

UNITED STATES AMERICA

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THE PRESIDENT'S INITIATIVE ON RACE

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CORPORATE FORUM

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THURSDAY, JULY 23, 1998

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ST. LOUIS, MISSOURI

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

BOARD MEMBERS:

CHAIRMAN JOHN HOPE FRANKLIN
MS. LINDA CHAVEZ-THOMPSON
REV. DR. SUZAN D. JOHNSON COOK
GOVERNOR THOMAS H. KEAN
MS. ANGELA E. OH
MR. ROBER THOMAS
GOVERNOR WILLIAM F. WINTER
MS. JUDITH WINSTON, EXECUTIVE DIRECTOR

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1
2 MR. WENGER: Let me introduce myself. I am Mike
3 Wenger. I am the Deputy Director for Out Reach and
4 Program Development for the President's Initiative on
5 Race.

6 First, I'd like to thank you all very much for
7 coming.

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

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

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

21 Let me thank also for being here, Secretary
22 Rodney Slater, who is the Secretary of Transportation.

1 I will introduce him more formally a little bit
2 later, but his commitment to this initiative has been
3 nothing short of incredible, and we are all grateful for
4 that.

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

8 Mayor Harmon took the oath of office on April
9 15th, 1997, became the city's second African-American
10 mayor.

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

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

22 Mayor Harmon has a reputation as one of the

1 best, most aggressive, most thoughtful mayors in the
2 country, and it is a real honor and pleasure for me to
3 introduce to you now, Mayor Clarence Harmon.

4 MAYOR HARMON: Good morning.

5 THE AUDIENCE: Good morning.

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

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

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

19 I want to thank Secretary Slater publically for
20 making the trip to St. Louis in behalf of this effort. I
21 think he leads by example, noted nationally for his effort
22 in many areas, including this one.

1 In the last half century, statistics show an
2 improvement in attitudes about races. In 1940, 60 percent
3 of employed black women worked as domestic servants.

4 Today, that number is down to 2.2 percent, while
5 60 percent hold white collar jobs.

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

9 1964, the year of the Civil Rights Act, only 18
10 percent of whites claimed to have a friend who was black.

11 Today, 86 percent say they do, while 87 percent
12 of blacks assert that they have white friends. Antidotal
13 information shows the same friend with Hispanics, Asians,
14 other cultures, to include American Indians.

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

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

21 A few months ago here in St. Louis, in the
22 region of real -- a real estate agent discovered a black

1 family was attempting to buy a house in Jefferson County,
2 and discouraged that family from doing so.

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

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

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

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

18 The reality is that our city is no longer half
19 black and half white with the dividing line down the
20 center. We are seeing African-Americans, Hispanics,
21 Asians, Germans, Bosnians, and other cultures moving in
22 all over the city in increasing numbers.

1 Our challenge is to reflect the changing face of
2 our city in the policies and in our relationships. And we
3 have a long road ahead of us. We have taken steps, we
4 think, in the right direction.

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

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

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

19 The city has a policy that encourages all
20 businesses contracting with the city to reach the goal of
21 including 25 percent minority participation and five
22 percent participation by women in any work they do with

1 the city. I have made sure that the city strives to meet
2 this goal in its own projects, assuring women and
3 minorities will have an integral role to play in the
4 rebuilding of our city.

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

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

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

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

21 As for an example, the local firm chosen to
22 conduct public relations and outreach programs for the

1 Downtown Now Public Meetings is Marketing Works, a firm
2 owned and operated by African-American women.

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

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

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

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

22 According to the Metropolitan St. Louis AIDS

1 Program, of the new HIV cases reported in 1997, 43.8
2 percent were black men, and 17 percent were black women,
3 as compared to 31 percent for white men, and 6.7 percent
4 for white women.

5 Of new AIDS cases, 43.4 percent were black
6 males, and 16.1 percent were black females, as compared to
7 39.5 for white males. And .5 percent for white females.
8 We know young black men and black women as a whole are
9 highly at risk of contracting HIV.

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

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

18 The results of the St. Louis School District's
19 1997 Missouri Assessment Program test scores for math
20 showed the following:

21 Nearly 90 percent of our city's fourth graders
22 can't do things like add and subtract common fractions and

1 decimals.

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

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

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

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

20 Dr. King said, "Nothing so vividly reveals the
21 crushing impact of discrimination and the heritage of
22 exclusion as the limited dimensions of Negro progress in

1 the most powerful economy in the world", unquote.

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

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

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

14 You're indeed welcome. Enjoy the conference.

15 Be spirited about your questions, demand
16 answers, and we'll make progress.

17 Thank you, and God bless you.

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

21 President Clinton could not be here today, but
22 through the wonders of technology, President Clinton is

1 with us today.

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

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

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

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

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

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

19 We must confront our differences in honest
20 dialogue. Yes, but we must also talk about the common
21 dreams and the values we share. We must fight
22 discrimination in our communities and in our hearts. And

1 we must close the opportunity gaps that divide too many
2 Americans in real life.

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

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

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

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

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

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

20 It was announced by the President on June 14th,
21 1997, in San Diego. Many of you may have watched that
22 speech on television. And our mission is to foster the

1 President's Vision of One America in the 21st Century, A
2 stronger, more just and unified America. One that offers
3 opportunity and fairness for all Americans, and one in
4 which we respect our differences and celebrate our common
5 values and aspirations.

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

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

15 Why is this important?

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

19 Today, Caucasians, white Americans, are about 73
20 percent of our nation's population.

21 In the year 2050, it's projected that there will
22 be barely more than 50 percent, Hispanic-Americans 25

1 percent, African-Americans 14 percent, Asian-Americans
2 eight percent, Native Americans one percent.

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

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

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

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

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

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

19 He was walking down the street one day, he's, I
20 guess, a junior in college, with two of his buddies, and
21 they were not doing anything much, they didn't have
22 boomboxes, they didn't have baggie jeans, they weren't

1 walking with a swagger, they weren't talking loud; they
2 were just walking down the street looking for a place to
3 spend their parents' money in downtown Atlanta, and I have
4 the empty wallet to prove at least one of them succeeded.

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

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

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

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

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

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

22 Let me repeat that. The chances that a young

1 adult has ever committed a violent offense, are roughly
2 equal across the races.

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

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

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

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

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

21 Her stereotypes are likely to influence her
22 behavior in a number of ways. Her behavior is likely to

1 perpetuate and exacerbate existing racial divisions, and
2 the only way that we can address her fears and the fears
3 of millions like her, is to confront their stereotypes in
4 a positive and constructive way through interaction and
5 communication across racial lines.

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

12 We held a statewide "Day of Dialogue" at the end
13 of April, in which more than 100 communities participated,
14 and 41 governors, including 22 Republicans, either signed
15 a proclamation proclaiming that's a statewide "Day of
16 Dialogue," or participated in some other way in that day.
17 And you may recall that President Clinton, on April 14th,
18 participated in a conference about race and sports on
19 ESPN, participated in a Town Hall Meeting in Akron, back
20 in December, and just recently in a conversation on race
21 on PBS, and we are doing these forums for corporate
22 leaders.

1 This is the fourth of those corporate forums.
2 The others were held in Miami, Phoenix and Los Angeles.
3 They represent our effort to fully engage business leaders
4 from across the country in this effort.

5 And we hope that from these forums will come
6 concrete plans for how the corporate community can
7 strengthen its efforts to build One America in the 21st
8 Century.

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

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

21 It is now my distinct pleasure, and I mean that
22 in all sincerity, to introduce to you Secretary of

1 Transportation, Rodney Slater.

2 Secretary Slater was named Secretary in February
3 of 1997. Under his leadership, the Department of
4 Transportation developed a strategic plan that Congress
5 rated him the best among all the federal agencies.

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

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

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

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

22 He is a man of uncommon thoughtfulness, uncommon

1 commitment, uncommon eloquence, and uncommon intelligence.
2 I am proud to call him my friend, and I am pleased and
3 honored to introduce to you the Secretary of
4 Transportation, Rodney Slater.

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

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

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

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

20 And in that we have gathered for a most
21 important purpose, I know that our effort will prove
22 productive, and I look forward, I look forward to

1 listening and learning.

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

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

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

21 The businesses here are located throughout the
22 midwest, and some of the finest across the land.

1 I'm pleased that there are many here
2 representing the transportation industry, TWA, Union
3 Pacific, United Airlines, Boeing, Caterpillar, UPS, Yellow
4 Freight, Chrysler and others, for transportation is the
5 tie that binds, and that's why, in many respects, a lot of
6 the civil rights battles over the years have been fought
7 on the transportation front, because it gives us access to
8 a good job; that we might provide for our families, or it
9 gives our children access to good schools, that they might
10 pursue knowledge and understanding, or it gives us access
11 to a quality city like this one, where one might come as a
12 tourist to enjoy the culture and the beauty of the people.

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

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

19 Also, Commerce Secretary Bill Dailey chaired a
20 similar meeting in Los Angeles, and I did have the good
21 fortune of chairing the first such meeting in Miami last
22 December. But Michael talked about how it was so good, I

1 can assure you that it was not because of me.

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

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

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

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

19 We will also take what we discuss and share it
20 with the advisory board, so that it then might take it
21 into account as it prepares its report to be presented to
22 the President this fall.

1 President Clinton has spent his first term
2 focusing on the economy. Many of you have been involved
3 in this economic renaissance that the United States is
4 enjoying, whereby we have created 16 million new jobs,
5 many of those created by small businesses and others, yes,
6 by large businesses, but all coming together.

7 Very little created by the public sector. The
8 Federal Government is actually the smallest it's been in
9 35 years.

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

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

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

21 And also, Jefferson was right, any nation that
22 hopes to remain ignorant and free, hopes for what has

1 never been and never will be.

