

EMPLOYING VETERANS OF OUR ARMED FORCES

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

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CONTENTS

March 24, 2004

	Page
Employing Veterans of Our Armed Forces	1
OPENING STATEMENTS	
Chairman Smith	1
Hon. Lane Evans, ranking democratic member, Committee on Veterans' Affairs	2
Prepared statement of Congressman Evans	37
Prepared statement of Congressman Gutierrez	39
Prepared statement of Congressman Udall	41
Hon. Richard H. Baker	3
Hon. Rick Renzi	4
Hon. Vic Snyder	21
Hon. Steve Buyer, chairman, Subcommittee on Oversight and Investigations ..	22
WITNESSES	
Champlin, Brad L., Executive Vice President, Union Planters Corporation	31
Prepared statement of Mr. Champlin	77
Crawford, Robert C., Vice President, Staffing, Prudential Financial	32
Prepared statement of Mr. Crawford	81
Grano, Jr., Joseph J., Chairman, UBS Financial Services, Inc.	6
Prepared statement of Mr. Grano	44
Horigan, Kevin, Group Vice President, Public Services, PeopleSoft	29
Prepared statement of Mr. Horigan, with attachment,	68
Kellogg, Joseph (Keith), Senior Vice President, Homeland Security Solutions, Oracle Corporation	11
Prepared statement of Mr. Kellogg	54
Poriotis, Wesley, Chief Executive Officer, The Center for Military and Private Sector Initiatives, Inc., Veterans Across America	13
Prepared statement of Mr. Poriotis	58
Scott, Harold, Vice President, Human Resources, Harley-Davidson Motor Company	28
Prepared statement of Mr. Scott	65
Smith, III, Robert W., Global Controller, Service Engineering Operations, Ford Motor Company	10
Prepared statement of Mr. Smith, III, with attachment	51
Wohlwend, Steven A., Senior Division Manager, Industrial Relations, Deere & Company	8
Prepared statement of Mr. Wohlwend	47
MATERIAL SUBMITTED FOR THE RECORD	
Letters:	
Letter from Mr. Robert Crawford, Prudential Financial to Chairman Smith re response to question asked by Representative Buyer with regard to disabled veterans who were hired during the past 24 months, April 30, 2004	23
Letter from Hon. Henry Brown to Chairman Smith, re enclosed paper, <i>Personal and Family Income of Male Veterans and New Veterans</i> , March 25, 2004	95

IV

	Page
Paper entitled, <i>Personal and Family Income of Male Veterans and New Veterans</i> , submitted by Hon. Henry Brown	96
Statements:	
David G. Moore, Chairman and CEO, Corinthian Colleges, Inc.	84
Beth B. Buehlmann, Vice President and Executive Director, Center for Workforce Preparation, U.S. Chamber of Commerce	87

EMPLOYING VETERANS OF OUR ARMED FORCES

WEDNESDAY, MARCH 24, 2004

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC

The committee met, pursuant to notice, at 11 a.m., in room 334, Cannon House Office Building, Hon. Chris Smith (chairman of the committee) presiding.

Present: Representatives Smith, Buyer, Baker, Bradley, Renzi, Evans, and Snyder.

OPENING STATEMENT OF CHAIRMAN SMITH

The CHAIRMAN. The committee will come to order, and I want to wish everyone a good morning.

I am pleased to join with Ranking Member Lane Evans and members of our committee in welcoming all of our distinguished witnesses this morning, many of whom are appearing before the committee for the first time. Many of our witnesses represent corporations in the top 150 of the Fortune 500, and we are delighted to have you with us.

Last year, this committee spearheaded an historic effort to help small businesses owned by disabled veterans. By allowing veteran-owned businesses to compete for government contracts on the same basis as other fledgling businesses, we began a process that should pay dividends for this country for many years to come.

Today, we are looking at efforts of companies at the other end of the spectrum. We hope to learn more about the opportunities veterans have created for themselves with their unique combination of training and initiative. We will also hear about some exceptional practices among Fortune 150 companies in recruiting and promoting these patriotic men and women who served in our Nation's Armed Forces. Fortune 150 companies are a major asset in our economy, generating some \$3.9 trillion in annual income and employing 10 million workers. As we will hear from our witnesses, veterans are also a major asset to our country and to our economy, and possess qualifications and aptitudes that make them a vital part of so many corporate successes.

Everyone knows that our military develops leaders. Last year, America spent about \$17 billion training our all-volunteer force, the largest training expenditure of any industrialized democracy. The purpose of today's hearing is to gain insight from major corporate players and corporate leaders as to how to best transfer the

skills and discipline from this public investment to our private economy in the form of jobs for veterans.

How are veterans perceived in the marketplace is one question. Do companies that make a point of hiring veterans obtain a competitive advantage? If so, how can any business tap into this resource and gain a valued business asset?

Before I turn to Ranking Member Evans, with whom I have served on this committee for his 22 years in Congress, and I have been serving for 24, I would like to highlight our committee's economic development package that we began 3 years ago and worked in a bipartisan way to help prepare former servicemembers for the civilian workforce.

These initiatives, many of which the President has signed into law, began under the bipartisan leadership of past and present members of our Subcommittee on Benefits. They include Congressman Jack Quinn, Bob Filner, Mike Simpson, Silvestre Reyes, Henry Brown, our current chairman of the Benefits Committee, Michael Michaud, Rick Renzi, Jeff Miller, Jeb Bradley, Ginny Brown-Waite, Susan Davis, and Corrine Brown.

Most of our economic development package is now law. And let me recap its five major components.

First, former servicemembers are beneficiaries of an unprecedented 46 percent increase in the Montgomery GI Bill over the past 3 years to help them get the training that they need;

Second, veterans now receive first-in-line priority in all Department of Labor-funded job training programs;

Third, active duty servicemembers now receive on-site job placement services from Department of Labor counselors prior to concluding tours of duty at our military installations in Korea, Japan, Germany, and very shortly in Italy and Great Britain as well;

Fourth, veterans can train on the job for up to 6 months under the Montgomery GI Bill as part of starting a franchise business;

Fifth, veterans and servicemembers can use VA education benefits to enroll in entrepreneurship training funded by Small Business Development Centers; and

Sixth, as I mentioned previously, disabled veterans can now for the first time compete for federal contracts through new set-aside and sole source authorities.

Lastly, let me tout a bill that has not yet been acted on, H.R. 1716, the committee's "Veterans Earn and Learn" legislation. It would dramatically update the VA's on-job training and apprenticeship programs to reflect business and industry today. Since about 65 percent of servicemembers are married when they leave active duty, earning and learning under an employer/VA developed OJT or apprenticeship plan can serve as an excellent transition tool.

I am delighted to be working with my friend and colleague, Mr. Evans, and I would like to now recognize him for any opening remarks that he might have.

