that time limit is the way to accomplish the  
21 limiting that needs to be put in there.

22 MR. CARDENAS: Secretary Herman.

23 SECRETARY HERMAN: I was going to ask the  
24 question slightly different but in the same way that  
25 Dr. Franklin did because I was intrigued, Dr. Loury,  
26 by your three areas in terms of how you distilled the  
27 issues. Issues of opportunity, issues of skills and



1 issues of patterns and practice or built-in cultural  
2 behaviors and responses. And obviously, from the  
3 chair that I sit in, there can be public policy  
4 implications across each of those spectrums.

5 And I wanted to ask specifically, assuming  
6 that -- I think I hear real agreement on the skills  
7 question. And there is obviously differences in terms  
8 of how far you get to the goalpost based on the skill  
9 level that you have acquired. But there's absolutely,  
10 I don't believe any disagreement that a clear  
11 investment in skilled development and not walking away  
12 from that issue is very, very important to all groups.

13 But then that begs the question of what do  
14 you then do around the issues of opportunity and the  
15 issues of pattern and practices in terms of cultural  
16 behaviors and responses. And as I listen to you  
17 describe the developmental affirmative action theory,  
18 I felt as though you were at least guiding me down a  
19 path of talking about at least the opportunity piece  
20 of this. I'm still not clear what some of the  
21 practical solutions are when we get to that third area  
22 and I'd be interested in hearing comments in that  
23 area.

24 But when you talk about the opportunity  
25 question, Dr. Franklin asked it in terms of  
26 timetables. But when you look at that process of  
27 saying you must take race into account to

1 disproportionately attend to the disparity or the  
2 difference that may be there, does that also suggest  
3 in terms of that process, while not maybe a time line  
4 that's finite -- I wish I could think of another word  
5 besides goals because that's loaded, too, in terms of  
6 the traditional framing of issues.

7 But the targets, the goals, what have you,  
8 how do you distinguish what it is you're driving for.  
9 Yeah, what does success look like. Yeah, that's a  
10 good way to frame the question. What does success  
11 look like in that model and how do you paint that  
12 picture so that in taking race into account I have a  
13 picture of what I'm driving towards.

14 DR. LOURY: Well, I mean this is a big  
15 panel --

16 DR. SMITH: This is all yours, Glenn.

17 DR. LOURY: It's a hard question. But  
18 when I look at the test score data, not just the SATs  
19 but the National Assessment of Educational Progress  
20 and the Air Force qualifications tests, the broad  
21 evidence that we have about the acquisition of  
22 cognitive skills, the racial gap now, black compared  
23 with white is so great that if we were, you know, ten  
24 years from now to see, you know, a diminution by one-  
25 quarter, I would think that that would be tremendous  
26 progress even though that would still leave a  
27 substantial gap.

1           When I think about the importance that the  
2 child psychologist and the neuro-scientist are telling  
3 us about human development in the early years, about  
4 the importance of what happens in the first couple  
5 years of a child's life. About the critical  
6 significance of the family and home environment to the  
7 child's development.

8           I mean as I'm sure you know, the expressed  
9 differences and intellectual abilities between the  
10 races are evident among very young children and are  
11 fairly persistent throughout the course of schooling  
12 and are relatively resistant to all manner of  
13 intervention, but there's some reason to believe that  
14 they are, at least to some degree, influenced by, you  
15 know, these early developmental experiences and there  
16 is some reason to believe that very intensive  
17 interventions of, you know, the Perry (ph) pre-school-  
18 type head-start programs with home visitations and  
19 parent counseling and all that kind of thing can make  
20 a difference.

21           These are very expensive things that we're  
22 talking about, but on the other hand, the benefits in  
23 terms of affecting the life course of young people  
24 from these early interventions are also quite  
25 substantial.

26           Even as conservative a commentator as  
27 James Q. Wilson, the political scientist at UCLA, has

1 recently said that he believes that our best hope for  
2 making a dent in the so-called under-class problem is  
3 an intensive and expensive intervention in the  
4 developmental processes in the early live years of  
5 disadvantaged children. Particularly children who are  
6 coming from chaotic social backgrounds and so forth.

7           When I think about the racial  
8 disproportion in the prisons, okay, in the prisons and  
9 jails of this country, we're talking about many  
10 hundreds of thousands of Americans. And in some  
11 communities we're talking about a quarter to a third  
12 of the prime-age young men who are going in and out of  
13 these institutions. Tremendous resources. I mean  
14 scores of billions of dollars, taxpayer's dollars are  
15 being expended on the maintenance of a system of  
16 warehousing and so forth.

17           Now, I'm not saying, you know, let the  
18 criminals go. What I'm saying is that, you know, in  
19 our own enlightened self-interest, we might want to  
20 reflect upon whether or not there isn't some  
21 possibility of something more in terms of a positive  
22 outcome coming out of this process than what it is  
23 that we're getting. And certainly if anything could  
24 be done earlier on that we think might offer some  
25 prospect of diminishing the probability of criminal  
26 participation and the sort of life that's tilted in  
27 that direction, it's worth consideration because the

1 back-end costs of that are quite substantial.

2 So, I mean, and I'm sorry I didn't give an  
3 answer to the specific question. You know, what would  
4 be my measure, my sort of goal by which I would know  
5 I was making progress. But I'm just saying the nature  
6 of these problems is so severe and the opportunities  
7 for having some kind of beneficial effect on them, I  
8 think are so -- so many that there are a number of  
9 things that we can do. Not all of them racial.

10 Now, we range beyond affirmative action  
11 because so many of these things that I'm talking about  
12 here wouldn't have to be defined in racial terms in  
13 order to have a dramatic effect on racial disparities.  
14 And I think they should be part of a discussion of a  
15 commission like this that's talking about racial  
16 problems.

17 MR. CARDENAS: Thank you.

18 MS. WITHERS: But it seems to me if I  
19 could -- that while all those, I think all those ideas  
20 are fabulous ones and I like the notion of the  
21 developmental affirmative action. I worry that to  
22 what extent our preconceptions about race going to  
23 color the ability to devote the resources that you're  
24 talking about. Notwithstanding the fact that you're  
25 saying these aren't racial solutions. The reality is  
26 the majority of folks in prison are black.

27 Notwithstanding that the notion that all

1 children need the kind of developmental discussions --  
2 or assistance that you're talking about. The  
3 perception will be that only black and Latino kids may  
4 need this. While that may well be true, how do we, in  
5 seeking solutions get back to the discussion of the  
6 painful, unfortunate, whatever, discussion of how race  
7 colors the development of the policy. And I'm not  
8 just talking about black/white.

9           So that when we use -- using your  
10 developmental affirmative action approach which I  
11 always thought was just plain old affirmative action,  
12 but okay let's call it developmental affirmative  
13 action, the next step would be then in defining and  
14 calling it success or whatever, the employer now has  
15 a range of people who have had all this really cool  
16 stuff given to them to prepare them, how does he or  
17 she choose. And how will that be measured or  
18 qualified or quantified. What will be good or bad  
19 about how he or she makes those choices.

20           To the young person who's in junior high  
21 school, high school or college now who's doing all the  
22 things they're suppose to do but who's told you're  
23 still going to need more to develop yourself to be  
24 where you need to be. You know, what do we say to  
25 that person without saying, without acknowledging the  
26 history of racial and ethnic discrimination.

27           And I'm not just talking maya culpas or

1 whatever because I worry that to the extent it's just  
2 black/white or it's -- or Asians are doing okay or  
3 Latinos are in the right, we're both victimizing  
4 African-Americans as well as people who are Asian or  
5 Latino. We're sort of, you know, make them fight  
6 amongst -- making us fight amongst ourselves and  
7 trying over simplify the problem.