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

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

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

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

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

22 And there is a unique role for us to play as we

1 move into a new century and a new millennium. And so
2 moving beyond the new jobs and the effort to move people
3 from welfare to work, some five million of them, and
4 bringing down the crime rate, and creating opportunities
5 for people to go to college, the president is saying now
6 in the second term, we have to focus on building from
7 strength to strength, and we've got to deal with this
8 issue of how we deal with one another.

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

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

18 And while in law school, I would hear students
19 talk about these two young dynamic professors, really
20 three of them, because another friend of theirs, Bill and
21 Hilary Clinton was George Knox, who is now in Miami, and
22 they talked about how they would come into the classroom

1 and challenge them to learn the law, and its powerful
2 nature, to bring about justice, not just in the courtroom,
3 but in society as a whole.

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

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

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

20 But I can't suggest that it began there, because
21 as I got to know him better, and there are a few people in
22 the audience now from Arkansas, they can tell you, that it

1 really began in that country store with his grandfather
2 and grandmother, with whom he lived while his mother went
3 off to, to nursing school in New Orleans, after his father
4 had been killed in an automobile accident, a father he
5 never knew, who would find himself in this little store,
6 and would see his grandfather and his grandmother treating
7 all of the customers with dignity. All of them.

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

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

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

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

21 They're no riots in our cities, there's not a
22 riot in St. Louis, or Chicago, or any of the other major

1 cities around the country.

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

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

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

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

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

20 You are employers, and you know how that can
21 bring about a lack of productivity, how it can adversely
22 affect the bottom line.

1 You also know as workers how it can make for a
2 very tense and strained working environment.

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

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

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

12 We've got a lot of work to do in that regard.
13 And also, there was a recent article in the Post-Dispatch,
14 just last week, when Sylvester Brown, Junior wrote about
15 the troubles of an African-American friend trying to start
16 his own business.

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

22 Now we see the disparities, we continue to see

1 them in income between races, even when people have the
2 same education and are holding, on some occasions, the
3 same jobs.

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

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

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

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

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

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

21 In 40 years, there will be no majority race in
22 our country. So we know what we're going to look like, at

1 least we have some idea of that.

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

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

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

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

20 We've learned a lot from the earlier sessions,
21 so we look forward to having productive sessions here as
22 well.

1 Again, the President has invited you to be a
2 participant with him and other members of this
3 administration in dealing with one of the most critical
4 and important issues facing our country at this time.

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

9 Thank you.

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

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

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

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

22 He has over 15 years experience in researching

1 minority consumer markets.

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

5 He's also been seen on CNN in the Nightly
6 Business Report.

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

9 MR. BERMAN: Those are pretty high expectations.
10 I'm going to use this, Mike.

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

14 It was something nice; wasn't it?

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

18 Get out of here.

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

21 Just take your right arm and put it right in
22 front of you for a just moment. Just everyone's just got

1 to do it. Take your big finger and your thumb and put it
2 together link this. Very good.

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

6 Pretty cool graphics, huh?

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

9 SECRETARY SLATER: Funny.

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

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

15 I first met Secretary Slater and Mr. Wenger at
16 this conference down in Miami. And you know, I was so
17 impressed with the fact that they're trying to bring
18 people together, and I was talking to my mom about this
19 before coming up here, because she asked what I was going
20 to be doing in St. Louis, and I said, "You know, mom, I
21 think this is kind of a mission from God. I think that we
22 have some information that in some small way, if it can

1 bring people together across the social, economic and
2 political infrastructure of our country, then I would have
3 done something good, with the good fortune that has been
4 given to us and our company."

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

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

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

12 So you should be asking them the question, why
13 am I up here talking to you about, I never like to use the
14 word minority, but just different races and ethnic groups,
15 and I guess God has a sense of humor, because I started
16 about 15 years ago in Latin America doing market research
17 down there, and then I met a Columbian-Jewish woman, of
18 which there are about six left, which about six of those
19 six happen to be her sisters, which is no joke. And so
20 she happened also to be a diversity trainer, working with
21 inner-city kids, and I just got anything good about what I
22 wanted to do in the world from her. Because I realized

1 that she was making \$28,000.00 a year, she has a Master's
2 degree from Stanford, perfectly bilingual, I pay my
3 assistant, my secretary even much more than that at that
4 time. I was wondering why do you go and do this.

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

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

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

20 So this is my effort to try to do that.

21 Our company is a research company. And the
22 majority of our work is for the private sector, although

1 we work in some public policy kinds of arenas.

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

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

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

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

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

20 Then we're going to talk about an idea that we
21 came up with sometime ago for the corporate clients that
22 we have, that diversity equals demassification, which is a

1 way of thinking about diversity as part of larger change
2 that's going on in our society, and there are all kinds of
3 tools to help build a bridge of understanding with our
4 corporate clients, that will enable you, I think to profit
5 doing the right thing.

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

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

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

21 And we have all kind of stories about why people
22 are on the bottom, why people are on the top, and how do

1 you move people up. And so in some small way I hope to
2 move you up this multi-cultural learning curve wherever it
3 is that you are.

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

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

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

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

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

21 Just anybody guess. Two hundred ninety-five
22 people times all the hours in the year. Throw out a

1 number.

2 Two million someone said. Who said two million?
3 That is an amazingly good guess. It's actually 2.6
4 million new Americans every year in our country.

5 And that's a lot of people. And the pace of
6 change in our society is happening at the fastest rate in
7 its development, in our country's history.

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

13 So how is America changing demographically?

14 The blue bar represents Anglos, or Whites, and
15 you can see the other bars, African-American,
16 Asian/Pacific Islander, American Indian, and Hispanic, and
17 by the year 2050, just under half the population is going
18 to be not white or not Caucasian, or not Anglo.

19 Right now these are the population statistics as
20 you can see them, and these, by the way, are very
21 conservative estimates. It's entirely possible that the
22 numbers are a little bit higher than this.

1 Talking about the numbers, I hope that you have
2 been contacted, or at least are aware of the impending
3 debate regarding the U.S. Census, which is enormously
4 important to our country across the social, economic, and
5 political spectrum, because there is a debate going on
6 right now about the wisdom of using statistical sampling
7 to try to get the most representative count of people.

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

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

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

21 So the source of the population growth, in
22 addition to how many people are born and how many die, is

1 really being driven, to a large degree, by immigration,
2 and our policies associated with that.

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

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

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

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

22 Where are people living in our country?

1 This is a graphical depiction of where Hispanics
2 live throughout the United States. Where the darker the
3 area, the red area means more Hispanics are concentrated
4 there, and the areas, as they become more light are less
5 Hispanic.

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

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

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

18 So it's just kind of interesting, because from a
19 marketing standpoint, from an employment standpoint, very
20 African-American, and there is a brand new trend, the last
21 maybe seven years, of many African-Americans moving back
22 to the south.

1 What about the Asian-American and Pacific
2 Islander population, here's where they like to live right
3 now. The darker, the red area, again, means where they
4 tend to concentrate.

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

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

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

21 And I just thought it was pretty amazing that
22 Minneapolis, which is really the heart of, kind of

1 European, or Anglo, or white America, is embracing
2 Japanese visitors, who, many of which are starting to move
3 there, coincidentally.

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

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

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

21 Fifty-eight percent believe they have strong
22 ties to their ingrained culture. Twenty-six percent are

1 moderate, and only 16 percent of people don't feel they
2 have some ties.

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

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

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

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

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

22 Oh, come on.

1 Thank you.

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

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

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

12 MR. BERMAN: Y-l-a-n-a is how it is sometimes
13 spelled. You're going to have to scream if you want to
14 try it.

15 ANONYMOUS PERSON: I-l-a-n-a. My daughter's
16 name.

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

21 So I've already caused her to be more aware of
22 multi-culturalism than she would than being if we didn't

1 call her Susan, you know or something.

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

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

8 Now we're going to be talking about is kind of
9 humanizing the statistics.

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

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

18 All right, lady, I'll take you on right now.

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

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

1 of.

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

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

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

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

19 Tiger Woods, great tennis player.

20 Oh, come on.

21 Tiger Woods calls himself Cablin-Asian. Anybody
22 ever heard that word before, Causasian, Black, Indian,

1 Asian.

2 Here's another example: One of our clients is
3 the U.S. Postal Service. There was a postal service
4 before there was a U.S., and you talk about a culture
5 that's different to change, they're it.

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

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

17 Hello.

18 I charged \$45,000.00 for that. Yes!

19 I love this country.

20 I'm not sure how you would translate this into
21 sign language.

22 Here's another example. Lunar new year, as I

1 just showed you before, and this is the unvailing of it,
2 so the way that they're marketing it is very clever, they
3 have Asian music. I'm not sure what style of music that
4 is, actually. I think it's Chinese, and they're just into
5 the whole culture and they're making money from it.
6 That's the bottom line for them.

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

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

18 So this is the Betty as she's evolved about
19 every 15 or 20 years or so, and what they tried to do is
20 to make her contemporary, so they might do her hair a
21 little bit differently, or change her makeup. But they
22 couldn't find the typical American woman for 1998, so they

1 morphed 75 photographs of real people into this fictitious
2 person. So that's Betty Crocker for 1998. Just kind of
3 interesting that they did that.

4 Anybody use Cliff notes?

5 Oh, come on.

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

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

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

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

20 But multi-cultural Crayolas. I mean, just think
21 about it. Where the amount of melon in people's skin is
22 represented in the box. But the big idea here I think is

1 not so much the crayolas themselves, it's that we have an
2 an opportunity to educate our children while their minds
3 can be molded. I think that's the idea.

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

8 You're out of there.

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

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

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

15 Fifty percent, if you can see what I'm seeing.
16 So I mean, you know, salsa, because it's good. And it's
17 good for you, and that's the way the Hispanic market has
18 influenced our culture in this component of food.

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

21 But that's how foods sort of become
22 Americanized, or mainstream, they start with local

1 restaurants, someone goes and eats there and says, boy,
2 I'd like to do that at home, what ingredients do I need to
3 try and make it, and marketers respond to that need.