**OPENING STATEMENT OF HON. LANE EVANS, RANKING
DEMOCRATIC MEMBER, COMMITTEE ON VETERANS' AFFAIRS**

Mr. EVANS. Thank you, Mr. Chairman. I appreciate this opportunity to speak and look forward to this hearing. It is very timely to examine the private sector's role which we salute in employing

veterans of the Armed Forces. This hearing now follows on a hearing that the committee held last session to examine the Federal government's efforts to assist and promote veterans' employment and small business opportunities. Indeed, these are clearly important and timely subjects. We must do all we can to educate, promote and target the business value of employing individuals with military training.

Before we begin today, I want to welcome all the witnesses. I very much appreciate your taking the time to share your experiences with us. And I would like to extend a special welcome to Mr. Steve Wohlwend, who is representing John Deere here today. John Deere's headquarters are in Moline, IL, in my district, and I have had the privilege of representing the people that work there for 22 years. Many of the people who live in that community work at John Deere. Additionally, I want to express my thanks and appreciation to the organization, Veterans Across America.

And I look forward to working with you, Mr. Chairman, to market servicemembers and veterans as a valuable resource to the business industries of our country. Indeed, the men and women serving in the military today are highly trained, highly qualified, and extremely motivated. They would add value to any small business or corporation savvy enough to tap into this ready labor pool. Over 200,000 servicemember leave the military every year. Surely any servicemember with the skills to fly jets planes, cruise battle-ships, and keep weapons systems on target would be very valuable to any company seeking the best and the brightest as part of their workforce. I see no greater issue than the economic well-being of those who have sacrificed so much to protect us and our economic system.

I look forward to hearing the witnesses, and I yield back to you, Mr. Chairman.

[The prepared statement of Congressman Evans appears on p. 37.]

The CHAIRMAN. Thank you very much, Mr. Evans. We are joined by the chairman of the Subcommittee on Capital Markets and also a distinguished member of this committee, Mr. Baker.

OPENING STATEMENT OF HON. RICHARD H. BAKER

Mr. BAKER. Thank you very much, Mr. Chairman. I am most appreciative for your interest in exhibiting the importance of the assets of our veterans. The U.S. Government spends a great deal of time and money in instructing young men and women in the importance of self-reliance, decisiveness, asset allocation, problem resolution skills, the formation of a plan, and instilling the necessary discipline to see that plan be executed. The members of the panel here today are exemplary of the fact that there are businesses which recognize these business skills and actively pursue young men and women who have left the military because of those assets that have been instilled by the training our government provides them.

In my view, we should do a great more, however, for these veterans than give them a few handful of points on a civil service exam. I believe we should pursue the Small Business Administration resources where we have programs designed today to help var-

ious sectors of our culture have the opportunity to succeed. Veterans should be held up in high esteem and given opportunities for excellence certainly within our government where we struggle to find competent people at the salaries we pay while we have veterans on the streets with skills who can't get that opportunity for work. I believe there are great examples of success in looking through the testimony of the witnesses here today, all of which have an important message to give us. I reflected carefully on Mr. Grano's statement as a financial services participant and found his views, particularly in light of his own resume, to be particularly significant.

I hope that this hearing, Mr. Chairman, is more than just an opportunity for the veterans to give us important insights. But I pledge to you my cooperativeness in working through financial services or any other committee, development of a plan which gives back to the U.S. Government the extreme value which these veterans could provide to us if we are only creative enough to figure out how to take advantage of this collective gathering of skill. And for that I thank you, Mr. Chairman, and regret I do have my own committee to run to. But thank you for your courtesy.

The CHAIRMAN. Thank you, Chairman Baker, for being here and for your great work on behalf of veterans, particularly as it relates to the business side. And I know you do have your own hearing and markup, so obviously we know you will have to leave.

I would like to recognize Congressman Rick Renzi, who hails from Arizona. He is also the prime sponsor of a recently enacted law dealing with disabled veteran-owned businesses. Mr. Renzi, please make any comments you would like.

OPENING STATEMENT OF HON. RICK RENZI

Mr. RENZI. Thank you, Mr. Chairman. I appreciate it. I also want to thank you all for coming out today and particularly for supporting our veterans. I think a long time ago my dad, a retired two star general, taught us that those people who come together in battle assimilate with each other also in the workforce and that the work has a major healing effect. And so I really believe that your efforts are considerably tied to the mental health and well-being of our men and women.

On behalf of Chairman Brown, who couldn't attend this hearing today, he asked me to include his prepared remarks if you indulge me a second here. Chairman Brown writes, "As a former member of the business community, I commend you and Ranking Member Evans for convening this hearing today, and I join you in welcoming the witnesses. I look forward to their testimony. As the late author, Michael J. Bennett, pointed out, America's sons and daughters who served in our all volunteer military are veterans of America's most demanding prep school, that of war time military. Our servicemembers do whatever the Nation asks and when they leave the military, we want them to transition to a good job."

Mr. Chairman, I would like to acknowledge a few folks in the audience today. Mr. Rob Lively, vice president of Schering Plough; Mr. Bob Ravenor, vice president of Home Depot; Ms. Jeannie Mitchell, Washington representative for Exxon-Mobil; Mr. Terry O'Mahoney, chairman of the President's National Hire Veterans

Committee; and Mr. Hughes Turner, deputy associate director of the Office of Personnel Management.

Mr. Chairman, I appreciate the commitment of these folks, several who have testified before in front of Mr. Brown's subcommittee last summer. They represent some of the finest and outstanding companies in our Nation.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Renzi. I would like to ask our distinguished witnesses if they would make their way to the witness table. Beginning with Mr. Joseph J. Grano, Jr., who is Chairman of UBS Financial Services, Incorporated. He is also the Chairman of the Homeland Security Advisory Council reporting to Secretary Ridge. Mr. Grano was instrumental in helping to bring about the merger of Paine-Webber with UBS in 2000 when Mr. Grano was named president and CEO of UBS Paine-Webber and the following year was named chairman and CEO. Prior to joining Paine-Webber, Mr. Grano was with Merrill Lynch for 16 years holding various senior management positions, including director of national sales. Before joining Merrill Lynch, Mr. Grano served in the U.S. Special Forces. He became one of the Army's youngest officers, achieving the rank of captain, was a company commander in Vietnam, and was awarded the Bronze Star for valor.

Next we will hear from Steven A. Wohlwend, who has been employed by Deere & Company for 26 years. He currently serves as Senior Division Manager, Industrial Relations, for Deere & Company in the company's worldwide headquarters in Moline, IL. In this capacity, Mr. Wohlwend develops, manages, and negotiates labor contracts with three major unions and oversees the health and pension benefits for all U.S. Deere salaried employees. He earned a BA degree at Wartburg College as well as an MA degree at Iowa State University.

Our third panelist will be Robert W. Smith, III, a Major General in the U.S. Army Reserve, and he has been with the Ford Motor Company since 1973. He is currently the Global Controller of Service Engineering Operations. Ford Service Engineering Operations is responsible for a whole range of activities, including helping to design future vehicles, developing and delivering technical information, diagnostic tools, equipment, training, and assistance for all of Ford's vehicles and implementing the C3P technology across the customer service division globally. General Smith also manages the three buildings in Allen Park, Detroit, which house the SEO-North America and serves as a corporate recruiter. General Smith has a long and distinguished military career. He has over 34 years of active and reserve commissioned service and served in Vietnam. He has received the Distinguished Service Medal, Legion of Merit, Bronze Star Medal, and Meritorious Service Medal, just to name a few.