8 So I -- without discounting any of these  
9 ideas which I think are valid ones, how do we then come  
10 back to the real important problem which is that if we  
11 think these policy issues are good ones, how do we  
12 then lessen the sort of taint, if you will, of race on  
13 the perception of investing in those policy  
14 initiatives.

15 MR. CARDENAS: Dr. Loury, if you would  
16 hold your response because I'm hopeful that when we  
17 get into the question and comment session with the  
18 members of the audience, you'll have an opportunity to  
19 make a response to that. And we do need to get to  
20 that but before we do, I'd like to give the last word  
21 on the question of solutions to Dr. Holzer. He's been  
22 very patient trying to get my attention there.

23 DR. HOLZER: I'm going to address this  
24 issue of both race conscious and non-race conscious  
25 solutions to the problem. But let's put affirmative  
26 action on the table. What is it about this policy  
27 that makes so many white Americans, and especially

1 white males, angry. It is the perception that is  
2 going well beyond equal opportunity. It is the  
3 perception that it leads to the hiring and promotion  
4 of unqualified minorities and women to jobs when more  
5 qualified white males are left behind.

6 Now -- and that's the wide-spread  
7 perception and that's why people are so angry.  
8 Question: Is that perception accurate? The truth is  
9 we've had very little hard evidence one way or the  
10 other on the qualifications and on the performance of  
11 people that have been hired under affirmative action  
12 relative to other kinds of things.

13 I recently did a study, with my co-author  
14 David Newmark (ph) of Michigan State University, where  
15 we looked at firms that practice affirmative action  
16 versus firms that don't practice affirmative action  
17 and by their own self-reporting as to which category  
18 they fall into, that can mean a wide range of  
19 activities. And we looked at the characteristics and  
20 the performance of different groups of workers in  
21 those companies. And I think what we found shed some  
22 light on this issue.

23 First of all, if you look at  
24 qualifications on paper, educational attainment, other  
25 things like test scores, it is true that the women and  
26 minorities hired in affirmative action firms lag  
27 behind white males by more than they do in the



1 non-affirmative action sector. That is a fact and I  
2 think we need to acknowledge that fact and be honest  
3 about it. And I think that's what people perceive and  
4 that's why they get angry.

5           However, when we look at wide range of  
6 measures of performance on the job, we find a  
7 different story. And we looked at -- and admittedly,  
8 these aren't perfect measures. But we looked at the  
9 characteristics, the skill requirements of the jobs  
10 people assigned to, we looked wages and promotion  
11 rates on the job and we looked at supervisor  
12 evaluations of performance. And again, this  
13 confidential evaluations of performance; just to us on  
14 the phone. Not in any public sphere.

15           What we found is it's hard to find  
16 systematic evidence of difference in performance  
17 between affirmative action hirees in these firms  
18 between women, minorities and the white males there.  
19 Which suggests to me that in some sense the program is  
20 doing what it was suppose to do. It's giving people  
21 an opportunity that haven't had the opportunity to  
22 develop the same credentials on paper. It's  
23 acknowledging that those paper credentials may not be  
24 the whole story in terms of whether people perform  
25 well on the job and gives people an opportunity to  
26 show their stuff in spite of the more limited paper  
27 qualifications.

1           And again, I don't believe that those  
2 paper qualifications are relevant. And all the  
3 economic studies suggest that, if anything, they may  
4 be becoming more important. Nevertheless, they  
5 explain some small fraction of overall outcomes and  
6 success, and I think affirmative action is giving  
7 women and minorities an opportunity to prove  
8 themselves on the job when their educational  
9 credentials are weaker.

10           In a follow-up study to that, we looked at  
11 the issue of what are these firms actually doing when  
12 they're hiring these candidates. And there, again,  
13 what we find is the cast a much wider net. They  
14 recruit more heavily; they screen more intensively.  
15 They go beyond the surface characteristics that often  
16 leave firms to reject minority candidates, and again,  
17 give some of these candidates more of a chance. So  
18 the gain more information of what lies behind the  
19 numbers. So, again, to me that's in some sense what  
20 affirmative action was suppose to do.

21           There's evidence that companies use a wide  
22 range of screening mechanisms and the things they call  
23 affirmative action may mean very different things to  
24 different companies. But it seems though most  
25 companies who are actually practicing affirmative  
26 action in corporate America speak in favor of these  
27 programs and say they work relative well.

1           We are happy. Don't do us any favors.  
2           These programs are working relative well. We are able  
3           to find qualified applicants. Let us proceed. As  
4           long as we have some flexibility to implement this  
5           policy as we do. But I think that's how affirmative  
6           action needs to be tested as an opportunity for people  
7           to go beyond their paper credentials which they may  
8           not have had developed in the past.

9           Now, let me address the other thing that  
10          Professor Loury said, talking about how can we enhance  
11          the ability of people to develop their skills and to  
12          better develop their paper credentials which certainly  
13          matter. And here I'll throw out a couple of different  
14          approaches and different policies.

15          You said earlier that people are isolated  
16          in poor communities and, in fact, the social isolation  
17          of minority poor people has grown in the last 10 or 20  
18          years even when overall segregation is declining  
19          mildly. What can we do for those people? Well, one  
20          thing we can try to give them a shot at all the  
21          goodies in suburb communities. That means trying to  
22          have better job placement and transportation programs  
23          for workers, to try to give them access to the growing  
24          and tightening suburb labor market.

25          It means maybe using school choice  
26          programs as a way of giving inner-city kids an access  
27          to good suburb schools. It means trying to open up

1 the residential neighborhoods, mobility programs,  
2 residential mobility. Trying to give lower income  
3 minorities some chance of living in suburb communities  
4 when they can afford to do so.

5 It may mean leaning on some of those  
6 communities not to have exclusionary zoning which we  
7 all know exists strictly for the purpose of keeping  
8 other people out. So giving people a crack at being  
9 in the suburbs I think is -- along with all these  
10 dimensions is an important way to enhance the  
11 opportunity.

12 But, of course, some people are always  
13 going to be left behind in those inner-city  
14 communities. What can we do for them? And here we  
15 really have to focus on what's going on in those  
16 schools and can we improve those schools. And here is  
17 a very wide menu of choices. I agree with you  
18 totally. I think early preschool and early childhood  
19 programs are extremely important to make sure that  
20 everybody that steps into kindergarten at day one has  
21 an equal shot to develop their cognitive skills.

22 But in and of itself it's not enough and  
23 we have to focus on what goes on in those schools.  
24 Reform efforts that try to improve the incentives of  
25 teachers and students to learn in those schools, I  
26 think are important. Some versions of school choice  
27 as long as they really provide access for everybody to

1 get to the better schools. Mentoring programs.  
2 School-to-work programs.

3           Once kids get into high school -- you  
4 know, there's evidence that a lot of kids don't try  
5 very hard in school simply because they don't see any  
6 link between what they do in their ninth grade algebra  
7 class and what goes on afterwards. School-to-work  
8 programs have some possibility of addressing that gap  
9 by bringing employers closer to the schools and giving  
10 students there some perception of what they need to  
11 learn or what they need to accomplish to get those  
12 good jobs afterwards. So then there's a wide range of  
13 possible choices.

14           Let me point out one other thing. And  
15 here again, some of these things cost a lot of money  
16 and some of them don't. Some of them we have some  
17 good evidence on in terms of cost effectiveness and  
18 some of them we don't. We have to, I think, continue  
19 to experiment with a wide range of things.