4 Responding to your diverse constituents' needs
5 is a great way to make money.

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

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

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

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

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

19 What if you're targeting the mature market?
20 There are about 62 million people -- actually, 67 million
21 people now who are over 52 years of age or more in this
22 country.

1 So instead of having childproof locks on
2 Tylenol, we now have easy-open locks. We now have larger
3 signs in the streets so that people with declining
4 eyesight can drive safely.

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

10 In our case, what we're talking about is race
11 and ethnicity.

12 Why should anyone care?

13 They spend a lot of money.

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

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

20 MR. WENGER: It's about 17.

21 MR. BERMAN: It's 17 billion dollars, yes.

22 They have a lot of money, and they spend it, and they

1 spend it with people who want to do business with them,
2 and the way you show you want to do business with them is
3 by being there for them where you do business.

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

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

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

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

19 So I mean, that's why there's such enormous
20 opportunity, I think.

21 What about the entrepreneurial spirit of
22 different ethnic groups in our country? Blacks of 228,000

1 businesses, 300,000 Asians, 308,000 Hispanic, and they
2 have grown at about three times the rate of nonethnic
3 businesses, from 1987 to 1992.

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

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

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

18 I'm not running for office, and I really don't
19 have a political agenda, but I do think this is important.

20 So how do you earn this, what we call license to
21 conduct business?

22 You have to make a long-term commitment to the

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

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

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

17 Support of grass roots institutions, of which
18 you're doing the promise, it's not the best practice
19 promise -- promising practices, which you'll be learning
20 about a little bit later, which is a great idea, learn and
21 role model from other people who are doing great things,
22 and you'll be hearing more information about that.

1 But the bottom line is respect and cultural
2 relevance in how you do business.

3 This is not a race or ethnicity thing. This is
4 a human being thing. And that, I think, is what's
5 important.

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

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

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

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

22 If I was just meeting him just for right, hello,

1 I'd go like this, hi, how are you, nice to meet you. But
2 if we were in Latin America, I'd go hi, Como estas, like
3 that. Right.

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

8 So thank you. You're very huggable, actually.

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

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

19 They are smoking, unfortunately, now at a high
20 rate, they like promotions, which is that Marlboro thing
21 on the bottom that says all new, and they said, okay, you
22 know, they're trying to market the right products in kind

1 of the right way, and then it struck me that all these
2 signs were in English, and the one sign that they had in
3 perfectly translated Spanish was, this door has installed
4 a checkpoint, anti-shoplifting system.

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

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

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

18 Let me pose kind of a rhetorical question.

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

22 You don't want to act because you have to act

1 one act because it makes sense, and then you can make
2 money from it. From confusion, whether it be a hug,
3 whether it be a misunderstood message in marketing,
4 whether it be not understanding your diverse consumers,
5 work to understand them.

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

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

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

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

22 It is a real opportunity for business people all

1 over the country to come together and learn about Indian
2 communities, and learn about how you can relate in a
3 business sense to Indian communities.

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

8 I think this is a really terrific conference.
9 It is something you ought to seriously consider
10 participating in.

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

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

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

22 And now it is my pleasure to invite Secretary

1 Slater back to the podium with the panelists for the first
2 panel, who will be Sue Bhatia, Harold Law and Doris
3 Serrano.

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

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

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

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

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

21 And in the afternoon of this summit, we will
22 discuss the best thinking that's out there as relates to

1 transportation solutions, in giving people access to
2 opportunity.

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

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

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

21 Harold provides information management and
22 industrial systems engineering services. Harold has more

1 than 30 years of professional experience spanning the
2 aerospace industry, academia, and Federal Government.

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

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

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

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

21 So we're going to start with Sue, and then we
22 will proceed to the other panelists.

1 MS. BHATIA: Thank you. Well, the salad bowl
2 that Gary mentioned takes some funny people and some
3 serious people, like me, so I'm going to try my best here.

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

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

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

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

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

21 As a business owner, and since the founding of
22 Rose, we've created 150 new jobs. These people have found

1 gainful and more economically meaningful employment.

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

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

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

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

19 Often our clients are unwilling to consider
20 candidates with H-1 visas, yet these candidates have the
21 best qualifications sometimes for the job. And this may
22 hurt us in the short-term and the economy in the

1 long-term.

2 In summary, I would like to just say the reason
3 to promote diversity in Corporate America is because it's
4 the right business decision.

5 Thank you.

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

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

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

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

19 Now since we are talking about how diversity can
20 affect company's bottom line, let me bring it down to a
21 more concrete term. Let me equate economic value with
22 productivity.

1 I think we all agree that if we have the right
2 people to do the work, and under appropriate management
3 and leadership, you can achieve certain, or desired level
4 of productivity. In any company we need people who are
5 qualified, experienced, committed, innovative, and so on.
6 Those are the attributes of people who can have a positive
7 impact on the bottom line of a company.

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

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

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

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

20 In our society nowadays, diversity is no longer
21 involved in only black and white. It is a multi-ethnic,
22 multi-cultural issue.

1 A diverse group of people can provide an
2 environment in which people of different ethnic, cultural
3 and language background can interact and help cultivate
4 open-mindedness.

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

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

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

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

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

21 In my opinion, diversity can be promoted best at
22 a grass root level. I think the President's Initiative on

1 Race is doing it right, at the grass root level, in the
2 community, neighborhoods and schools, especially at K
3 through 12 levels.

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

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

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

13 We have seen the backlashes of Affirmative
14 Action.

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

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

22 We need to cultivate, not legislate.

1 Thank you.

2 SECRETARY SLATER: Very good. Very good. And
3 now we'll hear from Dora.

4 Thank you, sir.

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

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

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

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

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

21 Seventy persons would be non-Christians and 30
22 would be Christians.

1 Fifty percent of entire world wealth will be in
2 the hands of only six people. And these six people will
3 be citizens of the United States.

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

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

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

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

21 The landscape of American demographics is
22 changing rapidly. The rate of change will increase over

1 the next two generations.

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

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

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

14 Those are significant different ratios from the
15 present.

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

19 National leading number of minority business
20 enterprise increased by 62 percent from 1987 to 1992, and
21 the sales and receipts increased from 160 percent during
22 the same time period.

1 Unfortunately in Missouri, the rate of growth
2 was only 37 percent for the number of firms, but the sales
3 and receipts increased to 225 percent.

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

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

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

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

21 The businesses that get with the diversified
22 level of operations quicker and smoother will reap higher

1 levels of productivity and efficiency in their firms.

2 Those that do not will have an economic
3 disadvantage, and could find themselves in jeopardy in a
4 very short time given the rate of the change that is
5 occurring.

6 One of the most significant benefits to support
7 minority business development is job creation for
8 minorities.

9 Since minority-owned business tend to hire a
10 higher percent of minorities, it follows that minority
11 business are one of the best avenues to reduce
12 unemployment and decrease the dependency on public
13 assistance programs.

14 If the coming population shift shows that there
15 will be a higher percentage of minorities, it will become
16 increasingly important to create the jobs required to
17 maintain a strong and viable economy.

18 Without a strong economy, everyone loses.
19 Economic exclusionary practices would no longer be
20 profitable.

21 The barriers to growth in minority business
22 ownership are many, but could be summed up to access to

1 capital and access to acknowledge.

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

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

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

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

20 The ways to enhance minority business
21 development are many and varied. No doubt, promoted by
22 many in this room.

1 From my experience, it begins by providing the
2 very basics. We have human resources that need to be
3 provided with the right knowledge or knowhow, combined
4 with access to capital resources to go about the business
5 of being efficient in commerce.

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

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

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

20 Thank you.

21 SECRETARY SLATER: Very good. I tell you, I
22 think it would be appropriate to actually give all of our

1 panelists a round of applause, just collectively.

2 [Applause.]

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

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

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

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

20 What it forces us to do then is to be bigger,
21 but we, we can handle that a lot easier sometimes if we
22 make things smaller. It's just that all too often when we

1 make things smaller, we fail to see the value in it. And
2 so we elevate ourselves by pressing down others.

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

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

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

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

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

20 How can you expand the seats at the table
21 without creating a sense of resentment on the part of
22 those who are already seated at the table?

1 And why don't we start with Sue on this, and
2 then we will hear from maybe one or two others, and then
3 move on to another point?

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

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

12 MS. BHATIA: Yes, yes.

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

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

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

1 legislate. Cultivate. Don't legislate.

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

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

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

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

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

20 And I think it is, you know, I'm looking at the
21 larger corporation, if that can come down from the
22 management to create a fairness in an environment, and

1 this will encourage this diversity.

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

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

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

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

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

20 I mentioned that previously that as the team
21 work, and without team work, we wouldn't be able to
22 increase the productivity.

1 And in this diverse environment, where your
2 companies have various people from different ethnic
3 background and cultural groups, and I think the management
4 would have to be, first of all, be open-minded and to be
5 fair, and I think then things will kind of follow.

6 I think the environment created by the
7 management is very very critical, and very important.

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

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

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

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

22 But the way you characterized it was, we can

1 make these changes, things that are for the good, if we
2 embrace this.

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

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

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

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

19 We are going to be having a decline of the white
20 American man in the work force, and we need to have
21 somebody else utilizing those spaces in working in those
22 companies.

1 They need to realize that they need to bring the
2 minorities, they need to bring other people who are
3 equally capable to do those jobs. Somebody has to be
4 doing that work.

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

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

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

17 We are competing with the whole world. We are
18 not just competing among us in here. And we need to
19 realize that, and the sooner we realize, the better off we
20 would be. Because otherwise, we are not going to be one
21 of the powers in this world. It's going to be some other
22 country.

1 We need to embrace all the races, all the people
2 to work together to accomplish the same goal that we're
3 trying to accomplish.

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

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

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

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

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

22 I would like you, Secretary Slater, to elaborate

1 on the Administration's position on Affirmative Action,
2 and Miss Serrano, if you would elaborate on Governor
3 Carnahan's position on Affirmative Action.