Next, we will hear from Mr. Keith Kellogg, who is Senior Vice President, HomeLand Security Solutions, for Oracle Corporation, where he oversees a virtual team throughout the company that helps address the Nation's homeland defense challenges. Mr. Kellogg, a retired U.S. Army Lieutenant General, joined Oracle last July after a decorated 32 year Army career that concluded as Director of Command, Control, Communications, and Computers for

the Joint Chiefs of Staff. He became a vocal advocate for using information technology as an important weapon system in the military arsenal as part of the Defense Department's transformation. In addition, Mr. Kellogg gained deep insight into protecting critical infrastructure by answering the call from the U.S. Government over the last 5 months when he served as Chief Operating Officer of the Coalition Provisional Authority, which is charged with rebuilding Iraq.

Our last in this panel will be Wes Poriotis, who is Chairman and Co-Founder of Veterans Across America, a non-profit organization that works as an advocate on behalf of veterans, seeking to help them compete for quality employment. In 1994, at the request of the Vice Chairman of the Joint Chiefs of Staff, Wes and a colleague undertook a landmark study of the employment status of a group of veterans who had transitioned from the military since the end of the first Gulf War. Mr. Poriotis also founded The Center for Military and Private Sector Initiatives, Incorporated. Its mission is to persuade American companies to embrace veterans and transitioning military as a talent pool and as an economic resource.

Raised in a military family based in Mississippi, Wes is the author of a book on corporate job survival, *How to Avoid the Pink Slip*. Having received graduate degrees in political science and constitutional law at Mississippi State and Fordham University, he earned his Doctor of Jurisprudence at Seton Hall University.

If we could begin now with Mr. Grano and proceed.

STATEMENTS OF JOSEPH J. GRANO, JR., CHAIRMAN, UBS FINANCIAL SERVICES, INC.; STEVEN A. WOHLWEND, SENIOR DIVISION MANAGER, INDUSTRIAL RELATIONS, DEERE & COMPANY; ROBERT W. SMITH, III, GLOBAL CONTROLLER, SERVICE ENGINEERING OPERATIONS, FORD MOTOR COMPANY; JOSEPH (KEITH) KELLOGG, SENIOR VICE PRESIDENT, HOMELAND SECURITY SOLUTIONS, ORACLE CORPORATION; AND WESLEY PORIOTIS, CHIEF EXECUTIVE OFFICER, THE CENTER FOR MILITARY AND PRIVATE SECTOR INITIATIVES, INC., VETERANS ACROSS AMERICA

STATEMENT OF JOSEPH J. GRANO, JR.

Mr. GRANO. Mr. Chairman and members of the committee, thank you for the privilege of addressing you today. I don't have any formal remarks to make to you. I contemplated what I might be able to provide in terms of assisting you in your efforts. First and foremost, with my own experience, I came out of Vietnam in 1972, severely wounded. I was 60 percent permanently disabled veteran contemplating what to do with my life. I literally gimped into a couple of offices locally in Hartford, Connecticut, was hired in the financial services industry, and was fortunate to do so. But more because of my own initiative and an accident of seeing the ad in the paper.

I do remember vividly one of the benefits I received as an outcoming vet that made a huge difference in my life and that frankly was my first mortgage, which was a VA loan. I was able to buy my first home, married with one child for \$300 down. And since it was an assumable mortgage, I was able to leverage that house into my

first bigger house. And frankly without that support from my government, I don't think I ever could have done that. And it was a big benefit and one that I hope still remains for outgoing vets today.

I think your challenge is to get the private sector, whether it be a large corporation or a small business entrepreneur, which frankly make up 70 percent of our economy, to create a demand pool. And to create a demand pool for outgoing vets, I do think you have a branding issue and an educational issue on your hands. As a CEO, I wish I had the advertising budget that our military services utilize to recruit. I would take that image advertising budget, not add to it, but redirect a portion of it into what is called direct consumer benefit or direct benefit advertising. That unto itself will also recruit vets. If you went out and told a vet that the experience he or she is about to receive in the military will bode them well when they leave, coming back into the private sector, in essence you are killing two birds with one stone. That is a draw and it is an educational format for CEOs and employers across our Nation. And I think creating that brand can come from the existing dollars being spent without circumventing at all your ability to recruit. So I think you can combine the two and it would go a long way in your efforts.

Second, I think you have to view this from the eyes of a CEO. Once a chief executive officer removes him or herself from their core competency, you have got to keep things quite simple for them. They don't want to disrupt the patterns or the propensities within their respective organizations.

So I would come up with a very simplistic goal. The goal that I wrote to you about was out of your employee applicant base, people you are going to interview for jobs, I, as CEO, instruct my human resources director, that I want you to make sure that 5 percent of applicants are today's veterans. That is a very easy goal to achieve.

And as life will have it, we are in the private sector very vertical. And when the CEO waves that hand, things happen. And those human resource directors go to work. I would suggest a focus group of five to 10 human resource directors from major corporations and setting up a matrix that can tie into your TAPs programs that they can now feed what they need from the point of view of skill set, match it with the TAPs program and make sure you have geographical consideration within it because I think that is also very important. But it has to be simple. It creates a demand pool. It starts with the CEO and it allows the human resources director to execute. And frankly, that is the way the corporate sector works.

I think the connectivity between the corporation and the military has to come at the human resource level. That is where the feeds are maintained. And I think you would also have to add what I will call a feedback system in terms of those who don't get hired and why so that you have an exit interview so to speak. And again it has to be simplistic for it to work.

I would think very highly about subsidized training. I can tell you as a CEO that would get my interest piqued because I would like to get a capability as a CEO to dedicate certain training programs that we already have in-house to veterans and it is always an issue of cost. So some sort of subsidization there.

The last thing I would like to suggest to you, based on my own experiences, I think you have a lesser problem with officers, a lesser problem with skill sets of specialties, whether it is a radar technician or an airport controller. Don't underestimate the psychological issue of an individual who actually experienced combat. They don't know the norm. They have dealt with a highly stressful situation. They literally are relegated to a Neanderthal state and when they come into this civilian side, it is very difficult for them to adjust. And you need to do something about that. And I would be glad to give you some anecdotal evidence with more time.

Thank you.

[The prepared statement of Mr. Grano appears on p. 44.]

The CHAIRMAN. Thank you very much, Mr. Grano. Mr. Wohlwend.

STATEMENT OF STEVEN A. WOHLWEND

Mr. WOHLWEND. Good morning, Mr. Chairman and committee members. My name is Steve Wohlwend, Senior Division Manager of Industrial Relations for Deere & Company. And it is a pleasure to be here before you today representing John Deere.