20           There's one type of school in inner-city  
21 areas that does very, very well very consistently and  
22 that's the Catholic schools. Inner-city black youth  
23 that attends Catholic schools across the board do  
24 extremely well when they come out in terms of test  
25 scores, performance in the job market afterwards and  
26 we're not sure exactly why and we all have our pet  
27 reasons. And, of course, and we're not advocating

1 that all the schools in inner-city areas become  
2 Catholic. I mean I'm Jewish so I certainly wouldn't  
3 advocate that.

4 But it means, first of all, that there is  
5 something you can do in these neighborhoods and in  
6 these schools and we have to work harder to figure out  
7 what that is and how to implement those opportunities  
8 on a broader scale. Again, sometimes by spending  
9 money where it's very important like on the early  
10 childhood programs and then sometimes just in terms of  
11 the operation of what goes on in the schools  
12 afterwards. And I think that would go a long way  
13 towards implementing the developmental affirmative  
14 action that you mentioned.

15 MR. CARDENAS: Thank you. Let me put that  
16 as the explanation point and I'll get to comments from  
17 the Board. But if I may, ladies and gentleman, I  
18 promised you a candid and lively discussion. I think  
19 my panel's delivered that and I would ask you in  
20 joining me in a round of applause for them.

21 (Applause)

22 MR. CARDENAS: Mr. Chairman, Madam  
23 Secretary, before we go on to questions and comments  
24 from the audience, this is now the opportunity for the  
25 Board to make comments and if you would, if there are  
26 any relevant experiences that you had yesterday that  
27 bear on today's discussion that would be great to

1 bring it up for the benefit of our audience.

2 REV. JOHNSON COOK: I just wanted to  
3 respond to Mr. Holzer and I think you're on the right  
4 track and it's in expanding a message to the Catholic  
5 schools, but I think enlarging the whole faith  
6 community. I think the schools which are performing  
7 now are the church-based religious-based institutions.  
8 And so one of the solutions to the disparity is  
9 putting resources in the places that are stable in the  
10 community. And I think you'll see more and more in  
11 the 21st Century that there will be more religious-  
12 based institutions that will begin to care for their  
13 own.

14 Saying that, I think that I wanted to just  
15 push Mr. Loury just a little bit to not just focus on  
16 the underclass, but to also look at the racial  
17 disparity that exists even beyond that. And I serve  
18 constituents that are very much have -- are middle-  
19 class, have gotten their piece of the American pie so  
20 they've seen, but the racial discrimination is still  
21 evident. And our teens are part of that 30 percent  
22 statistic and still can't get hired in the summers  
23 because they've tried, they've done it by the book,  
24 they've played by the rules and they still can't get  
25 hired.

26 And so I just wanted to just push you to  
27 not just focus on our lowest common dominator, but

1 also look at our highest because I think every other  
2 ethnic group always tries to air for the larger group.  
3 But I think the disparity exists whether you're  
4 underclass, whether you're middle-class or even beyond  
5 that and that there's young people in our constituency  
6 that cannot get hired who have played by the rules.

7 I just want to push you on that and I  
8 think you have really come back to affirmative action  
9 which is really the key. However you qualify it,  
10 whether it's developmental or whatever, it's still  
11 affirmative action. I think people have to given an  
12 opportunity when the opportunity doesn't exist. And  
13 the whole reason you have, you know, equal  
14 opportunities is because there are inequities that  
15 have existed. And I just want to just kind of push  
16 you to go beyond that.

17 I was just say to the larger panel, it is  
18 not just a black/white discussion. When we use the  
19 term, it like reduces to that. As an African-American  
20 I think that particular in the faith community we deal  
21 with people every day who are still in a healing  
22 process because of the racial discrimination and the  
23 legacy of slavery, and I think it cannot be ignored.  
24 I think it's a both/and. And before we can answer the  
25 question can there be One America in the 21st Century,  
26 many are still trying to exist in this 20th Century  
27 with the pain that has happened from the 18th and 19th



1 and 20th Century.

2 So I don't want to ignore that. And it's  
3 just very much like an abusive relationship where  
4 someone's knocked down on the floor and then, you  
5 know, the spouse says, "Now, give me a hug. You know,  
6 I love you." And so you think African-Americans, you  
7 know, you slap them down, but now come on, hug us, you  
8 know. We're one great America and I think we can go  
9 without looking at that.

10 MR. CARDENAS: Thank you, Reverend Cook.  
11 Mr. Thomas.

12 (Applause)

13 MR. CARDENAS: Mr. Thomas, do you agree  
14 with the comments that big business is committed to  
15 affirmative action?

16 MR. THOMAS: Well, I think in the concept  
17 of big businesses is committed diversity and  
18 recognizing the marketplace, I think that you would  
19 find a wide range of agreement on that. I think  
20 affirmative action -- I really thought that Professor  
21 Loury gave people a way that would like to support  
22 affirmative action a way to articulate the reasons why  
23 and not get caught up in the attacks from those who  
24 would not want people to support affirmative action.

25 Because you, in any form of business,  
26 faith community, anything, you could get polarized at  
27 times and the polarized comments can be very

1 persuasive and you have to find a way back into the  
2 middle. And so I would not say that it's fair to say  
3 that all corporate America actively supports it, but  
4 given a way to do it, I think they would be able to  
5 and want to in the context of matching up with their  
6 marketplace. And I really thought Professor Loury's  
7 discussion went a long ways to giving some support for  
8 that.

9           And if I could, I'd just also like to  
10 commend the panelist. I thought that this whole  
11 discussion on a variety of subjects was -- reached the  
12 polarized areas without doing it in a contentious  
13 manner and always kept coming back to focused issues.  
14 And I just commend the panelists for being able to  
15 give us a real healthy vibrancy of discussion and yet  
16 keeping it in an area of practicality.

17           MR. CARDENAS: Thank you. Chairman  
18 Franklin, Madam Secretary, unless there are other  
19 comments from the Board, I'd like to move onto to the  
20 questions and comments from the audience.

21           MS. WITHERS: If could I just add one  
22 thing.

23           MR. CARDENAS: Sure.

24           MS. WITHERS: We talked about policy and  
25 programs, I think we would be remiss in not  
26 remembering the need for very vigorous enforcement of  
27 existing anti-discrimination laws in looking at racial

1 discrimination in the workplace so that we enable  
2 public -- or our public sector, agencies at the  
3 federal level and other levels, as well as private  
4 sector enforcement to help us continue to document  
5 discrimination in the way that exists in the '90's and  
6 figure out how it ought to be resolved.

7 I think that's a policy and program and  
8 approach that's there that we need to reinvigorate,  
9 reassess and invest in in ways that we probably  
10 haven't in the last 10 or 15 years.

11 MR. CARDENAS: Thank you. We're going to  
12 proceed now to questions and comments from the  
13 audience. I apologize for the shortness of time; we  
14 started late. But we will have staff members in each  
15 aisle, if you would please line up in the aisles to  
16 make your comments.

17 And we would ask that you identify  
18 yourself. These are being transcribed. Your comments  
19 will be recorded. This is important information for  
20 the Initiative. It's Arizona's opportunity to provide  
21 input on this whole process, and I would hope you  
22 would keep your comments brief so that we can get as  
23 many comments as we can.

24 Yes, sir.

25 MR. RANDALL: Yes, I'm Paul Randall. I am  
26 on the faculty at Arizona State University in the  
27 school of design and I am an active member in a local

1 activist organization, PASFEE, Parents and Students  
2 for Equal Education. I, in listening to the panel  
3 this morning, the answer certainly is contained in the  
4 discussion. Looking at your -- the agenda here, the  
5 discussion around economic opportunity, racial  
6 disparities and discrimination and the causes of these  
7 disparities are all connected to the word racism.