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

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

10 I'd like you to elaborate, please.

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

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

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

20 I do also wish to state that the President
21 doesn't believe in quotas. He doesn't believe that you
22 should use Affirmative Action to provide opportunity to

1 people who are not qualified.

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

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

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

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

20 But it is a very flexible program, and it is not
21 limited to just minorities and women, but when you're
22 talking about a 200 billion dollar bill, you're talking

1 about a provision that provides for up to 10 percent, or
2 not less than 10 percent.

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

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

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

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

21 It has been a total change in attitude,
22 especially in the top management. Governor Carnahan

1 believes that if top management believes and is committed
2 to it, that they are going to trickle down to the
3 employees to educate them, and to bring more people of all
4 races, in all cultures, to the work force.

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

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

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

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

22 And when I said not legislate, and I know that

1 the function of a Government, part of it is to legislate,
2 but to the point that we need to create the atmosphere for
3 all.

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

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

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

21 We'll go now to the next individual.

22 MR. MELLITUS: My name is Anthony Malitas, I'm

1 here representing the Hispanic Legion of Greater St.
2 Louis.

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

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

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

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

20 Give you two brief answers out of respect to
21 everybody's time, but I'd be more than happy one-on-one to
22 speak with you about it, because we have an enormous

1 amount of data on that.

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

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

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

19 And so, you know, I have to be a little careful
20 here, because my opinion really doesn't matter. What
21 matters are maybe 5,000 people that we would have asked
22 about this question. So let me now briefly answer you

1 that.

2 The initiatives, starting with Prop 187, and all
3 these other, you know, rather aggressive initiatives
4 starting out in California and all around, and the number
5 of states that have adopted, or are attempting to adopt
6 English only, is in response to idea that, I think it's
7 just sort of scarcity of resources.

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

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

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

22 Now let me link you briefly back to the idea of

1 what language that should be done in.

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

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

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

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

21 This debate about whether, you know, there
22 should be one official language for the country, really

1 begs the broader question, and it's the point that was
2 made at the end.

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

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

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

16 And I have a comment rather than a question.

17 SECRETARY SLATER: Sure.

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

21 And my comment is simply this: Is that we
22 experience the most resentment from those who are at the

1 table, white men first, and white women secondly, who have
2 traditionally not had to think about the issues of others.

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

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

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

17 So that's my comment.

18 And I think it's also important for those at the
19 table to understand, along with societal trends, how it is
20 important for people of diverse backgrounds to want to do
21 business where it is they see people who look like them,
22 because where we see people who look like us, we believe

1 that our needs will be met.

2 Thank you.

3 SECRETARY SLATER: Very good. Let me say this:

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

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

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

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

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

22 Having worked for 26 years in the corporate

1 environment, I'm very keen to the fact that we hope to
2 think that we live in a democratic society, but I think
3 that we work in an autocratic society.

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

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

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

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

22 Thank you.

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

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

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

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

20 Where does this organization want to go?

21 How, in fact, does it want to go, how does it
22 want to grow; how does it want to increase its market

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

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

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

18 Thank you.

19 SECRETARY SLATER: Very good. All of you can
20 see from the questioners that all of the pearls of wisdom
21 clearly aren't on the panel, and that's with no disrespect
22 to the panelists. They've done an excellent job, but this

1 is about getting everyone involved, and you're doing a
2 super job here.

3 Yes.

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

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

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

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

17 The issue of fairness, I think that one of the
18 things is that we like to think that everyone is fair.
19 However, being a -- in management for 20 years, one of the
20 things that I have noted is that there is something called
21 "similar-to-me effect," which is greater bias, and also,
22 manager bias, and it's on an unconscious level. But the

1 reality is there, and that we -- it's hard for a person to
2 know if he or she is not being fair sometimes, because
3 they have to step outside and look at themselves.

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

10 We still know that 97 percent of your Fortune
11 500 executives are white males. Ninety-five percent of
12 your Fortune 1,000 are white males.

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

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

22 However, I have also known individuals in the

1 selection field, in the psychometric fields, who have
2 said, and I quote, "You can either have a valid
3 instrument, or you can be political."

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

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

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

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

21 But I think that one of the things that, for an
22 African-American, or a Black American, is that we are all

1 hybrids anyway, and I think the whole issue over
2 multi-racial, for myself as an African-American, is a moot
3 point, because most African-Americans I know are a
4 combination of African, Euro, and Native American.

5 Thank you.

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

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

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

17 Corporations often say they're committed to
18 diversity, and perhaps they are, and are able to
19 demonstrate that by their hiring practices, however, the
20 individuals that have the responsibility and authority to
21 purchase goods and services for their organizations are
22 not committed to diversity, or working with others.

1 One possible solution to this problem of
2 inclusion is to make the employee's performance plan and
3 appraisal process part used by inclusion.

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

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

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

20 Sue, I believe.

21 MS. BHATIA: I think I'd like to redirect what
22 Eddie Davis mentioned about commitment at the top.

1 I think as large corporations in the area, most
2 of them we do business with, the minority coordinators who
3 are in charge of finding qualified minority businesses to
4 do business with, I think that we've come across very
5 committed people there.

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

10 That's, that's really the key thing.

11 SECRETARY SLATER: Okay. Gary.

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

17 Let's just say you're a retailer, and let's just
18 say you're Proctor & Gamble, or Anheuser-Busch. Actually,
19 Anheuser-Busch is a very good example, located here in St.
20 Louis, their salespeople go out and call and knock on the
21 doors of all these mom-and-pop stores and the other
22 stores, know that by treating these retailers with

1 respect, by giving them the products that they know their
2 customers need, they're going to be able to sell more
3 product.

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

13 SECRETARY SLATER: Okay. Very good.

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

19 I was wondering if you'd seen anything about
20 unions, and how they had sort of, or other citizen groups,
21 how they were sort of encouraging diversity within the
22 unions, because I think that in that way also,

1 corporations, especially larger corporations can work from
2 the bottom up, from their employees that way. I was just
3 wondering if you saw anything like that?

4 MR. BERMAN: My wife actually started the World
5 of Difference in America, coincidentally, so that's a
6 small world.

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

9 SECRETARY SLATER: That's true. You should
10 remember that.

11 MR. BERMAN: These are serious issues and
12 everything, you got to lighten up.

13 Just an observation. Now I'm for sure not
14 getting invited back.

15 SECRETARY SLATER: No, no. You're acting the
16 same way as the first one, and you're here, so you're
17 going to get invited back.

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

22 SECRETARY SLATER: So do Republicans.

1 MR. BERMAN: You're not just to link up how
2 things are changing.

3 SECRETARY SLATER: Oh, we've got a disagreement
4 here.

5 MR. BERMAN: With the Republicans, or the first
6 part?

7 ANONYMOUS PERSON: Unions.

8 MR. BERMAN: Well, let me finish the point.

9 SECRETARY SLATER: That may be enough to say
10 there's disagreement on this point.

11 MR. BERMAN: That they're not trying to
12 organize --

13 MS. BOWMAN: What's the disagreement? I want to
14 hear it.

15 MR. LEWIS: The industry I work in, and we are
16 signatory to a union, and it's a union industry, and I am
17 amazed at the lack of people of color in the industry.

18 When I look back 150 years, or 100 years, or
19 even 50 years, when I ask people how did someone get to be
20 a painter, or a mechanic, their father did it, their
21 brother did it, someone else did it, the unions have not
22 encouraged at all, in my opinion, inclusion of any sort.

1 Matter of fact, I even had a little discussion
2 with the union that we're signatory to, and the Department
3 of Labor, because we decided we wanted to hire apprentices
4 that were of color, where they told us they didn't want us
5 to do that.

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

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

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

22 Because if -- I guess, since what I think

1 slavery was all about, was free labor, and if all these
2 people of color during the slavery era and back before
3 people of color could work in corporations, in anything
4 else other than blue collar fields, all those skills
5 didn't go away in the past 40 years. Someone taught their
6 kids how to do the same things. Somebody just wouldn't
7 hire them.

8 That's what I see.

9 MR. BERMAN: Let me build on that. I don't
10 disagree with that.

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

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

18 That was my frame of reference to this. When I
19 said the state of the unions, you know, I don't disagree
20 with you, it seems like that this is perfectly logical,
21 that they would try to keep the good jobs, but what
22 they're trying to do to grow their membership and get on

1 their feet is to unionize nontraditional union things, and
2 those people happen to be of color. That's what I was
3 talking about.

4 MS. DAWSON: I won't take long.

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

8 SECRETARY SLATER: Sure.

9 MS. DAWSON: I'm in construction here in St.
10 Louis. I am a contractor.

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

14 I passed nine union -- nine construction sites.
15 I counted two minorities on those sites.

16 I live about 40 miles from here.

17 That's what you need to look at.

18 Don't look at what is sent to you in statistics
19 and on paper. Come into this town and go to the jobsites.
20 Find out how many minorities are working, and then after
21 you do that, then you come in and you find out how many
22 have the six-and-seven-dollar-an-hour jobs.

1 We need our minorities up there doing crane
2 work, truck work. We need our minorities up there making
3 the kind of money that only the white man is making right
4 now in St. Louis.

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

8 And you asked one of the most important
9 questions today.

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

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

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

19 I also recognize that because of the
20 emotionally-charged nature of what we're talking about,
21 and it's complicated, and not going to be sorted out in
22 one moment, that in some ways, by communicating it in

1 different ways, whether it be a combination of serious, or
2 in some cases trying to keep things a little bit lighter,
3 often times it allows for a breakthrough, rather than just
4 being attached.

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

7 SECRETARY SLATER: Okay.

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

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

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

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

1 the world.