Our company is a 167-year-old global enterprise, based in Moline, IL, not only has a rich tradition of supporting those engaged in agriculture, construction, forestry, and grounds businesses but also has a long history of supporting our military in times of international crisis. John Deere equipment has been on the battlefield since the outbreak of the Civil War. Whether with wartime machines, such as wagons, tractors, or excavators, or with recruitment and mobilization of support services here at home, John Deere has answered the call. Today our company answers the call with thousands of employees participating in National Guard and reserve units across the Nation.

The committee's interest in employer support for Reservists and Guardsmen is admirable and one that we share. It is our philosophy that to support those called to duty is not only the right thing to do for America but it is also good business. Our ability to recruit and retain outstanding talent is strengthened by our company's progressive policies towards Reservists and National Guard members who are becoming an increasingly important component of our Nation's defenses. By standing by our deployed employees, John Deere becomes a more attractive employer and our own recruiting efforts are enhanced.

With the passage of the Uniformed Service Employment and Re-Employment Act, John Deere has viewed these employment rights as a minimum obligation to our employees. We have taken a number of steps beyond the legal requirements to support our men and women called to duty. Special provisions to our company's military leave and pay policies were adopted following the terrorist attacks in September of 2001. These enhancements have remained in place as the global war on terrorism continues. These provisions ensure that those called to full time military service are provided 12 months of salary or wage differential as well as full health, life, and other John Deere benefits. After 12 months, these military personnel are eligible for an additional 6 months of company-spon-

sored medical and dental benefits. There is no minimum service requirement for military personnel to receive such benefits.

Presently, we have 55 employees serving our country and receiving these benefits while engaged in full time military service. When these citizen soldiers return home and bring their added skills, training, and work ethic, they assist our company in meeting the competitive challenges of the global marketplace.

In addition to John Deere's enhanced support for employees called to duty, our company is among those that have partnered with the U.S. Army in a program called Partnership for Youth Success or as it is more frequently called by its acronym PAYS. PAYS was conceived by the U.S. Army Recruiting Command and advanced by the command's major general, Michael D. Rochelle, as a win/win approach to addressing the recruitment needs of employers and the Army. The program allows the Army to use offers of employment opportunities with partner corporations as a recruitment tool. Upon entering military service, Army recruits would, at their option, select a partner company and job category for potential employment upon exiting military service. PAYS allows recruits to align their military training opportunities with actual private sector job requirements. Simply put, the corporate brand of John Deere, and other leading companies, is leveraged by the Army in their recruitment of talent.

Following the completion of military service John Deere, and other corporate partners, receives the benefits of these soldiers' excellent military training and experience. The program is beneficial for the Army, their corporate partners, and the recruits. PAYS helps the Army in their recruitment efforts, pairs talent with John Deere's actual business needs, and assures recruits that their military training is transferable to the private sector.

Because the program was launched in 2000, the first enlistees in the program will soon be existing the military for civilian life. John Deere looks forward to hiring its first class of veterans of the PAYS program. We fully expect to benefit from not only their extensive targeted training but also from the maturity and discipline gained through their military service. Over the next several years, John Deere will give hiring preference to more than 200 Army PAYS graduates for employment opportunities within our company.

Thank you again, Mr. Chairman, for allowing me to share with you how John Deere supports our employees called to military service as well as how John Deere and the U.S. Army are beneficiaries of the Partnership for Youth Success, a valuable public/private partnership.

[The prepared statement of Mr. Wohlwend appears on p. 47.]

The CHAIRMAN. Mr. Wohlwend, thank you very much for your testimony and you, like the other distinguished corporate heads and leaders that are here, are really exemplary corporate citizens. The more that you set an example and we can try to amplify that and replicate it elsewhere, the better. So thank you so much for that testimony.

I would like to ask Mr. Smith if you would proceed.

STATEMENT OF ROBERT W. SMITH, III

Mr. SMITH. Mr. Chairman and most distinguished members of the House Veterans Committee. First, I am here as your legacy since it was Congress that gave birth to the soldier. Of course, according to the Constitution, Congress raises the armies and navies of this United States. You Congress created the appropriations that feed, clothe, and house your soldiers around the world. Therefore, I, your soldier and legacy, embody the values, skills, and training that you have provided for me. Training not only used to protect and defend this great Nation but skills from our training to accomplish any task required of us, to include returning to corporate America to help add to the bottom line performance.

Therefore, it is my distinct pleasure and honor to have an opportunity to share with you from a personal perspective as a combat veteran some of my thoughts of why hiring us veterans can add value and help improve the bottom line. People are the greatest asset a company or organization can have or invest in. As a finance professional, the attached balance sheet below is part of my world and is the underpinning for development of a business case for hiring a vet. The left side of the balance sheet represents what companies value, while the right side lists the skills the veteran corresponds to in each category, innovation, we have leadership, adaptability, ability to multi-task, and worldwide travel. Companies want to eliminate waste, we know time management, can-do attitude, task oriented, and we have a work ethic, accomplish the mission first. Reduction of health care costs. Veterans are physically fit, dental fitness, anti-drug culture, and we understand stress management, mental and physical. Reduction of training costs. We have leadership training, skills with real-world experience. We have teamwork skill sets, and we have an ethic of leaving no one behind. Reduction of personnel turnover costs. Leadership skills again, ethics, loyalty to unit, improving of corporate images, leadership, ethics of integrity, core value of self and service. We live the diversity model. That adds up on the left side to black ink for corporations and on the right side military veterans as human capital.

In my 30 years at Ford Motor Company, I have no doubt the preceding veterans' demonstrated skills have both an asset to the company and me. For example, we veterans can help improve a company's bottom line by utilizing leadership, a can-do attitude, and team work skills to help create, implement, and manage a global financial reporting infrastructure which can result in world-wide cost reduction with redundant operations and/or processes.

My skills have enabled me to experience an outstanding career at Ford. The skill set of being able to multi-task, manage time and embody the core values of selfless service have enabled me to be a controller, facilities manager, and military reservists simultaneously. This challenging triad has been part of the motivation of why I have remained with Ford Motor Company for 30 years and encourage others to stay, thus reducing training costs and personnel turnover costs.

The above-listed skills of a veteran can also lead to awards, honors and recognition from a company. For me, these have included the company's Diversity in Worklife Award and the Leadership Ex-

cellence Award. I have also been selected by the chief operating officer to represent Ford as one of its Centennial speakers. I have also been recognized with the Recruiter Excellence Award, which was the result of my opportunity to help recruit many outstanding veterans.

I, as well as other recruiters, have found that military veterans often will rise to the top of a recruiter's recommendation for hire list during the interviewing process because of their skill sets and prior experiences coupled with their academic credentials.

Throughout my many years at Ford, I have met, mentored, and networked with countless Ford military veteran employees from the plant shop floor to the boardroom here and abroad, and I have observed that several of them have retired with the rank also of major general or admiral. They have included Major General Bodycomb, U.S. Air Force Reserve, (former pilot for Henry Ford, II), Admiral Landus, U.S. Navy Reserve, and Major General Williams, U.S. Marine Corps Reserve.