8 And our organization is actively trying to  
9 address those issues and, specifically, we are  
10 focusing on the behavior side. It's very difficult to  
11 change attitudes but we want to try to have some  
12 impact on behavior. We have been doing some research  
13 and we have come across some information that  
14 identifies or that represents racism as being a  
15 sociopathic disorder.

16 We sent out a press release and  
17 interestingly, we didn't get much bite from the media  
18 and I would be more than willing to share it with you,  
19 but it addresses the psychiatric nature of racism.  
20 Historically, when these issues come up, Europeans  
21 tend to be silent. If they don't say anything then  
22 they don't have to -- or don't admit anything as well,  
23 they don't have to do any thing.

24 We think that if the psychiatric nature of  
25 this disorder is addressed, we believe that it will be  
26 the beginning of the end of racism. I am 47 years old  
27 and I think it is an outrage and it appalling that for

1 47 years of my life we are still talking about this.  
2 So something -- if there's a will, this can be ended;  
3 locally.

4 And I'll wrap up. The school districts  
5 where racism is very alive and well, we are dealing  
6 with that, they can develop policies for or against  
7 bringing weapons to school, selling drugs on the  
8 campus and a recent meeting on date rape, but there is  
9 no will or no willingness to address the issue of  
10 racism. So that's what we're going to have -- that's  
11 where we have to begin. Call it what it is. Get rid  
12 of the words like discrimination, prejudice, and so  
13 forth and call it what it is.

14 MR. CARDENAS: Thank you, sir. I'm going  
15 to alternate back from one aisle to the other, if we  
16 could go over here.

17 MS. HALL: Christine Hejima Hall (ph) from  
18 Arizona State University West. I'm an administrator  
19 and a psychologist there. Just a couple of comments  
20 if I can. In terms of Holzer, your research, it's  
21 interesting to me that the people were -- responded  
22 that they were more fearful of affirmative action  
23 because they were fearful that unqualified minorities  
24 would be hired.

25 I, as a psychologist and a researcher, I  
26 fear that that might be a socially acceptable answer,  
27 but I think if you look at some of the trends that

1 people are against affirmative action more at a time  
2 when there's an economic recession or a lowering of  
3 economics and, therefore, people are afraid that these  
4 folks are going to be taking their jobs. So I think  
5 that it would be at across the board if it weren't for  
6 some of these economic changes that people would be  
7 fearful that unqualified people were being hired.

8 The other thing for me is the word,  
9 qualified. As a psychologist I've always wondered  
10 where that word came from. I mean who is qualified;  
11 who is not. When you admit people into a university,  
12 you ask for their GRE scores, you ask for their  
13 academic credentials in terms of their grade point  
14 average and most of us at the university know that  
15 doesn't necessarily mean that they're successful at a  
16 job. It means they're probably going to be successful  
17 at school. Because one form of measurement translates  
18 to another form of measurement.

19 I work with the police department a lot  
20 and for years you had to be six-foot-two and a male to  
21 be a police officer. I don't understand how that  
22 makes you qualified per se. Now, days, as most police  
23 officers say, there's more electronics and technology  
24 that they can use.

25 You ask police officers what they do the  
26 majority of the job -- do during the majority of the  
27 job is talk and negotiate and if you ask the police

1 officers, most of them say that woman do that the  
2 best. So, therefore, maybe we should change some of  
3 the criteria of whether you can jump, shot or a lot of  
4 other things is more important than being able to  
5 talk.

6 The final thing is in terms of affirmative  
7 action, I think you showed -- the research shows that  
8 affirmative action works best when it comes into the  
9 entry level of getting people into the pipeline, into  
10 the work force. But after that, there is not as much  
11 success in terms of promotion and retention of folks.  
12 And so you have to look at the climate issues and the  
13 other discriminations that's going on, racial  
14 discriminations going on in the work force.

15 And my final issue is that as a  
16 psychologist I know that affirmative action was  
17 partially brought on because of the belief that if we  
18 bring people working together that they'll start  
19 loving each other. I call it the Kumbaya syndrome.  
20 That everybody will start liking each other. We have  
21 found out -- I say that affirmative action is similar  
22 to busing. And that is we brought the kids in, and if  
23 you look at kids at elementary schools, they end up  
24 pocketing themselves anyway and discriminating and  
25 segregating themselves and we've not worked it out.

26 To me, that's the same thing that happens  
27 with affirmative action. We hire people, bring them

1 in and they still segregate each other. And until we  
2 start living together and working together, I don't  
3 think it's ever going to work.

4 MR. CARDENAS: Thank you. Over here.

5 MS. LANCE: My names is Iata Trainor Lance  
6 (ph) and I'm a concerned mother, concerned parent.  
7 I'm not on any one particular committee or anything  
8 like that. But what brought my interest is that just  
9 reading the Sunday paper and I saw that this was going  
10 to be happening. And I've very supportive affirmative  
11 action and appalled that after 20 years that it would  
12 be raised to do away with affirmative action just  
13 based on the fact of what Dr. Holzer said. It was  
14 perception.

15 Just because a white male or some other  
16 group feel that the most qualified person is not  
17 getting the position, I think from what he says that  
18 the statistics or the papers show that it is. And  
19 from my understanding and my education on employers  
20 that are a part of the affirmative action they have  
21 certain guidelines to meet anyway. So based on that,  
22 I just don't see why we need to do away with  
23 affirmative action just because the white male, over  
24 40, feels that they're not getting a fair shake or  
25 they're not going to get their job.

26 And being in the corporate world, working  
27 for a Fortune 500 company, they take you to these



1 diversity classes and things like that. And going  
2 through some of those classes, it was my impression or  
3 I've heard a white male over 40 say that if it was up  
4 to him to hire a qualified black or his brother or  
5 sister, that's who he was going to hire. So I guess  
6 in terms of qualification in that aspect, then, you  
7 know, it really doesn't matter. So I'm really a  
8 strongly believer of affirmative action and I hope  
9 they don't do away with it.

10 And also, regarding education and skills,  
11 I think that's basically number one. Schools are  
12 still segregated from when I was grammar school, you  
13 know, 20-some years ago. But that hasn't changed. I  
14 think we need to focus on that; on desegregating the  
15 schools. I mean I felt that coming from Chicago,  
16 living in an inner-city, I worked in the suburbs so I  
17 lived in suburbs, but my daughter or my children had  
18 a chance to get, I think, a better qualified education  
19 just because of the location that I was in. So that  
20 is a key factor on these issues.

21 MR. CARDENAS: Thank you very much. I  
22 want to emphasize that we want to get as much input as  
23 we can and to the extent that it's appropriate, also  
24 responses from our panel. I want to make sure  
25 everybody here gets a chance to talk so if you'd keep  
26 your comments as brief and concise as you can it would  
27 be very much appreciated. Thank you.

1 MS. JAMES: My name is Cheryl James (ph).  
2 I'm a field investigator with the U.S. Equal  
3 Employment Opportunity Commission. My question deals  
4 with studies that show that there are just about as  
5 many young African-American males who are  
6 incarcerated, either in jail or in prison, as compared  
7 to those that are in a higher education system.

8 I'm wondering where the panelists would  
9 suggest these, once these young men are released,  
10 where will they find employment in corporate America?

11 MR. CARDENAS: Any takers? Professor  
12 Loury.

13 DR. LOURY: Somehow I knew you were going  
14 to say that. Well, I mean, I'm actually not as expert  
15 as I might be on this specific question of how a  
16 history of incarceration affects the subsequent labor  
17 market experience. I mean there have been studies of  
18 that. That's a very specific kind of question.