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

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

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

19 But because I am a former, what you would call,
20 "street nigger," I'm talking about racial initiative now,
21 I'm talking about going through the American process of
22 not belonging to the Urban League, not belonging to the

1 NAACP, not because I was not invited, but because I came
2 another way.

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

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

17 See, we guys can come from that direction as
18 well. Also, be sensitive enough to know that when she
19 strikes the pen and says okay, I'm sick and tired of this
20 male stuff that's going on in, let's get down to business,
21 I'm talking about the chairman of our board, the C.E.O.,
22 Miss Dorothy DeWitty, who is very able-bodied and minded,

1 71 years old, and we are doing this kind of business,
2 where we're getting to this type of conference, because
3 she says, and we are all are saying along with this, and I
4 didn't this, and I'm done.

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

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

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

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

22 And I actually think we can wrap it up with the

1 last point that was made. I think it's clear that we're
2 talking about a unique organization, the one that was just
3 referred to, but it includes diversity.

4 And it also includes, I sense, people who
5 understand the value of team work, and the worth that they
6 bring to the total effort that is broader, bigger than the
7 total of the parts.

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

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

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

20 We now know that this leadership comes from the
21 top, and it also comes from within the organization. And
22 that's helpful for me to know, because I've actually said

1 to my employees, that I am willing to lead by following.

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

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

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

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

21 MR. WENGER: Thank you again. Give our
22 panelists a round of applause.

1 Thank you very much, Secretary Slater, and all
2 the panelists, and all of you for what was clearly an
3 interesting, thoughtful, and thought-provoking discussion.

4 You know, this is a difficult issue. It's hard
5 for people to face the pain of the past and its
6 ramifications today. It's hard for people to face the
7 fears that exist. It's hard for people to talk about this
8 issue without emotion.

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

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

18 We have made significant progress, I think
19 that's undeniable. We still have a long way to go. I
20 think that's also undeniable.

21 But one of the most encouraging aspects of this
22 year, to me, and I think to all who've participated, is

1 the number of activities that are going on in communities
2 around the country, efforts to bridge racial division,
3 efforts to narrow racial disparity. We call those that
4 we've identified Promising Practices.

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

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

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

21 To date, we've posted about 200 of these
22 promising practices on our website. Our goal is to get to

1 500.

2 There are a number of examples I could give you
3 of such activities by Corporate America. One that I would
4 cite is Time Warner, which is in partnership with the
5 American Library Association, has created a traveling
6 photographic exhibit and education project, which is
7 entitled, "It's Us, a Celebration of Who We Are in America
8 Today."

9 You may have seen some of their posters around.

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

15 There are other examples like that.

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

21 In your packet are materials on Promising
22 Practices, and we encourage you to fill out the first page

1 of those in the next few minutes.

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

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

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

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

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

21 She's in the back. I think she's wearing a
22 yellow jacket. Karen Bruchard is the advance person who

1 makes sure the trains run on time, that everybody is in
2 place, that people know where they're supposed to be and
3 when they're supposed to be there, and what they're
4 supposed to do, and I don't see Karen, but she's somewhere
5 around here, probably making sure that lunch is getting
6 here on time. And so she is crucial.

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

10 I introduced Elizabeth Belenis a minute ago,
11 she's working on Promising Practices. And finally last,
12 but certainly not least, Bambi Krause, one of the senior
13 colleagues at the Initiative, who works primarily on
14 American Indian Out Reach, and has done absolutely
15 fantastic job.

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

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

21 Let me then describe what will happen next.

22 In about five minutes, we will convene the

1 break-out groups, and associated with that will be lunch,
2 you'll be happy to know that.

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

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

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

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

22 So you can be assured that the information that

1 we gather today will, in fact, come to the direct
2 attention of President Clinton.

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

7 I want to thank the Mayor's office for providing
8 that lunch.

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

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

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

20 So thank you very much for being here. Thank
21 you very much for your contribution. Take a five-minute
22 stretch, fill out your Promising Practices Form, and then

1 let's get in our break-out groups.

2 Thank you.

3 [Whereupon, there was a lunch recess.]

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

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

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

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

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

22 And then they will be followed by Mr. Charles

1 Matthews, on my extreme left at the end of the table, and
2 Mrs. Susan Boyle.

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

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

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

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

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

18 We've just experienced in 1997 a merger between
19 Nynex and Bell Atlantic, and the President's Initiative
20 was launched during that period, and really afforded us an
21 excellent opportunity as we created a new company, to take
22 the best from both of our previous histories, as

1 corporations, and to adopt the best practices.

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

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

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

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

1 permanent employees.

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

7 We don't have enough bilingual reps to
8 communicate effectively with that growing customer
9 population.

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

16 Twenty-six percent of our work force, and our
17 work force is approximately 135,000 employees worldwide,
18 26 percent of our work force are people of color, so the
19 EEO laws, some of the conciliation agreements that we
20 participated in years ago, because perhaps the quotas were
21 not being achieved successfully.

22 Today we do have good representation. Eleven of

1 our officers are African-American running very critical
2 businesses, as part of the total Bell Atlantic family.

3 We have a lot more to do. We were just cited as
4 number 17 on the Fortune 50 List for best companies for
5 minorities to work in.

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

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

19 Respect is not always demonstrated, peer to
20 peer, supervisor to employee, company to vendor/supplier,
21 and what outlet do you provide for those individuals to
22 communicate when the standards of the corporation are not

1 being adhered to. And that's why we consider having the
2 office of ethics a best practice.

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

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

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

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

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

22 That's why education is so critical. And in

1 1998, every manager in our company will go through EEO
2 training.

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

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

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

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

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

21 It was in 1973 that Affirmative Action allowed
22 me to enter the halls of Corporate America. But it was

1 qualifications, it was continuous effort and courage to
2 challenge the process that allowed me to move forward to
3 the position that I have today. And more courage today
4 than ever before.

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

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

12 And I think that that's an issue to engage more
13 corporations as much as possible. But I think that the
14 President's effort to identify Promising Practices is
15 probably the way to, to inspire within Corporate America.
16 Because everything that we do is around benchmarking.
17 What are other companies doing?

18 You can believe that our phones are off the hook
19 now because of the Fortune article. Other companies want
20 to know how to do it better. Other companies know, well,
21 Bell Atlantic, if you do have some lawsuits that are
22 pending, and we do too, how did you get to be number 17?

1 It doesn't mean that we will never have
2 lawsuits, it doesn't mean that we will never have
3 improprieties, but it is not the commitment of the company
4 to ignore diversity.

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

8 Thank you.

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

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

14 I'm going to talk to you today about the Native
15 American Business Alliance.

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

19 There has been and continue to be groups that
20 represent the Native American businesses, but they are
21 mostly funded by Governmental agencies, and when the
22 Government decides to take the money away, they go away.

1 The Native American Business Alliance is a
2 nonprofit corporation designed to be self-sustaining by
3 obtaining corporate sponsorship, such as Toyota, Honda,
4 General Motors, Ford, Hewlett Packard, Universal Studios,
5 and many others, as well as our membership news.

6 Our members are located in Alaska, California,
7 Florida, New York, et cetera. Thirty-seven states in all.

8 We are in the process of working with the
9 natives of Canada, and hope to have them join us soon.

10 Our mission is to facilitate mutually beneficial
11 relationships with the private and public business sector
12 with Native American-owned companies, to educate the
13 communities on Native American cultures paving the way for
14 future generations.

15 We stress the values taught by our heritage. At
16 all times, these values are paramount in our business
17 relationship with corporate and public businesses.

18 Fully realizing that we are holding the future
19 of our youths in our trust, the directors and the members
20 of the Native American Business Alliance shall at all
21 times maintain the highest involvement from educational
22 programs to ensure that youth are prepared to face the

1 challenges of the future.

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

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

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

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

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

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

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

1 minority-owned and majority-owned businesses. Sharing
2 best practice and fostering productivity.
3 Racially-diverse workplace.

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

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

10 Our votes are not recognized, our purchasing
11 power is not enough to be a force to be reckoned with.

12 Corporate America. We do not have board of
13 directors positions that other minorities clamor for, and
14 we are mentioned -- and are not mentioned when politicians
15 and other minorities, or corporate speak about minorities.

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

20 I must also add that we are the only minority
21 that has to provide proof of our ethnic background. And I
22 ask the question, why?

1 Item two. Building relationships between
2 majority-owned and minority-owned businesses.

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

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

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

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

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

22 In our community we have minority construction

1 companies working with various groups to provide
2 apprentices for the market.

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

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

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

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

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

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

1 people.

2 I thank you.

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

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

18 So I appreciate your comments in that regard.

19 I also found it interesting, and this is
20 something that I may be the only person who didn't know as
21 a fact, but that your point about Native Americans being
22 the only minority that has to prove its identity, and

1 that's something that we clearly need to, we need to look
2 into, and we'll follow-up with more discussions about
3 that.

4 MR. PAPION: I want to comment on that. It's
5 pretty offensive to us.

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

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

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

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

1 Yes.

2 MR. PAPION: Thanks for giving me the
3 opportunity.

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

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

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

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

19 I happen to be an 8A contractor, I am a
20 woman-owned company, I am a minority, I am a DBE, I am a
21 Native American. You would think that my company would be
22 prospering.

1 After 18 years, I am still struggling,
2 and I hired more minority labor than any company in St.
3 Louis, and I have been beaten up for it. If they can run
4 me out of town, they will run me out of town.

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

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

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

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

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

21 MS. BOYLE: Well, first of all, thank you for
22 letting me be here. It was interesting what Mr. Slater,

1 when talking about learning and listening.

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

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

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

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

21 We had a very nice break-out, and part of what
22 Danielle wanted me to talk about here is, from a Monsanto

1 perspective, where do we see ourselves being successful,
2 what does that look like?

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

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

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

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

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

22 And in that skill I think I've learned a lot.

1 But most of all what you learn is the question about grass
2 roots versus leadership comes up, it really is about
3 leadership; it's about how we act and what we do.

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

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

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

13 When we talk about people, we don't talk about
14 talent, and we don't talk about assets. We talk about
15 people, because we all live and breathe, and we're human.