Additionally, many times employees help a company sell its products or goods and services. Veterans, which touch every demographic of society and whose networks are global, have also contributed in that way at Ford.

I would like to thank the Committee on Veterans' Affairs for this opportunity to put forth my views about why hiring a military veteran is important. I am one military veteran but there are thousands of deserving veterans whose hiring will benefit corporate America. So at the end of the day, hiring a veteran makes not only good business sense but sound financial sense that their skill set will help add black ink to the corporate bottom line.

I, your legacy, thank you.

[The prepared statement of Mr. Smith, III, with attachment, appears on p. 51.]

The CHAIRMAN. Mr. Smith, thank you so much for your testimony and for your passion.

I would like to now ask Mr. Kellogg if you would present your testimony.

STATEMENT OF JOSEPH (KEITH) KELLOGG

Mr. KELLOGG. Mr. Chairman, Ranking Member Evans, and members of the committee, my name is Keith Kellogg, senior vice president for Homeland Security Solutions at Oracle Corporation. Thank you for the opportunity to testify before you this morning.

Oracle is the largest enterprise software company in the world providing information management solutions to organizations ranging from the Fortune 1000 to the Federal government. We at Oracle are proud of the partnerships we have with the Department of Defense and the Department of Veterans' Affairs on a wide range of mission critical information management initiatives. We at Oracle also take great pride in the many men and women at Oracle who served in the Guard or Reserves. Since 9/11, 24 Oracle employees have been recalled to active duty.

After 32 years of incredible service in the U.S. Army, it seems fitting and ironic that my first formal testimony before Congress as a private citizen is before the House Veterans' Affairs Committee. It is even more appropriate that I am here to talk about the em-

ployment of veterans in the private sector because that has been a central topic in my own household this past year. While I am certainly enjoying this new chapter as veteran and private citizen, the transition has had its interesting share of dramatic diversions. I joined Oracle last summer but within 4 months after my arrival, I was asked to return to public service, this time as chief operating officer for Ambassador Jerry Bremer in the Coalition Provisional Authority Iraq where I served for 4 months before returning to Oracle.

Every day seems to begin with yet another challenge for our U.S. military forces. This is certainly true for the more than 120,000 young men and women who are serving our country in Iraq but it is also true for the tens of thousands of brave and dedicated Americans who wear a military uniform in places like Bosnia, Afghanistan, and most recently Haiti. They are new heroes for a new century, and it is a great honor to work with all of them in Iraq. I was particularly impressed with the can-do spirit, teamwork, initiative, and leadership demonstrated at every level of our military. And let us not forget the single most important characteristic shared by each and every member of our military: They all volunteered. This level of commitment, this unsurpassed dedication shown by all branches of the military is something that all Americans can be proud of.

As difficult as serving in the military can be, the transition from military to civilian life can prove to be far more daunting, especially for veterans injured in the line of duty. Sometimes of the benefits of medical and psychological help are slow to take hold. This was very true for our Vietnam veterans and certainly can be true for veterans of the First Persian Gulf War, Iraq, Afghanistan or Bosnia. This will most certainly mean new demands in the Department of Veterans' Affairs and specifically on the numerous programs it has available to assist veterans and civilians, including health benefits, vocational rehabilitation, and employment services.

Oracle's long-standing partnership with the VA has not been limited to technology alone. In the 1990s, our corporate headquarters in Redwood Shores partnered with the local VA office and a non-profit organization called the Next Step Center, which provided veterans with a place to live, and health and vocational services to turn their lives around for the better. The Next Step Center reached out to Oracle and other companies to see if there were opportunities for veterans to get a new lease on life in the workforce. We responded to the call and provided many veterans with jobs in packaging and shipping. And even though now our software is shipped mainly through electronic means, many of those veterans still remain in place.

Mr. Chairman, if I could give one piece of advice for many of our younger members of the Armed Forces, those who may have volunteered for service right after high school or junior college, I would urge that they transition from military to civilian life through a college or a university, especially those institutions that provide the education and skill sets needed to be an innovator in the world today.

As an example, we are on our third year of a scholarship partnership with the United Negro College Fund. Juniors and seniors

who are enrolled in UNCF schools and other historically black colleges and universities are eligible to participate in an eight-week paid summer internship at our Oracle location in Redwood Shores, California or here in Reston, Virginia. Students are assigned summer projects in the areas of software engineering, marketing, business administration, finance, accounting, and human resources. And upon successful completion of the internship, students are eligible to receive a \$10,000 scholarship to help cover tuition and other school expenses.

When it comes to technical training, there is no substitute for a college education. However, overall, there is no better training, no better training ground for leaders than the U.S. Armed Forces. And it is very clear that Oracle's chief executive officer, Larry Ellison, sees former military officers as central to the company's current and future success for many of our senior officers have served in the military before. For example, our chief security officer, Mary Ann Davidson, served as a commander in the U.S. Navy. Our president, Chuck Phillips, was a graduate of the Air Force Academy. And Kevin Fitzgerald, my boss, is a former fighter pilot.

The value of former military personnel leaders to Oracle is obvious and cuts across a number of levels. Who can better help Oracle understand the complexities of the mission requirements than veterans. And this value extends beyond the direct partnership with DOD. In fact, the military's men and women are exposed to large-scale operations, background of the difficult times in the military. We are proud to serve with them and work with them. And there is no question that we at Oracle look forward to working with you and the Department of Foreign Affairs to ensure that today's military leaders young and old can make a smooth transition to become tomorrow's citizen leaders.

Thank you, again, for the invitation to appear before you today.
[The prepared statement of Mr. Kellogg appears on p. 54.]

The CHAIRMAN. Mr. Kellogg, thank you very much for your testimony and for the excellent work that you and Oracle are doing.

Our final witness in panel one will be Wes Poriotis, who was very helpful, if not instrumental, in ensuring that this hearing happened. He has met with members of the staff, both Lane Evans and me, and carried this very important message as to why we need to begin this campaign and to do so aggressively and earnestly.

So, Wes, thank you for your leadership in putting this together.

STATEMENT OF WESLEY PORIOTIS

Mr. PORIOTIS. Thank you very much. Mr. Smith and Mr. Evans, first allow me to applaud you and, Ranking Member Evans, and the members of the committee for your vision, your vision in harnessing this great wealth of corporate and business leadership on the issue of enhancing veterans' inclusiveness among America's employers. And I would indeed be remiss if I didn't mention the tireless work that your staffs on both sides of the aisle, Patrick and Darryl and Geoff, and Jim and Devon and Summer—I hope I have got their names all correct, I hope I haven't missed anyone—but we owe them a great deal of gratitude because of the work they do. And so thank you to the members and thank you to the staff.

Mr. Chairman, I have thought about this a great deal, and simply put, and I think it is a powerful idea, we have an opportunity, a rare opportunity to ignite the fuse on the first great social movement of the 21st Century, a veterans' social movement. I am old enough to recall two of the great social movements of the 20th Century, the Civil Rights Movement and the Women's Movement. These movements, Mr. Chairman, which transformed our society and empowered millions of citizens, had one common denominator: Before either women or people of color could take their rightful place in American society and compete equally on the playing fields of business and employment, a massive attitudinal change towards inclusiveness had to take place.