19 I did comment earlier that I thought,  
20 although it is not a political popular thing, that the  
21 issue of what happens when people are inside prisons,  
22 in terms of how that time is spent and whether or not  
23 there isn't any prospect that there could be some  
24 more, you know, sort of developmental activity that  
25 goes on there, deserves, at least, consideration.  
26 Although it's a hard one and I think, you know, the  
27 historical evidence probably isn't all that optimistic

1 about, you know, programs and stuff, nevertheless, it  
2 should be thought about.

3 I mean I just might say as aside; it is  
4 not proved that nothing can be done that you have the  
5 history of failed efforts. I mean that simply tells  
6 you that those things didn't work. It's not an excuse  
7 not to try to do something. But I mean all I can say  
8 finally is that the magnitude, I mean the proportion  
9 of people that we're talking about in a cohort who are  
10 going through these prisons is so great that this  
11 issue becomes, you know, very important because this  
12 it's -- this is a part of it. We look at it in terms  
13 of development over the life cycle of the social and  
14 economic experience of the young men from these  
15 communities.

16 We got, you know, we got one in ten of  
17 African-American males between the ages of 18 and 50  
18 -- just a rough number -- involved in these  
19 institutions at a, you know, a given point in time.  
20 You know. So, therefore, we really need to attend to  
21 this but, no, I don't have a magic bullet here.

22 SECRETARY HERMAN: Let me just say in  
23 terms of what the data does show. We know that in  
24 terms of the long-term unemployed -- even though we  
25 have the lowest rates that we've had in 23, 24 years.  
26 When you begin to look at who's on the unemployment  
27 roles now, there's a direct correlation for long-term

1 unemployment that's greater than it's ever been.

2 We also know that it doesn't work for  
3 particularly African-American males, minority males,  
4 who have been incarcerated if there is not some kind  
5 of labor market intermediary to be there to literally  
6 help with the rebuilding and the labor attachment.  
7 Individual effort is not sufficient.

8 MR. CARDENAS: Thank you.

9 MS. JAMES: Excuse me. Can I make one  
10 other comment. The EEOC does deal with the adverse  
11 impact there is on particular minority groups that  
12 have been incarcerated. And we do look at that. So  
13 if a person comes to our office and says, look, I have  
14 a criminal record and I'm not being hired, these  
15 applicants are, of course, to tell the truth about,  
16 you know, I was incarcerated and I had a felony and so  
17 on and so forth.

18 But if the employer cannot show that there  
19 is a relationship between the job and what the person  
20 was convicted of -- you know, they're not going to  
21 hire someone as a bank teller who's been convicted of  
22 armed robbery. But clearly if they cannot -- if an  
23 employer cannot show there's a correlation between the  
24 job skills, what the person was convicted of and the  
25 job itself, that employer is discriminating against,  
26 particularly against minorities, males, who have this  
27 record.

1 MR. CARDENAS: Thank you.

2 MS. ADDINGTON: I'm Carolyn Addington (ph)  
3 and would like to very specifically and clearly state  
4 three things. Number one; I would like to  
5 congratulate the Board and the panel for this very  
6 specific and broad discussion and I commend you.

7 Secondly, I see that in the fields of  
8 economics, education and environmental restoration, we  
9 need a total transformation instead dealing with the  
10 laws and different administrative situations which  
11 have been set up.

12 Thirdly, and most importantly, my beloved  
13 husband, Colonel Bernard J. Addington, who is multi-  
14 racial, out of the army and is global in his  
15 perceptions and capabilities will be the true  
16 president of the United States this next time around  
17 in presenting the new millennium where we will have  
18 all of these areas and races in one person and clearly  
19 defined through a lot of global presentations that  
20 have to do with a lot of issues that I'll do at  
21 another conference. Thank you.

22 MR. CARDENAS: Thank you. Over here now.

23 MR. GARRETT: Bryon Garrett (ph).  
24 Motivational speaker, student trainer, leadership  
25 development consultant. Do a lot of things on those  
26 lines in dealing with youth specifically. And I'm  
27 curious as I've traveled across the country, just

1 finished doing a two-month tour with 45 high schools  
2 in the state of Colorado. And I will be doing similar  
3 things in South Carolina, Florida, New York,  
4 Washington, D.C. and a couple of other states this  
5 coming spring and fall.

6 And I'm curious as I travel across the  
7 country and I see students, whether they're from  
8 suburbia, whether they're from inner-cities, whether  
9 they're from trailer parks, whatever the demographic  
10 may be, I'm very curious as I see adults continuing to  
11 talk and being an adult I have to remind myself, but  
12 in looking at the President's Initiative on Race,  
13 specifically what objections or what things that we're  
14 doing. I see how we bring adults together on a  
15 consistent basis.

16 I noticed where the President had sent out  
17 the call of letters to 25,000 young people across the  
18 country encouraging them to specifically do something  
19 in their communities. But I'm really wondering where  
20 is the teeth that's really going to make something  
21 like that happen.

22 I'm a firm believer that change can be  
23 effected at the top but I'm also a firm believer in  
24 practice or that change can be effected at the bottom.  
25 And if we're looking towards the 21st Century and  
26 creating One America, I'm really wondering exactly  
27 what specific objectives or initiatives do we need to

1 take place to ensure that our young people understand  
2 and internalize the concept that we really are trying  
3 to create One America.

4 And I'm wondering what we can do whether  
5 it's multi-media or whatever it's going to take, what  
6 steps, because I hear so much of the panels, the town  
7 halls, the forums, I hear those discussionary things  
8 that take place that ultimately do generate some kind  
9 of policy or generate something that impacts people  
10 across the country. But rarely does it really trickle  
11 down from a superintendent's office or a Secretary of  
12 Education office, really trickle down to an individual  
13 student's life on campuses across the country. Thank  
14 you.

15 MR. CARDENAS: Thank you.

16 MS. WINSTON: Well, I just wanted to say  
17 that the youth outreach segment of the initiative is  
18 a very, very major part of what we're doing. In fact,  
19 that letter that was sent out by the President to  
20 25,000 students has been generating more than a  
21 hundred responses a week since it was sent out. And  
22 young people across the country are, in fact, doing  
23 something and these conversations are going on at the  
24 community level, in colleges, at college and  
25 university campuses.

26 In high schools we have one student, who  
27 on his own initiative has pulled together students

1 from 135 high schools in the Washington, D.C.  
2 metropolitan area to take this on. A young, white,  
3 17-year-old co-captain of the football team as an  
4 example of just one person, what one person can do.

5 We are planning a series of additional  
6 outreach efforts to young people including a national  
7 day of dialogue, a week of dialogue and activities for  
8 the purpose of stimulating something that can become  
9 the basis for institutionalizing the kind of action  
10 among our young people that you're talking about. We  
11 do recognize, and the Board certainly does recognize  
12 the critical nature of making sure young people are  
13 fully engaged in this discussion and this action.

14 MR. CARDENAS: Thank you. Over here now.

15 MR. VALENZULA: My name is Ray Valenzula.  
16 I'm with the American Federation of State, County and  
17 Municipal Employees. Same organization that one of  
18 your panelist, Sister Linda Chavez-Thompson is, came  
19 from. I just -- most of the discussion has been  
20 centered around affirmative action, I wanted to touch  
21 briefly on another area.

22 As a union rep, you know, I have assisted  
23 people in filing complaints with EEOC or the state's  
24 civil rights division where they have a work-shared  
25 agreement. And my concern is that -- well, first of  
26 all in the past, the way the process worked, is that  
27 within the first 90 days of an individual filing a



1 complaint, usually there was a fact-finding meeting in  
2 which the representative of the employee could come in  
3 with the representative of the employer and discuss  
4 what the facts may be surrounding that complaint.