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

21 We care about where our people come from. We're
22 trying our best to recruit and go to colleges like Howard

1 University and invest in programs and education so that
2 people can come to us from very very many different
3 backgrounds.

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

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

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

20 We also are striving to build a more diverse
21 community. I met Sue just before the initial panel
22 discussion, and one of the things that I feel very

1 challenged by is, I came from a background six months ago
2 where I was working on the operations line, and a hard
3 business line, and now I'm in the -- this HR place, which
4 feels a little harder to measure, well, you know, it
5 really isn't, because we're either performing or we're
6 not. And you either have the measurements in place, or
7 you don't.

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

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

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

22 You know, and that, how we show ourselves up in

1 the community that we work with is extremely important.
2 And I know that there are a lot of concerns for those who
3 are aware of the fact that Monsanto is going through a
4 merger, you know, what does that mean for the City of St.
5 Louis?

6 I don't know. I honestly don't know.

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

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

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

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

22 So when it comes to community, Monsanto is

1 trying its best to involve itself, whether it was at the
2 time when the churches were burning in the south, or
3 whether it's donating to educational areas, whether it's a
4 special space program; awareness of our Monsanto fund
5 reaches everywhere.

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

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

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

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

21 And I think in order for us to really see
22 diversity as an initiative, change within the corporate

1 America, all of us are called upon to encourage us. And
2 courageous can be considered a judgment, because you
3 either are or you're not.

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

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

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

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

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

20 But my responsibility is to take that back and
21 make a global impact. Then we all just define our own
22 globalness. Mine happens to be in account of a big

1 corporation.

2 But if we can take all those experiences and
3 think about them locally but apply them globally, this is
4 going to go that much further.

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

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

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

22 So when you blend diversity and you blend

1 performance requirements, you get the economic value out
2 of it, isn't that like the greatest gem of them all.

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

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

11 That's a challenge. What is diversity in South
12 Africa? What is diversity in India?

13 So when you're a global company, how do you act
14 that out?

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

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

22 So what was talked about this morning, it's

1 beyond demographics. It's about who's in the room. It's
2 why you want to bring a bunch of engineers together and
3 throw in a musician, because out of that comes creativity
4 and innovation. And that's what our company's about right
5 now.

6 We're not, again, we're not about -- we're about
7 dramatic step change. And so we're doing some of those
8 experiments.

9 We had an exercise where we brought a poet in.
10 We had people that were sitting there trying to figure out
11 the next strategy for the company, which happens to now be
12 food, health and hope, something I can be really proud of.
13 A poet helped us get there. Sat with the CEO, sat with
14 the group. It's about diversity in a broad sense when you
15 see those types of things happening.

16 So what I'm going to say are, the last thing
17 that I was asked to talk about are key elements for
18 success.

19 I think it's be serious. You can have fun, but
20 you can be serious, be serious about this.

21 And by being serious, we've published a
22 diversity report. And I know that some companies publish

1 diversity reports, but not all companies do. And I don't
2 mean publish it to yourselves, I mean publish it to
3 everybody out there.

4 Because what's going to happen, if you're smart,
5 is you have to publish it again. And in that you're going
6 to have to say, did I do well, or did I not? Did I make a
7 contribution, or did I not?

8 And in the time of a merger, it's very
9 difficult. It's very difficult to keep everybody on
10 track, and keep everything moving ahead.

11 But you know, I have a diversity report that we
12 sent out to the universe, that I'm going to say we are
13 going to be great, we are going to show ourselves, because
14 everybody remembers when they were in grade school, and
15 they had to bring their report card home, and if they
16 didn't get a good grade, it felt really bad. Everybody
17 remembers that. That ties your emotion into it.

18 The other thing is, fast is good. I think a lot
19 of what's happening in Corporate America is slow is okay.
20 Slow is not okay.

21 There is a very very close friend of mine who
22 was a president of our company, used to say, shoot for the

1 moon, you might get a star.

2 It causes you to push as fast as you can on that
3 rocket ship, and if you get a star, you'll probably get
4 more than you asked for. So fast is good.

5 And my last comment would be, hold a mirror up,
6 hold a mirror up to your corporation, and hold a mirror up
7 to yourself. Because when you hold a mirror up to your
8 corporation, if you are true with what you see, you'll be
9 able to get -- you'll see the bumps in the road, you'll
10 see the pits, but you also see the mountains and good
11 things, but you'll be hopefully true about where your
12 performance really is.

13 It's more than the written report. It's where
14 that mind and emotion come together, and hold it up to
15 yourself. Because one of the things that I really -- we
16 were talking about this at the break, too, one of the
17 things I'm really challenged with, is I believe what will
18 the best thing I can do, Susan Boyle can do is, take us
19 from this thing called compliance, and move us into
20 competitive advantage, because of the economic value we
21 have talked just to, and then move that into even further
22 into, wow, Monsanto's a great place to work. I want it to

1 be a very great place to work.

2 So I look in the mirror and I ask myself, am I
3 making a difference toward that everyday.

4 Thank you.

5 SECRETARY SLATER: I think we should all hope
6 for the experience of knowing that wherever we work, that
7 it's a great place to work. And that we as individuals
8 make a great contribution to its enterprise. Whatever
9 that is. Whatever it is.

10 I'd like now to, and Susan, thank you, thank
11 you. I'd like now to introduce, or bring on Charles
12 Mathews.

13 Again, Charles is the vice president of
14 diversity management for Quaker Oats Company.

15 MR. MATHEWS: Thank you, Mr. Secretary.

16 SECRETARY SLATER: Yes.

17 MR. MATHEWS: Since I'm last, I also know I must
18 be brief. Let me begin by indicating to what you all
19 know, obviously, that most corporations are different,
20 just like, as I'm sure, this group has gone around
21 America, they have discovered that there are differences
22 in America.

1 In corporations we call them cultures, and the
2 Quaker Oats culture is probably different than many other
3 cultures.

4 I recall when I first got to Quaker Oats, we did
5 kind of a study, and we put a number of people in the room
6 who happened to be females, another group of employees in
7 a separate room that happened to be of color, and
8 obviously another group that happened to be white male.

9 And we said to these individuals, given all of
10 the companies you have worked for in the past, or even
11 Quaker Oats, what does diversity mean to you?

12 Interesting enough, and some of you could have
13 predicted this, most of the folks who happened to have
14 been white females, indicated that for them, diversity was
15 about people of color.

16 People of color clearly indicated that for them,
17 the diversity was about white females. And white males
18 indicated that it was not about them.

19 So I think oddly enough, when you -- when we
20 toss out this word called diversity, it's real clear that
21 a lot of folks don't start out in the same place.

22 And I guess it goes to what this group is trying

1 to deal with, this whole issue of fear in America when you
2 say diversity, does that mean you somehow exclude someone
3 else? Does that mean if you're a white male, that perhaps
4 a woman or a person of color may get the job, or the
5 person of color, perhaps a white female, may get the job?

6 It has all kind of implications for different
7 folks. So clearly, we don't start out in the same place.
8 So given that profile, I think the Quaker Oats Company
9 certainly, we started out differently, because certainly,
10 I think it's probably fair to say that when we talk about
11 issues around race, or issues around diversity management,
12 all of us who are trying our best to make a difference,
13 are -- can clearly say it's the right thing to do.

14 And for those of you who may have an opportunity
15 to read some of the congressional record, when they try to
16 pass a Civil Rights bill in 1960s, you may recall many
17 senators and members of the house got up and they all
18 quoted, it was the right thing to do.

19 And the problem with that legacy is, there's
20 still a lot of folks in Corporate America who wonder
21 whether those of us who may be female, who may be of
22 color, wonder whether we have real value.

1 We're there because we're the right thing to do,
2 or are we, in fact, making a real contribution.

3 So at Quaker, three years ago, we started out,
4 not with the notion that it was the right thing to do,
5 that's a given. Of course it's right to be respectful for
6 folks who may be different, it's right to live your life
7 by the golden rule, kind of do unto others as you would
8 have others do unto you.

9 But at Quaker, we started with the business
10 case, because we felt that was the strongest arguments we
11 could make about making change within the Quaker Oats
12 Company.

13 And for us, it was easier, I suspect. For those
14 of you who may not know, at Quaker, apart from just making
15 grits and oatmeal, we also make a whole lot of other
16 things like Gatorade, and Rice-a-Roni, from San Francisco,
17 and we do Rice-a-Roni and Pasta-Roni, and things of that
18 nature.

19 Couple of things I was interested in when I met
20 with my business leaders. When you looked at who
21 purchased our products, interestingly enough, for those of
22 you who may not know, it's probably about 25 percent of

1 the people who happen to buy Gatorade happen to be people
2 of color.

3 For those of you who don't know the consumer
4 business we're in, most of the people who actually go in
5 supermarkets and buy products, vast majority of them, 90
6 percent of them happen to be female.

7 So when we market, we try to market certainly to
8 females. We also try and market our cereals to
9 youngsters.

10 For those of you who have been in a super market
11 recently and you go down the cereal aisle, there are
12 thousands of boxes of cereal. And unless you have a young
13 person with you, you're probably not sure what to get.

14 Before I started at Quaker Oats, I just used to
15 buy Corn Flakes, it was real easy to pick it out. But now
16 that I'm at Quaker, I try to make sure I buy Quaker
17 products.

18 We started with the business case, and the
19 business case clearly suggested that at least for our
20 products, that fast, the fastest growth, and the consumer
21 that was buying the most products for us happened to be
22 people of color, happened to be women.

1 We said to ourselves, how can we grow those
2 niches, if, in fact, we own Aunt Jemima Biscuits and
3 Syrup, 37 percent of the people who buy those things
4 happen to be of color.

5 How can we grow the 37 percent to 40, and for
6 our business leaders, many at the time happened to be
7 white male, that made sense to them, because there was
8 something in it for them.

9 Because fundamentally, at least at the companies
10 I have had associations with, most people try to figure
11 out if I do this, what's in it for me?