Mr. Chairman, that attitudinal change had to take place town by town, community by community, and family by family. We must now, I believe, undertake a third great societal challenge: To ensure that America's veterans have the full opportunity to compete for quality employment and to eliminate the de-selective biases that continue to hinder transitioning and former military from competing on a level playing field. This bias persists because of the myths, misconceptions and stereotypes that have grown up about the value of military service to the private sector. And, as we all know, while, yes, the American soldier is respected and heralded by such organizations as Time Magazine as Person of the Year, in corporate America that respect and recognition hasn't fully crossed the employment threshold and that wealth of military experience hasn't spread to the widest spectrum of American employers.

Mr. Chairman, the bad news, as I see it, is that military service in many quarters has become devalued in the American workforce in the last three decades post-Vietnam. The good news, we believe after a great deal of study, is that we as veterans have a solution to this problem. Two years ago, I had the distinct privilege of testifying before the Benefits Subcommittee of this body on the Jobs for Veterans Act. I said then that a key to success in this area was to, and I quote, "Aggressively market the military to corporate America." Building on this core idea, last year we convened a Branding Summit which brought together some of the most astute business and creative marketing and advertising minds of our time. Their conclusion, Mr. Chairman and Mr. Evans, we should brand the veteran and we should create a demand for this competitive resource and we should create a competitive sense for this resource among all American employers.

After all, the Armed Services, as Mr. Grano alluded to, spends \$600 million annually in marketing and advertising as an engine to recruit young women and men into the military. We must build an equally powerful engine, a branding, supply chain, and software engine to propel them into the workforce.

And what are the long-term costs of such a branding and marketing campaign? It would be less on an annual basis than what the average Detroit automaker spends on the introduction and launch of one new vehicle. And what are we talking about in terms of talent and resources? Here is one striking statistic: Four million. Many Americans don't realize that over 4 million veterans have transitioned from the armed services since the end of the first Gulf

War, 4 million. This is a great deal of talent being infused into the workforce at a rate of 1,000 continuing every work day.

The problem is, even though this group represents a college alumni-like network of vast potential, we don't know what has happened to these 4 million. Our solution? An ongoing national Veterans Across America Employment Survey which will for the first time status the 4 million in the workforce, and more importantly, Mr. Chairman, create a network, an employment lifeline for others, a connective linkage.

Here by the way are two things we do know about our military before they exited. Interestingly, they are highly educated, as we know. More than 35,000 hold a Ph.D., 108,000 hold master's degrees, a quarter of a million of this 4 million have undergraduate degrees, and an astounding 90 percent, 3.5 million of the 4 million, hold high school degrees. And for those companies wanting to embrace diversity, fully 43 percent are women and people of color. So those corporate entities that embrace diversity, who want to build a demographically diverse, balanced workforce, have to only turn to transitioning and prior service military for this great resource. Let's not forget, as you have mentioned before and this morning, we spend \$17 billion a year of taxpayer money to train the members of our Armed Services.

As a business group, as with any investment, we seek to achieve the highest possible ROI, return on investment. As part of our proposed solution, Veterans Across America with PeopleSoft, who will testify here in a bit, is creating a software and supply chain engine which will enable companies to make a direct connection with this talent. This solution, Mr. Chairman, I believe can succeed now because we are at a watershed moment when there is a powerful and positive connection between the American people and our military. All of this can be accomplished if we stay passionate, if we stay passionate about our mission. As stated, it is a movement. It is a veterans social movement. And we must stay the course, Mr. Chairman, and continue on the big idea: Branding a veteran.

Finally, to achieve these goals, we need sufficient resources. So I call upon the members of this committee and the corporate and business talent in this room to band together in a partnership to provide these resources. When we succeed, and we will succeed, both our national defense and our national economy will be enhanced because, Mr. Chairman, I believe they are inextricably connected.

I thank you, sir.

[The prepared statement of Mr. Poriotis appears on p. 58.]

The CHAIRMAN. Mr. Poriotis, thank you for your vision and for your testimony and for energizing this Committee the way you have as well as Veterans Across America. As you know, we are working on legislation right now that would basically be a Veterans Across America bill, and I know you have seen it. We hope to introduce that very shortly. We are working out some technical aspects to it but hopefully it will be very, very soon.

Let me just mention, you mentioned the idea of the de-selective process bias, the term I think you used in your testimony and the profound need for an attitudinal change. I wonder if some of our other witnesses might want to respond to that, especially this idea

that since the Vietnam War, in essence a caricature has been created about who veterans are and it is a negative one in many cases and really missing the forest from the trees, not realizing that very, very capable people are being overlooked in terms of an asset. As I think Mr. Kellogg put it, new heroes for a new century, who carry an enormous skill capability and obviously some room for growth as they move through the workforce. They are disciplined, Mr. Smith, and you were very passionate about the discipline. You want a diversity model, and it comes packaged ready, camera ready, as they often say, coming out of the military.

But this idea of the de-selective bias, would any of you want to comment on that? Have you experienced any of that? I know, Mr. Grano, you mentioned you wanted to give some anecdotes and I would certainly like to hear some of the success stories.

Mr. GRANO. I think there has been an attitude shift amongst the American people relative to veterans today versus Vietnam veterans returning. I vividly remember being in a hospital in the Bay with soldiers who were wounded along with myself, attitude morale was spectacular. Once they left those hallowed halls and came into society, because of the controversy and the shift of attitude relative to the Vietnam War, they almost felt that they did the wrong thing by serving their country rather than the proper thing.

I think that is different today. My middle managers don't have in my view a negative bias relative to a veteran. What I would like them to do however is to understand the value resource that they can provide, and I would like those assets, those human assets, those human attributes to allow a veteran at a point where they can compete with anyone. And I for one would break the tie in favor of a veteran.

But I do think you have a branding issue, going to West Point. I think without question you heard that veterans are acclimated relative to missions and goals and objectives. Veterans are already team players because they have to be team players. Veterans have experienced stress, crisis, which come about in the private sector all the time. And they have a phenomenal work ethic, as one of the gentlemen had to say.

On the con side, I think it's what—I am going to create a new term—when you are interviewing a veteran, that veteran suffers from what I will call a formal martinetish approach: yes, sir, no, ma'am. And that is unusual in today's society. From dress down days to the informality between management and employee, puts them, in my view, at a disadvantage because that middle manager then says, well, wait a minute, can this person fit in with my team? We need to spend a bit of time with the veteran coming out as to what is the norm today.

And I would like to give you just one anecdotal experience. And, again, I believe it is different from a veteran who has actually witnessed and experience combat, and that is probably one of every five. My brother was in the 101st Airborne in Vietnam, wounded as well. He had 6 months left on his ETS and they sent him to Fort Lewis, Washington. He was an E-7 sergeant, did very well. There a week and a higher ranking sergeant dressed him up and down for walking on the grass. Now I can assure you that a returning vet from Iraq doesn't understand your priority of whether or not he

can walk on that grass, nor are they mentally capable, have they been re-indoctrinated as to whether that is important or not.