5 Then within the next 10-month period,  
6 usually there was some sort of cause finding or no-  
7 cause finding so the individual knew where to go from  
8 there. Because obviously the commission does not have  
9 enforcement powers in those kind of individual cases.  
10 So the final, if they are unable to resolve the issue  
11 on behalf of the individual, you know, with a cause  
12 finding, then the only recourse that individual has is  
13 to seek litigation.

14 And in that situation in this state -- and  
15 what I'm saying may be unique to Arizona, I don't  
16 know, but within the recent years what has transpired  
17 or is transpiring now is we no longer have that 90-day  
18 fact-finding meeting. Instead within that 90-day  
19 period, the individual is offered a release- to-sue  
20 letter and strongly encouraged to take the letter and  
21 walk away. Which if the individual does at the time,  
22 they have no investigation, they have no cause finding  
23 and they have to go seek the assistance of an attorney  
24 and there's less and less attorneys that will take  
25 these cases on a contingency.

26 MR. CARDENAS: Mr. Valenzula, if I may, as  
27 I understand what you're saying, you're concerned

1 about some deficiencies in that process and I think  
2 they're legitimate from what I'm hearing and what I  
3 understand. Do you have something that relates  
4 specifically to discrimination in the workplace  
5 because I want to make sure everybody gets a chance.

6 MR. VALENZULA: Well, I'm talking about  
7 the recourse that people have when that happens.

8 MR. CARDENAS: Sure. Understood. And I  
9 think you've pointed out that there are some problems  
10 and we appreciate that. Is there anything further  
11 you'd like to say on that?

12 MR. VALENZULA: Well, only that, again,  
13 those that reject the letter after the 10-month period  
14 find out that there was no investigation conducted.  
15 I don't know if the problem is staffing or the lack of  
16 commitment. But I just wanted to make you aware that  
17 somebody needs to look at that and then maybe, like I  
18 say, unique to this state.

19 MR. CARDENAS: Okay. Thank you.

20 MR. VALENZULA: Thank you.

21 MR. CARDENAS: And Ms. Withers wants to  
22 comment on that.

23 MS. WITHERS: I think that what Mr.  
24 Valenzula was just saying goes back to my point about  
25 making sure that we invest in public sector  
26 enforcement against discrimination so that agencies  
27 like the EEOC and others have the wherewithal to do

1 what they need to to help individual complainants  
2 process their complaints against employers because  
3 there is a problem. In terms of -- and the EEOC  
4 doesn't have the resources that it needs to help  
5 individuals do what they need to do.

6 CHAIRMAN FRANKLIN: I just want to say,  
7 Mr. Cardenas, that the Board has already recommended  
8 to the President that the appropriations for EEOC be  
9 very significantly increased so that there can be  
10 better, more effective enforcement.

11 MR. CARDENAS: Thank you, Mr. Valenzula.  
12 Yes.

13 MR. STOCKTON: Yeah, my name is Leonard  
14 Stockton (ph) and I'll be brief because I don't want  
15 to talk too long. First of all, I want to recognize  
16 the fact that I've been in Phoenix, Arizona, for over  
17 15 years and by far this is probably one of the worst  
18 states, Arizona, for affirmative action I've ever been  
19 in. I've MBA in finance and accounting. I've been to  
20 law school and probably just as intelligent as any of  
21 you guys -- any of you gentlemen and ladies on the  
22 Board. For 15 years I've had a difficult time finding  
23 professional job in this state.

24 Let me just tell you, there's no question  
25 that there is an informal network. This informal  
26 network that exists excludes minorities. There are  
27 many jobs in this state that minorities who are

1 qualified, such as myself, have not had the  
2 opportunity to apply to. Mr. Holzer, if that's your  
3 correct name. Mr. Holzer, I'd like to address my  
4 concerns to this informal net work which I feel breeds  
5 racism.

6 With MBA in finance and accounting could  
7 you possible think that a man would have a difficult  
8 time finding a job in a state. My parents are ill,  
9 both my parents are ill. This is a geriatric kind of  
10 a state and I'm taking care of my parents. But as I  
11 said before, what can be done to bring -- surface this  
12 informal network that you speak of to the surface so  
13 that qualified minorities will be able to apply for  
14 positions?

15 MR. CARDENAS: You want to speak to that.

16 DR. HOLZER: That's a hard question to  
17 answer because -- well, there's two things. Number  
18 one, networks can be discriminatory but they also can  
19 serve a useful purpose to employers. Employers seem  
20 to think that they get better information from their  
21 current employees and that they're going to learn more  
22 about potential candidates, and that candidates, good  
23 candidates, good employees in the workplace are going  
24 to recommend other good employees like themselves.

25 So it works for employers to do this. And  
26 they would much rather use these informal networks.  
27 And there's some evidence that that's true. That on

1 average, use of informal networks does generate  
2 productive employees. It does have the split side  
3 that it leaves out people, out of the networks that  
4 aren't plugged in.

5 But by the very nature, you know, it's  
6 hard to legislate an end to informal networks or to  
7 change how this -- so I don't think that's the -- I  
8 don't think we can think that way. I mean those  
9 networks serve an important role. The question is how  
10 can we widen --

11 MR. STOCKTON: I didn't mean to cut you  
12 off. Let me just say that, how many in this room  
13 heard about the One America in the 21st Century  
14 discussion on the networks? I didn't hear anything  
15 about it on the news on the major networks. The only  
16 reason why I knew about it was because of the fact  
17 that I read the newspaper. And a lot of people in  
18 this city didn't even know -- don't even know this was  
19 going to go on. I suspect this will be on CPAN. This  
20 is the informal network that I'm talking about. It's  
21 a network that allows the racial discrimination that  
22 exists in Arizona to exist.

23 MR. CARDENAS: Thank you.

24 MR. VALENZULA: Believe me. Thank you  
25 very much.

26 MR. CARDENAS: Thank you. Mayor Payne.

27 MR. PAYNE: Yes, I'm former Mayor Payne

1 (ph) of City of Chandler. Chandler is a city of about  
2 150[000] population. I was mayor there for two terms,  
3 four years to be exact. I have a question and I'm  
4 wondering as a result of what the legislature, the  
5 state legislature is doing today or is about to do  
6 with its beginning session for this year. And it's  
7 going to ask that the doing away with affirmative  
8 action be placed on the ballot so that people can  
9 decide that we get rid of it.

10 I don't understand why this needs to take  
11 place at this time and I do believe that there is  
12 research that supports the fact that blacks in Arizona  
13 or African-Americans in Arizona only -- constitute  
14 only 6.3 percent of the work force. And I don't know  
15 why there would be fear that African-Americans in  
16 Arizona would be taking jobs or anything away from  
17 anyone, you know, with that.

18 (Applause)

19 MR. PAYNE: So I'm concerned about that.  
20 I am a product of this state. I grew up in my little  
21 town in Chandler. Chandler was a little dusty town at  
22 that time and I walked those dusty streets and went to  
23 those segregated schools and was bused -- you're  
24 talking about busing. People don't know about busing  
25 today like I know about busing. We lived in town but  
26 we were bused to the country to go to a two-room  
27 school building out there where all eight grades were

1 housed in those two rooms. One through four in one  
2 room; five through eight in the other room and two  
3 teachers. And little or nothing else.

4           So I'm a victim of those kind of  
5 circumstances yet I have always believed in the  
6 American Dream. I've always believed that a person  
7 can go as high as he aspires to go in this country.  
8 This is partly because of the legacy that my parents  
9 left me even though they had little or no education.  
10 My father a fifth grade education; my mother seventh  
11 grade education. They taught me well about what to  
12 expect in America and I believed that. But I have run  
13 into some stumbling blocks along the way. I've been  
14 told that there are things that I cannot do. I've  
15 been shown that there are things that I cannot do in  
16 the state of Arizona.