12 How can I benefit, even in my pension plan, in
13 my salary, what's in it for me? Can I meet my goals?

14 So we really drove the business case and tried
15 to show as best we could to all of our leaders what was in
16 it for them, by demonstrating the change in demographics.

17 Also, we tried to look at who, in fact, would be
18 those employees of the Quaker Oats Company 10 years from
19 now, 15 years from now.

20 And for those of you who may not know, you can
21 take some time to look at some of the educational
22 demographics, there is a fundamental change taking place.

1 We happen to hire a lot of folks who happen to
2 be MBAs in marketing, finance, so forth.

3 For those of you who may not know, you look at
4 1995 data, 36 percent MBAs in America at that time frame,
5 and growing, happened to be female. About 16 percent
6 happened to be of color. If you add those two numbers
7 together, it tells you that roughly 50 percent of all the
8 MBAs in America, any given year, are females, or folks of
9 color.

10 We also hire a lot of folks with backgrounds in
11 accounting, finance, and other business administration
12 fields. Again, you look at all those disciplines, half of
13 them happen to be female or folks of color.

14 So we said to ourselves, what can we do to grow
15 our niche in the marketplace, and how can we, in fact,
16 recruit the best and the brightest?

17 And are there, in fact, some barriers, some
18 issues, some gaps within our culture that may cause us,
19 when we finally bring these folks on board, not to be in
20 the position to keep it.

21 Because I tell folks over and over again, the
22 issue when you talk about diversity management is not

1 simply how can you get the very best, but more
2 importantly, how can you keep the very best. And that
3 goes to culture.

4 So what we have tried to do within our culture
5 is spend a whole lot of time focused on the internal
6 environment. Once we bring folks on board, and again, I
7 saw often that if you throw enough money down on the
8 table, you can recruit anyone, and we're no different. We
9 recruit great folks.

10 Our issue is, how do we retain those great
11 people?

12 So we're spending a lot of time in what we call
13 critical drivers of success.

14 What are those factors that we need to do to
15 make sure that both internally and externally we have the
16 best company in the world, where people want to work for
17 us, as opposed to companies like P & G, or General Mills,
18 companies like that?

19 So we spend a lot of time focused on what we
20 call the environment, and we do a lot of assessments. We
21 do as many as other companies may do. We do former
22 employee assessments, organizational assessments. We have

1 affinity groups, an African-American affinity group, Asian
2 affinity groups, a place -- an organization we call safe
3 place, which is an affinity group of gays and lesbians.

4 And we spend a lot of time trying to get their
5 sense of what the culture's all about. Because quite
6 frankly, even though I may be an African-American, I'm
7 also a vice president.

8 So how I see Quaker is not the same way someone
9 else may see Quaker, who may be African-American, and may
10 be a secretary, may be a manager. It's a different field.

11 So we spend a lot of time on this thing we call
12 workplace environment and assessment. And we also spend a
13 lot of time, and I certainly spend a lot of time, clearly
14 pointing out to the leadership that we don't own, I say
15 "we," the people in my group, what we call organizational
16 effectiveness, that would be the staffing and recruitment
17 people, the diversity management people, the human
18 resource development people.

19 We don't own this thing we call diversity
20 management. We're kind of idea people. We're
21 facilitators, but we take the position it must be owned by
22 the senior management and all the other managers.

1 It is a, truly a business issue, not simply,
2 quote, "the right thing to do," unquote. Then it ought to
3 be owned by all the employees, particularly the managers.

4 So our management team at Quaker Oats leads the
5 effort, they own it, and they communicate it on an ongoing
6 basis.

7 Because I've often said, and I'll say to you
8 here, that we live in the world where, if you tune in to
9 CNN, and they have a report of this particular meeting,
10 when you hear what is said on the news, you wonder whether
11 you attended that same meeting.

12 So it's probably okay to say that most people,
13 if you don't give them the right information, they may, in
14 fact, walk around -- walk away with the wrong information.

15 But more importantly than that, I've said to
16 folks all the time, to the degree that employees may have
17 bias, and I think it's probably fair to say that we all
18 have bias, whether we're white males, whether we're people
19 of color, whether we're gay, we all have our biases, and
20 for the most part, we take the position that when you come
21 to work in this place called Quaker Oats, you don't leave
22 your biases in your car, at the front door. Whatever

1 biases you may have, you walk in the front door with.

2 So what we try to do is work on those biases
3 while folks are employees. But since we're only a small
4 company, we can't really do a lot of the external. We can
5 do some, but we can't do a lot externally.

6 That's why this particular initiative,
7 Mr. Secretary, I think is important, because I think many
8 companies in America are trying hard to work on the kind
9 of the issues that will bring folks together.

10 But we don't have control over these folks once
11 they leave our oasis called the workplace, so it's
12 important that there's some national effort to deal with
13 this issue.

14 So we spend a lot of time working on issues that
15 we think will eliminate bias and bring all of our
16 employees together.

17 And then we come down to this issue of, how do
18 we define this thing we call diversity?

19 Here, in a sense, we'd define it to be race.
20 Within the real world, I think, certainly within the
21 corporate arena it's difficult to define diversity as
22 simply being race.

1 There's not the political support, there's not
2 the employee base support, I believe, to make it extremely
3 successful.

4 So what we have done at Quaker Oats is define
5 adversity to be all of us, because we are truly diverse.
6 Whether based on age, whether it's based on sexual
7 orientation, whether it's based on a number of other
8 factors. That being said, we made clear to our employees,
9 given the issues that exist in America, we must have a
10 stronger focus on issues around race, primarily, and
11 gender secondarily.

12 Because clearly, if you did a poll, conducted a
13 poll of most Quaker employees, they would say to you that
14 the number one issue in America is race. And if that's
15 the issue in America, it's also an issue within our work
16 force.

17 So to say it another way, if we had about a
18 million dollars, we'd probably spend about 60 percent of
19 that million around issues of race and gender, and the 40
20 percent would be spent on the issues that impact all the
21 other employees.

22 Then what we try to do is, obviously, develop

1 what we call a comprehensive strategy. What are those
2 best practices in 10 bucket areas we try to structure.
3 One bucket is representation. How do we go about
4 recruiting and identifying, and retaining the best
5 possible people in the world.

6 What are some of those community outreach
7 initiatives that we can do to ensure that there is a
8 length between what we say internally, and what we do
9 externally.

10 I mentioned before this bucket called workplace
11 environment. What if some of those employee support
12 systems that we can, in fact, put in place, whether it's
13 flex time, job sharing, day-care assistance, whatever it
14 may be, to build the base with all of our employees, what
15 kind of employee development opportunities, whether it's
16 career planning, mentoring, can we put in place. What
17 kind of structure will drive it?

18 Oftentimes C.E.O.s will say we have issues
19 around diversity, we're willing to focus on it, and then
20 they don't give an H. I. percentage, or a business person
21 five percent of his or her time to make something happen.

22 I would argue to you, you can't deal with the

1 issue of race that way, or issues of, broader issues of
2 diversity. You really need a structure in place to drive
3 you forward.

4 How then are you communicating and making it a
5 success?

6 And the final bucket is, this whole issue of
7 accountability, how, in fact, can you hold folks
8 accountable for what we do?

9 What we have tried to do at Quaker Oats Company,
10 given all the buckets I've described, we have tried to
11 identify what we think are 10 to 15 best practices that we
12 put into a book we call a Diversity Progress Index, Best
13 Practices for Recruitment, retention, employee support,
14 accountability, and we tie all those best practices to
15 where, to the performance management system.

16 Every single senior executive, every single
17 senior manager at Quaker Oats Company has the
18 responsibility to drive this process we call diversity
19 management. And we tie it back to the performance
20 management system.

21 And the system's often tied back to what, the
22 reward system. So in an ongoing base, whether it's

1 quarterly, or whether it's yearly, every single manager is
2 being held accountable for what he or she may do to drive
3 a culture, where every single employee can feel he or she
4 can make their, and reach their full potential.

5 Now it is not just about if you have hiring
6 opportunities, how many hires did you have? That's
7 certainly a metric.

8 There's also about diversity training, it's
9 about 360 feedback, it's about recruitment initiatives,
10 it's about a whole lot of things that you as a manager can
11 do to help create the kind of culture, where when we go to
12 a historically black college, or we go to Kellogg, or we go
13 to Princeton, wherever we may go, people will say after
14 searching the Internet, and after talking to their
15 friends, people will say I truly want to work at Quaker
16 Oats Company.

17 And our goal is to do just that, is to try to
18 have the kind of environment where people want to be,
19 people want to have fun, people want to work, and
20 obviously, when everything is said and done, we can all
21 make money.

22 Thank you.

1 MR. WENGER: Thank you very much, Mr. Mathews.
2 Let me apologize, Secretary Slater had a 2:40 plane, and
3 was -- his staff told him he had to leave no later than
4 2:00 o'clock, and he did stay until almost 2:15, and if he
5 could have stayed longer, he certainly would have. So he
6 apologizes for having to run off.

7 Let me first thank the members of the panel for
8 interesting, thoughtful, and thought-provoking
9 presentations.

10 Let me ask the audience if you have comments or
11 questions, and let me put it in this context, without
12 trying to limit what you might want to say, but let me put
13 it in this context.

14 We have heard from a number of people here
15 today that there still are multitudeness problems around
16 the issue of race in the business community in corporate
17 America.

18 At the same time, we have heard from people
19 from Bell Atlantic, and from Quaker Oats, and from
20 Monsanto, and from others that there actually are good
21 things happening, and there are committed people trying to
22 make a difference.

1 What's clear to me is that the message of both
2 points is that this is an effort that needs to be ongoing
3 over time. We clearly are not going to solve the problems
4 we face in a limited amount of time.

5 Clearly, this is an ongoing, long-term issue,
6 which we need to continue to address over time.

7 So my question would be is, what can we, as the
8 Initiative, do to make a difference? What are your
9 suggestions, and what do you think Corporate America can
10 do to make a difference in the future?