And his response was he went AWOL for a week and he got drunk and busted. And I had a difficult time understanding why he would do something so foolish, until I went to Vietnam and came back. And then sitting at a dinner table with my parents, and I said, "Pass the expletive potatoes." And you have to understand you have to detox. You are really relegated to a whole different form of humanity with the horrific sight of war. And those veterans need more psychological understanding relative to what is the norm. And I think that would help more than anything in the interview process for the infantrymen.

Mr. KELLOGG. If I may make a comment. Just returning from Iraq and also just after the service I have had, and I served two combat tours in Vietnam and I also served a combat tour in Panama and was in the first Persian Gulf War. And, again, as I said I came back. I have never seen a more well-adjusted, disciplined, trained, or more intelligent force of American men and women than we currently have in the American military today. They are a credit to the American people. They are a credit to their mothers and to their fathers and to their related families.

And I think more than anything else they would be a great credit to anybody who hires them in the business world. I think the quality of the young men and women we have today has never been higher nor have they been better adjusted. And I think they are probably better adjusted than the average American because they understand the world as it is today. They understand reality. They are disciplined. They are trained. They are motivated. And they love this Nation. And I think we should somehow find some way to give an advantage to those people who do return.

Mr. PORIOTIS. Mr. Chairman, this bias of de-selection is not overt. It is as a result of a distancing from those in business and those in the general American public from this asset called military. Only one out of six Americans have served, but yet if you look at the business community, statistically only one out of 147 people in business has served. So in large executive organizations of 1,000 and 2,000, statistically you come down to one or two persons in the corporate entity.

I think what has happened is this bias of de-selection has become infused in much of the outside the beltway and outside the defense industry consumer finance manufacturing entities. It is not overt. It is just because of a distancing. The folks in this room are speaking to the converted, and we are speaking to one another in the beltway. Once you go out to meet with tens and tens and hundreds of human resources and senior executives, it is almost as if, my gosh. And John Castalani from the Business Roundtable said this to us last year when a few of us business folks and military officers went to him, he said this is the first time someone has brought this issue of embracing military as an asset to our shores. Thank you.

And I think we are talking about the Conference Board, the Business Roundtable, the Detroit Economic Club, the San Francisco Commonwealth Club. We have to not just market but be I think highly astute in the way we educate and re-infuse this talent

back into the mind share of the American behavioral business public and that is the difficulty.

The CHAIRMAN. Mr. Evans?

Mr. EVANS. Thank you, Mr. Chairman. I guess part of the problem you got there is the voter going into the Armed Forces today and you don't see the real impact until they get out of the Armed Forces. So as it turns out, I was told by the Marine Corps liaison recently there are only five former enlisted people in the Marine Corps, who were in the Marine Corps who are now in Congress. So we really don't have numbers. And so make sure the younger vets coming out take an interest in politics, whether it is Republican, Democrat, or independent. I think that helps your class of 1945, John Kennedy, Richard Nixon, Peter Rodino, and several others who went on to become national figures. They all started school on the GI bill.

Mr. PORIOTIS. Well, it is true in the Harvard Business class of '49, 700 MBAs graduated, 92 percent of these individuals had served. Lawrence Summer, the new president of Harvard, lamented in the 2002 graduation comments that only two out of that class had served, which is less than 1 percent. So you have again a distancing and a dichotomy between what was and what is now in existence. That has to change only through a behavioral change and education.

Mr. EVANS. I still see the other gentleman that was testifying, we have got a really skilled workforce coming at us in the next few years with all these men and women coming out of the Persian Gulf War, I hope that is concluded as quickly as possible. We want to make sure that they also are treated fairly in the job market, not just by the private sector but by the Department of Labor, Department of DOD and several other agencies, the Small Business Administration. That is why I think it is so valuable for you all to be setting the trail here for us to learn from their experience and help these young people once they get out of the Armed Forces.

Mr. PORIOTIS. And the problem is, Mr. Evans, we don't know what has happened to them. If you look at the statistics of under employment and unemployment, under employment hasn't been quantified. It is anecdotal. But it may surpass by three or four times the unemployment. And the unemployment has been determined because at least half to three quarters of those in the workforce who are veterans haven't been statused. The 20 to 24 year old group of minority women, there are 15,000 that have come out. They have got a 23.9 percent unemployment but 7,000 out of the 15,000 don't even show up in the statistics. We don't know what has happened to them, sir. And I think we have to find out.

Mr. EVANS. Have you ever studied the Project 100,000, the re-examination of discharges from the induction centers that was designed by McNamara basically to take in more younger recruits, some of which failed either the mental or physical or both testing? And they are probably a very invisible group in terms of how we collect data about information about veterans. Actually, it turned out 300,000 veterans, 300,000 men and women who had been previously examined and were denied their enlistment because of the problems they were having, 300,000 instead of 100,000 served. And

we salute them. They were very much the backbone of the military at the time.

But I thought it was inexcusable that they would do this, there was some time that they were not using other resources at the regular forces because of the fact that they are proud Americans. I don't think though that they were in a position to use the GI Bill once they got out. They didn't have the training or the business opportunities to enter the job market. But I bet if you look at that group of people, they are probably unusually or disproportionately the minorities, poor white people, poor black people and Hispanics were about 29 percent of the casualties over there in Vietnam.

So I am going on and on. I just salute you for everything that you do for our veterans. I think you are a real asset as we go into this program. You have this experience already, we know it is going to pay off and we wish you well. And thank you for testifying today.

Mr. PORIOTIS. One point of recommendation, as you talked about placement, I think this committee could have a sea change in positioning veterans if they task the Labor Department's Veterans Employment and Training Service with placing veterans. I find it remarkable that we are spending \$300 million a year and have 3,000 persons within the States who are tasked to place and to help position veterans. And yet there isn't a performance criterion for them to place. Just recently the performance criteria was handed down that they even meet the local employer.

So they are neither branded with a local employer, they don't meet the local employer until rarely and then they are not tasked to place. I think if you task these individuals to place these individuals and use that as a performance criteria for their status, you would find an incredible difference within the States.

The CHAIRMAN. Thank you, Mr. Evans. The Chair recognizes Mr. Renzi.

Mr. RENZI. Thank you, Mr. Chairman. I appreciate all your statements today, and particularly the depth of commitment, the actual implementation in the field and in your workplaces and the accomplishments that you have made. I particularly note the 5 percent goals that you have been able to obtain. And I am interested to share with you the idea that we looked at some legislation last year, and we all passed together on a bipartisan basis that essentially says to the Federal government agencies, all agencies across the board that you must begin to contract with disabled American veterans up to 3 percent of your total contracting dollars. We learned last year on an Oversight Committee that we weren't even coming close in the Federal government of meeting that 3 percent goal, whether it be the Homeland Security contracts or DOD contracts or Veterans Affairs' agency contracts, we are not even coming close to 3 percent. Mr. Grano, it was interesting to see and hear you talk about top down directives to your human service and human resource personnel to be able to direct them.