17           And I'm disturbed today, when I look out  
18 at this crowd that I see here, these few people that  
19 I see here to witness this historical event that has  
20 been proposed by the President of this country on race  
21 and I don't see the people here that should be here.  
22 In fact, I don't see any legislators here; I don't see  
23 the Governor here. I don't see other mayors here even  
24 that are in the service of their communities right  
25 now. And I think this is a forum where they ought to  
26 be present because we want to do something about the  
27 condition that exists in Arizona as far as the racism

1 goes.

2 It is systemic. It's institutionalized,  
3 it's anything that you want to call it in the state of  
4 Arizona. Now, I have experienced it all. From ASU,  
5 a student at ASU, in an institution of higher learning  
6 and go backwards down to the elementary school through  
7 the high school. I was ten minutes away from the high  
8 school in my community, but I had to go 23 miles to  
9 get to high school.

10 And that was an hour or so on the bus a  
11 day which limited me in my extracurricular activities.  
12 I could not take instrumental music. I could not  
13 participate in the P.E. program. I wanted to run  
14 track. You know, they say we can run. I wanted to  
15 run track. I wanted to play basketball. I wanted to  
16 be an instrumentalist in the band. But because of the  
17 distance that I lived from that school that I went to,  
18 had to go to because of segregation in the schools --  
19 and I'm not beating a dead horse here. It's over.  
20 We've desegregated the schools, but we still have some  
21 of those problems that we had when schools were  
22 segregated. And I'm trying to address those and I  
23 want this panel to understand that racism is alive and  
24 well in Arizona. If you don't believe it, just follow  
25 me. Go with me today where I go. Go with my wife and  
26 I.

27 Now, I'm a retired person. I've served my



1 country, I served in Korea. Nobody questioned my  
2 going to Korea to serve in a combat unit to go up to  
3 the top of the hill. But when I came back to my  
4 respective community and I wanted to advance to the  
5 top of the hill, I said to a supervisor that I wanted  
6 to walk on the crest of the hill and you know what his  
7 words to me. "Why do you want to walk on the crest of  
8 the hill? You'll get shot at up there." Well, I had  
9 been shot at up on the hill in Korea but nobody  
10 questioned my being up there. They said, fine, go up  
11 there and that's where you belong.

12 But here, these are examples and I hope  
13 that the message is loud and clear that is panel is  
14 trying to do something about racism as it exists  
15 across this nation, particularly in Arizona at this  
16 moment. Thank you.

17 MR. CARDENAS: Thank you, very much,  
18 Mayor.

19 We are going to have to limit the comments  
20 so that we can get just the people who are still  
21 standing get their comments in. It can't be more than  
22 one minute or we will not have the opportunity for a  
23 response from the panel. So if you could keep your  
24 comments very short and direct, thank you.

25 MR. MARTINEZ: Hi. My name is Martin  
26 Martinez. I'm the interim President for the National  
27 Hispanic Corporate Council here in Phoenix. And I

1 listened to all the things and I saw the charts that  
2 talked about the difference between work force and how  
3 people get there. My experience is I'm a degreed  
4 engineer. I have a degree in mechanical engineering  
5 from Cal State University Northridge and I was a  
6 product of what they called the EOP program in those  
7 days back in the early '80's.

8 And if it wouldn't have been for that  
9 program I wouldn't have a degree, I wouldn't be  
10 sitting here. I wouldn't even have this opportunity.  
11 Now I have a daughter that's going to ASU trying to  
12 get a degree in accounting. Because she got one C in  
13 one class was told by a counselor to go pick another  
14 school and go pick another degree to go do it and I  
15 can't understand how a university of this magnitude,  
16 a PAC 10 school, can tell my daughter that she is now  
17 not qualified to get a degree in accounting.

18 It just doesn't make sense to me and then  
19 we look at why we don't succeed, why we don't have the  
20 opportunity to get into the points of jobs of  
21 visibility, jobs of economy.

22 MR. CARDENAS: Thank you, Mr. Martinez.  
23 Forgive me for cutting you off but I have to move on.

24 MS. REED: Hello, my name is Chuckie Reed  
25 and I stand before you as one of those unusual people.  
26 I am a Blackfoot Cherokee white woman. What are you  
27 going to do with me? I appreciate you for having Ms.

1 Sanchez on this Board because I can only see through  
2 the panel and what you've done today that there is  
3 linear thinking which is thinking from top to bottom  
4 or bottom to top, which has created barriers. And I'm  
5 so pleased that the president is coming to the  
6 decision that we need to be thinking in terms of  
7 circular thinking.

8 And if we want to understand circular  
9 thinking we should look at those groups as a culture  
10 that do that and see the five fingers of human life as  
11 all color. And I just wanted to make that comment.

12 MR. CARDENAS: Thank you very much. Yes,  
13 sir.

14 MR. JUANICO: Yes, good morning. I'm  
15 Steve Juanico. I'm the Vice Chairman for Omni Pueblo  
16 Council. I flew in from New Mexico and they have a 19  
17 governors so I'd like to get a little bit of mileage  
18 out of this. I want to try to educate everybody  
19 concerned in terms of not looking only at racism in  
20 employment but it's in education and it spreads  
21 across.

22 I think it's an ignorance and I think it  
23 needs to, like somebody started to talk because we  
24 face ignorance, racism whatever it may be in the  
25 legislative levels. Sometimes -- I was really  
26 impressed walking into this building because this is  
27 a public school. And if you went to our reservation

1 and the schools and looked at the schools and the  
2 reservation -- and the schools off the reservations  
3 which are public schools there's a vast difference in  
4 the quality of those buildings and I think racism has  
5 something to do with it.

6 MR. CARDENAS: Mr. Chairman, I'm sure the  
7 board is going to want to hear from you and there will  
8 be opportunity for that not only at the community  
9 forum later this afternoon but I assume after we take  
10 a break.

11 MR. JUANICO: Okay, thank you very much.

12 MR. CARDENAS: So if you'll forgive me for  
13 cutting you off, I'm going to move onto these other  
14 people and then the last two people in the line, I'm  
15 not going to be able to get to you because it was just  
16 the people who are already standing, so if you'd go  
17 hear.

18 MS. PASKUADA: (ph). I'm Dehana Paskuada.  
19 I'm a faculty member at Arizona State University in  
20 the College of Education. I teach a class  
21 understanding the diverse child in the classroom and  
22 we deal with many of the issues spoken, not so many in  
23 the work place but at school. And three items --  
24 while I do not propose to give you all the answers  
25 there are three items that I do tell my students to  
26 look for.

27 One of them is -- actually four items, but

1 one of them is not to be color blind because that's  
2 what leads to ignorance and that's what leads to many  
3 of our problems. But the others are to really  
4 acknowledge that there is diversity in every single  
5 aspect of our lives. We have to appreciate that  
6 diversity and really affirm it.

7 At the end, I think we're really talking  
8 about affirmation, acknowledging and appreciating the  
9 differences, the diversity that we have in this  
10 country to really start making changes. Thank you  
11 very much.

12 MR. CARDENAS: Thank you.

13 MS. EISENBERG: I'm Eleanor Eisenberg.  
14 I'm the Executive Director of the Arizona Civil  
15 Liberties Union and this is not a comment or question  
16 to the panel but rather an alert of some information  
17 to the audience. I'm a bloody but unbowed warrior  
18 veteran of the Prop 209 wars in California and it's  
19 still unclear whether or not the matter is going to be  
20 a valid initiative here in Arizona.