11 And I'd like the audience to come forward.
12 We'll try to end at about 2:30, but, but let's see if we
13 can get some discussion going on that.

14 And if any member of the panel would like to
15 take a shot at that, you're welcome to as well.

16 MS. GATES: As the members of the audience come
17 up to the mike, I just want to respond to Lee's concern
18 about the self-identification process.

19 Corporations also have a self-ID process to be
20 in compliance with immigration, and it's the I-9 process,
21 when new hires are brought into the company. But that
22 process only began, I guess maybe eight years ago.

1 Individuals hired into corporations prior to,
2 let's say 1990, someone identified the person and not the
3 employee.

4 It was someone at the reception desk, it may
5 have been a recruiter, and that was done usually by sight.
6 And what we found through our employee resource group is a
7 high level of resentment, certainly our Native American
8 employees and our Hispanic employees believed that their
9 count, or the EEO profile representation was inaccurate,
10 because people didn't have a chance to self-identify.

11 And so Monsanto, as you go through your merger,
12 again, merging gives you an opportunity to do some new
13 things.

14 And as a new company, we initiated, not because
15 of compliance, not because the Government said to do it, a
16 self-identification process for all employees.

17 The Native American group, when they saw the
18 results, could not believe that we had just hired so many
19 Native Americans, and we had not, but people were able to
20 now self-identify.

21 It is also more fashionable, as Gary indicated
22 earlier, because of cultural pride to now say yes, I am

1 hispanic, you can't tell by my color of my skin, I don't
2 have the sir name for you to identify, but I am. And
3 people want to, and so I would recommend that as well.

4 Just one other item. Cyber hate is certainly a
5 new element that because we're in information systems and
6 telecommunications, it is an area that we must put a lot
7 of effort to negate the negative forces that are
8 associated with that form of discrimination, and our
9 company has taken the lead by establishing the cyber hate
10 website for the leadership council on civil rights, and we
11 work with a number of other civil rights organizations in
12 that regard.

13 So there is a lot that companies can do as we
14 continue this journey together on uplifting our nation.

15 MR. WENGER: Thank you very much. I'm told we
16 have to end in the next five or so minutes, so what I
17 would like to do is go directly to the audience, and ask
18 you if you can keep your comments brief, but we want to
19 hear what you have to say.

20 MS. WOOLFOLK: I'm Ida Goodwin Woolfolk. I'm
21 the assistant superintendent of the city schools here.

22 MR. WENGER: And it's good to see you again.

1 MS. WOOLFOLK: Good to see you again, Mike. And
2 it's -- I'm responsible for community outreach, and I do
3 diversity training as an advocacy, among other things.

4 But I just wanted to leave my 8th grade opening
5 speech with you, and we haven't come very far, and this
6 was 40 years ago.

7 "The major problem facing America today is
8 developing a friendly and cooperative attitude toward
9 other people, and to improve diversity." And that was my
10 8th grade beginning.

11 And I've almost become exasperated with the
12 process, but I'm not tired yet. And I want to leave with
13 you the fact that when we do diversity training, we start
14 out with the word "share," and the S, of course, is for
15 sexism, H for handicapism, and then the E is for elitism.
16 But the only thing that's touching as an audience is race.
17 They'll talk about sexism all day long and agism, but
18 people are very uncomfortable with racism.

19 My question that I think I will leave with
20 you -- I enjoyed interfacing with Charles Matthews. My
21 last statement is, I understand, and it's still true, that
22 the only free people in America, in Corporate America are

1 still black women and white men.

2 MS. CHARLES: My name is Verna Charles. I'm the
3 C.E.O. of Environmental Management and Transportation here
4 in St. Louis, and I've been told that I am the only black
5 woman in this city that is in the hazardous waste
6 business.

7 I just wanted to make a comment that I am very
8 happy that I came today. I've enjoyed everything and I've
9 learned something, especially from my friend Lee, he had
10 told me -- gave me some information that I had no idea
11 that that problem existed, so I hope that you guys learned
12 something from us as well. Because that's what race is
13 all about, learning from each other.

14 And I think the key to everything is education
15 and communication. If we don't talk to each other, we
16 don't know what's happening with each other.

17 And what I would like to leave, for someone to
18 tell our Secretary of Transportation, Rodney Slater, which
19 is my home boys, I guess they would call each other, we're
20 from the same hometown, went to the same school, is that I
21 think they should make Government facilities more
22 accountable to the jobs that they issue out to various

1 people, to make sure the minority groups are included.

2 If you don't make them accountable for what
3 they're doing, they're going to submit a report to you
4 that they did exactly what you said, when none of that has
5 been done.

6 Thank you. I was very impressed with each and
7 every one of you.

8 MS. DAWSON: You asked for suggestions, I'd like
9 to give you some.

10 MR. WENGER: Your name?

11 MS. DAWSON: I'm Roberta Dawson. I'm president
12 of Cherokee Contracting in St. Louis.

13 In talking about an atmosphere of fairness for
14 all, not just the few, the gentleman that was sitting up
15 here made that statement, I'd like to say it again, an
16 atmosphere of fairness for all, not just the few.

17 I would like to see the work in St. Louis with
18 the minority contractors given to the real minority
19 contractors. Not the companies that, we call them
20 overnight wonders, that the bigger contractors have
21 created.

22 And there are real minority contractors out here

1 that have really built their businesses, financed their
2 businesses, and they're the forces of the forest here.
3 And I would like to see that if you work hard, and you
4 strive to build a business, that you really get to build
5 one.

6 It is not who you know, but it's what you know,
7 and how hard you work, that your business would get to
8 grow. That's something that really has to be looked at.

9 The other thing is the agencies in St. Louis,
10 the federal, state and local agencies, when we go to them
11 for help, we need them to really help us, and not just
12 shove us aside.

13 I just asked for a federal investigation, I am
14 the one that asked for the investigation, I have not
15 received one iota of what happened to that investigation.
16 Everybody else has, but I have not.

17 So the agencies really need to help us when we
18 go to them, and not treat us like we're stupid minorities.

19 Programs: The minority programs in St. Louis
20 need to be cleaned up.

21 The minority programs in St. Louis right now are
22 utilized to make the wealthy more wealthy. They are not

1 helping the poor minorities, but the wealthy are getting a
2 lot wealthier off of them.

3 If we are going to have things like mentoring
4 programs and all of this, that's really great and
5 wonderful, let's make sure they really are mentoring.

6 Mentoring means knowledge. Mentoring doesn't
7 mean for a minority company to sign a check, or to sign a
8 contract saying that we are doing it, when we are not.

9 And you know what that also means? It means we
10 don't make a dime. We get our overhead paid, we get a few
11 bucks, but we don't really get any money, and that's why,
12 after 30 years of minority programs in St. Louis, and I
13 mean all of them, federal, state and local, you don't have
14 minority companies here that have grown or lasted.

15 8A programs after nine years don't exist. Why?
16 Because they never got the knowledge. They were used and
17 abused.

18 The big boys made all the money that minorities
19 did not. But you see, money isn't important. Knowledge
20 is.

21 After nine years, if you have the knowledge,
22 you're going to keep that company. But if you don't have

1 the knowledge because somebody used you and abused you,
2 you're going to fold.

3 You really want minority companies, help us get
4 the knowledge. How do you help us get the knowledge? By
5 not letting them abuse and misuse our companies.

6 When they say they're mentoring us, are they
7 really, or are they having us sign checks and contracts
8 saying that we're doing the job and we are not?

9 How do you find out? Check our bank accounts.
10 Don't look at the, don't look at the tax forms, don't look
11 at all of that. That can be setup.

12 Look at that minority contractor's bank account.
13 Are they growing financially? Is their company growing,
14 not somebody else's company?

15 There are such easy ways to help us. There are
16 really silly ways to help us that seem to really be the
17 things that keep coming down here to us, but there are
18 real ways to help us.

19 Grow. You want minorities to grow because we're
20 the ones that are going to work and use, and we are going
21 to be the ones that hire other minorities.

22 If you don't want us to grow, keep sending down

1 the stuff you're giving us. The programs that are not
2 working. They're written to work. They're coming from
3 Washington written to work, they get down here and they
4 are not working, because they are not being implemented
5 the way they were meant to be implemented.

6 Let the minorities that know how to do the job
7 do it. Let the overnight wonders leave so that we can
8 survive, we can grow, and we can be there in the future to
9 hire other minorities. That's when you're going to see a
10 difference.

11 Thank you.

12 MR. WENGER: Thank you very much. Let me
13 apologize for bringing this to a close, because I think,
14 actually, we could go on considerably longer, and I must
15 say that I have not yet been to a forum, whether it's
16 corporate leaders forum, or religious leaders forum, or
17 any other kind of forum where there was enough time.

18 This is an issue that requires time, it's an
19 issue that many people have much to say about, and so I
20 hope that we will have another opportunity to do this sort
21 of thing.

22 But I want to thank Secretary Slater, I want to

1 thank Gary Berman, I want to thank all of the panelists,
2 and I want to thank all of you for a wonderful and
3 interesting forum.

4 I want to thank the staff of the President's
5 Initiative on Race, I want to encourage you to return your
6 Promising Practices forms to Elizabeth Belenis, return
7 your information from the break-out sessions to Danielle
8 Glosser.

9 And I want to close with a quote from President
10 Clinton. He said, in talking about the Initiative, he
11 said that building One America is our most important
12 mission. Money cannot buy it, power cannot compel it,
13 technology cannot create it, it can only come from the
14 human spirit.

15 And what we are about at the President's
16 Initiative on Race is touching the human spirit.

17 And it's my view that if we continue this
18 dialogue, and if we heed our consciences, we can,
19 together, overcome many of these problems, and build One
20 America. Not with money, not with power, not with
21 technology, but with the spirit of hope, and fairness, and
22 commitment, and courage which has been present here today.

1 So I thank you all very much for coming, and I
2 wish you God's speed.

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