21 But we do know that there are already  
22 several bills introduced at least one of which  
23 essentially tracks the language of 209 to do away with  
24 affirmative action in the public sector here in  
25 Arizona and I would just invite all of you and urge  
26 all of you who obviously care deeply about this matter  
27 that the struggle has to begin now and you need to

1 become involved. You need to get in touch with your  
2 legislators and you need to do the grass root works in  
3 the even there is a valid initiative. Thank you.

4 MR. CARDENAS: Thank you very much. Over  
5 here.

6 MS. JACKSON: Good morning. Thank you.  
7 My name is Betty Harris Jackson. I chair the Private  
8 Industry Council here in Phoenix which allocates  
9 employment and training dollars and Secretary Herman,  
10 I too was born in Mobile, Alabama and you and I are  
11 the only ones who know where Prichard is and Mobile  
12 County Training School and Central High School.

13 When I first heard about the President's  
14 initiative I was quite concerned that this was only  
15 going to be rhetoric again and I'm glad I came today  
16 because I'm delighted to see Doctor John Hope Franklin  
17 chairing this. Through the years, my undergraduate  
18 years at Tuskegee, Doctor Gomillion (ph) often raised  
19 you up in our sociology classes and I'm glad to see  
20 Doctor Suzan Johnson Cook, who is an excellent  
21 minister on the panel.

22 And I wanted to say to Secretary Herman  
23 that one of the things that I continue to be concerned  
24 about and suffer great agony and pain is in terms of  
25 funding for programs for young people. The summer  
26 youth employment program was under attack this past  
27 summer and it was only because of the Federal

1 Government not making those rescissions in that  
2 program that we were able to accommodate these young  
3 people.

4 Certainly, if our young people are the  
5 future of tomorrow, we have to look at these  
6 opportunities that will, of course, insure that they  
7 get those kinds of jobs.

8 MR. CARDENAS: Thank you, Ms. Jackson.

9 MS. JACKSON: Okay, I'm sorry.

10 MR. CARDENAS: Forgive me for cutting you  
11 off. This will be the last comment. I'm sorry. For  
12 anyone else who wants to share comments with the  
13 Board, I misspoke a moment ago when I said they'd be  
14 available at the break. We're late for a press  
15 conference, but please write to the Board. There's  
16 also a web site and I think you can get the materials  
17 on the desk outside. The last comment.

18 MS. HASHIMI: (ph) Yes, my name is  
19 Rotunda Benny Hashimi and the last name in itself  
20 makes me a very diverse individual. My husband is of  
21 Persian descent. The racism that I've encountered  
22 just in that situation is incredible at the levels of  
23 government, the types of treatment I received in  
24 marrying a person of Iranian descent. And then having  
25 children that are bi-racial is very interesting with  
26 a five-year old daughter who is already encountering  
27 racism.

1           But my comment to the panel I would like  
2 to make is first of all, I would like to apologize  
3 because I have always been amiss and being active in  
4 my government for various reasons in my upbringing and  
5 choices that I've made but based on what I've seen  
6 here today, based on the type of comments being made  
7 here today, it's good to see a group of people who  
8 have felt some of the things that I've felt, who are  
9 continually encountering and researching on the things  
10 that concern me and my life. So I will become before  
11 this congregation and before the panel a more active  
12 part of my society concerning these issues.

13           I tell you that without this, with a five-  
14 year old girl encountering from another five-year old  
15 boy, my daughter being very light skinned because of  
16 her bi-racialness, encountering being called a raisin  
17 at the age of five, you know, as a mother I broke out  
18 in tears and said, "This has to stop". And with these  
19 kind of things being brought to the forefront and  
20 people like you guys caring enough to come here and  
21 travel here and bring up these issues, you know, I  
22 wrote to myself on the paper that I came here wanting  
23 to share my issues and see what people of my color  
24 were going to say, but listening to the people on the  
25 panel, I see that all people are hurting, all people  
26 are offended, all people have issues that they're  
27 dealing with based on the color of their skin and



1 their upbringing. So I thank you very much.

2 MR. CARDENAS: Thank you for your comments  
3 and my apologies to the last two gentlemen. I'm  
4 sorry, but I kept Secretary Herman more than 15  
5 minutes over. All right, go ahead.

6 AUDIENCE MEMBER: I heard earlier that  
7 there happens to be a dilemma or a phenomena of small  
8 businesses discriminating more than large businesses.  
9 I'm a self-employed small businessman and if my wife  
10 knew I was here I'd be in big trouble because I should  
11 be back home working but, yes, I discriminate and I  
12 pay low wages. I've got my son, I've got my daughter,  
13 I've got my wife working for me. And I think in order  
14 for some of us small businesses to get away from that  
15 discrimination attitude or stigma we need assistance  
16 in the banking for small loans.

17 And that, I think, can help an awful lot  
18 of us small people if we're able to attain these loans  
19 and put that money into our business and invest it  
20 properly, we can go out and hire others to work for us  
21 and take that chance of diversifying our business.  
22 Thank you.

23 MR. CARDENAS: Thank you. And in the  
24 interest of fairness, we'll take this gentleman's  
25 question or comment.

26 MR. VEGA: Thank you. My name is Santos  
27 Vega and I'm from the Hispanic Research Center at

1 Arizona State University. I've been doing this  
2 research for several years and I've discovered that  
3 when we get to discussions on how to solve the  
4 problems we seem to emphasize the differences of color  
5 of skin and the race and actually it is more deep-  
6 rooted than that. It goes into land, land-based  
7 discrimination and also institutional racism.

8 For example, in schools, they always  
9 emphasize the certain jobs and training for certain  
10 employment to the detriment of other jobs and then  
11 like society continues this in looking down at the  
12 person that works with their hands, the plumber, for  
13 example, the carpenter, the ditch digger and that gets  
14 into -- our people, I'm a fourth generation Arizonian  
15 by the way but I have always noted that whenever I  
16 encountered discrimination it was because of the  
17 institutional systems.

18 I went to an all segregated school in  
19 Miami, Arizona. It was all for Mexican Americans and  
20 it was a council that -- the school boards did that.

21 MR. CARDENAS: Mr. Vega, I'm going to have  
22 to cut you off. If you could wrap up your comments,  
23 thank you.

24 MR. VEGA: Okay. The school board then --  
25 keep in mind that behind the scenes it's institutional  
26 racism, a land based racism that from which springs  
27 the rest of the racism, instead of concentrating on

1 skin and race because the truth lies behind those that  
2 make the power decisions, thank you.

3 MR. CARDENAS: Thank you. Chairman  
4 Franklin and Secretary Herman, I think that concludes  
5 our round table. Thank you very much.

6 CHAIRMAN FRANKLIN: I want to thank our  
7 very distinguished panel of most stimulating and  
8 exciting discussion. I want to thank Doctor Yellen  
9 and Secretary of Labor Herman for their contributions  
10 and I want to thank the audience for its  
11 participation. It's been a very stimulating meeting  
12 and I want to say that -- and Mayor Rimsza, I very  
13 much appreciate his welcoming us here.

14 And let me say that there will be -- we  
15 will now break for lunch. We have a press conference  
16 and then we'll break for lunch. There will be the  
17 meeting of the group in the afternoon, early  
18 afternoon, the corporate and labor forum. That's  
19 independent of the Advisory Board's activities  
20 although, as I said earlier, we will all, I hope, be  
21 there. You're very welcome.

22 Then there will be the community forum at  
23 4:00 o'clock and we would expect that the people  
24 particularly of Phoenix and surrounding areas would  
25 come to that forum. Thank you very much and we stand  
26 adjourned.

27 (Whereupon, at 12:20 p.m. the above-

1 entitled matter concluded.)  
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