Now in our line of work those CEOs would be identified as federal agency heads, and that they from the top down need to force into their contracting officers the mentality that they have got to hire disabled American veteran business owners to do the contracting work up to 3 percent. Again, we have got agencies that

have no contracts. And I would just like to hear, we talked about marketing and pushing and the engines, in Government we may not be able to use the bully pulpit as effectively as you can in private industry. Any thoughts on how we can adopt your successes?

Mr. GRANO. First of all, I share your frustration, particularly as chairman of Homeland Security and trying to assist in the inculcation of 22 agencies and 170,000 employees. Obviously as a CEO, I can fire. Tom Ridge can't fire. And that makes a huge difference. In a sense, Government tends to be horizontal. The private sector is vertical. And the chain of command is very distinct and very identified. And you do have the power of the sword so to speak.

But that doesn't preclude an ability to get something done. I think, again, the demand pool that you create in the private sector has to come from the CEO. Without the CEO as the client here in this effort, I don't see it getting legs or moving to the next level. And if it is simple, if it is obtainable, and all you are asking for is 5 percent of an applicant pool, not a hiring pool, an applicant, that you will review those applicants, I think they will automatically sign on. And if you get the right CEOs behind it within the industries, a term that I shouldn't use, "the sheep will follow." And if you come out and recognize them properly for those efforts, it will all take place. Then the next client becomes the human resources director.

The challenge of government, I think it starts at the top. I think we have a President that absolutely supports our veterans. And I think as commander-in-chief, he takes a high-level role in this effort to set the appropriate tone, I believe you would get better support within Government. But Government has been the violator of what you are trying to get done.

Mr. RENZI. I appreciate that. Let me finish a little statement here. Any thoughts on the panel. We, after seeing the strains of Afghanistan and Iraq on the families and particularly on the small businesses where the Guards and Reserve members have left their businesses, in many cases we are hearing stories here in Washington about men and women who have lost their jobs, won't have a job to come home to, families who have lost benefits, benefits have been cut while they are gone. And in particular among more of the micro-small business sector whose strains are felt early on.

I would encourage you that any interaction that you have with subcontracts to small businesses, that you share with them what you have shared with us today in that the force multiplier, the profitability, the black ink that you talked about, Mr. Smith, in having a veteran workforce and by not hanging in there with us as a Nation, and particularly those individuals to secure this free and open environment, which allows them to make that kind of a profit is something that you CEOs won't stand for in your relationships with those small businesses.

Thank you.

Mr. GRANO. I don't mean to dominate. I would like to make a point here though. My 32 years in business, this is the first time where I could say 37 of my employees have been activated at one time from either the Reserve or National Guard. Given the profile and construct of our military forces today, that is more likely than not on an ongoing basis to happen. As a Nation and as a CEO in

the private sector, I think we are ill-prepared. Our company has done what some of these other gentlemen have done, we make whole the difference between the military pays you and what you were making.

And in our case, we have been doing that for 24 months. I haven't told my Swiss owners, I am just doing it. But the facts are I think we better understand that the activation of Reservists and National Guardsmen is a different issue. For sure you are dealing more often than not with families, people who cannot continue their standard of living as they are used to going into the military without some degree of subsidization.

So I think it is a big concern, and I share your point of view.

Mr. SMITH. I also share that vision, because, as I stated in an article which I did for Fortune Magazine, there would not be any companies if there wasn't a strong country. So therefore us who go off and defend this country and help protect this country, to be able to come back. And so we do need a marketing campaign and a P.R. blitz to help people understand what we really bring to the bottom line and to this great Nation, because I go back and say without a strong country, there would not be any businesses. So businesses turn to us. So we are leadership, and we just need to get our branding across.

The CHAIRMAN. Dr. Vic Snyder?

Dr. SNYDER. Thank you, Mr. Chairman.

OPENING STATEMENT OF HON. VIC SNYDER

Gentlemen, I am late here, we are having an Armed Services Committee hearing across the street, a lot of doubling up. I wanted to ask or just make a comment, in the written statements that I have looked at, there hasn't—I don't think you all, and I wouldn't expect you to, but not much discussion about race as a factor in employment history. I was reading a press report the other day of a woman who did a study, I think it is two or 3 years old but it has gotten some attention lately because I think it was the motivation for the President to put in his State of Union address about some money, he advocated having some money available for retraining MA's who are released and discharged back to society. But, as I recall, the conclusion of her study was that it was easier for a white man with a felony record to get hired than a black man with a clean record.

And, Mr. Poriotis, in your statement you make a reference to the problems that people of color had in decades past. I would like to believe that this racial bias is something of decades past, but I don't think it is. I think it is still current. I think her study shows that. Now, as Mr. Evans pointed out, we have a significant number of our veterans that are minorities, so I think that that may also be a factor, and I would like your comment on that.

And then the issue of education. Mr. Kellogg, I think your comment, you talk about the transition back to society ought to ultimately be through a college as I recall, which I thought was a good way of saying it, which is what I did when I got out of the Marine Corps. I used my GI Bill and went to college and then on to medical school.

But do we have to adjust—my second question is do we have to adjust our thinking some since we think in terms of this changing world and the number of jobs that people will have and how rapidly skills may get out of date, that we can't think in terms of the way back into the civilian world is through a college but through lifelong learning opportunities. And, Mr. Chairman, one specific proposal we have talked about here before is currently if somebody for the Montgomery GI Bill is beyond their 10 years, they cannot get any benefit including the \$1,200 they contributed to it. It would seem like one way to at least get at some of this lifelong learning stuff is if we could pass something just to let them access their \$1,200 perhaps with interest for educational reasons. I don't think that would be terribly expensive.

So I would appreciate your comments on these issues of lifelong learning and also where race may fit into this, if any of you want to touch on it.

The CHAIRMAN. Could I ask our panelists, obviously, to answer that question, but we have four votes now that have been ordered on the floor, which is about a 40-minute duration. Perhaps Mr. Bradley, Mr. Udall, and Chairman Buyer might want to ask a question and then we could receive testimony back.

Okay, thanks. So, Mr. Bradley, you would be next, and if you don't mind just making a note and return fire, if you will, with your answers.

Mr. BRADLEY. Thank you, Mr. Chairman. I just wanted to commend the panel for its testimony here today. I look forward to working with you on this very important issue, and I will yield my time.

The CHAIRMAN. Mr. Udall?

Mr. UDALL. Thank you, Mr. Chairman. I apologize for being late. I appreciate having the panel here. Let me just ask those of you that are in the private sector employ, because I have heard a few of these stories come forward that people's jobs who have been held, if you are in Reserve or Guard and you leave, and there is a law on the books that says the employer is supposed to hold the job. And I hear isolated incidents, but I am wondering your opinion is the law being followed, are there problems there? Are there things that we should be working on in this committee?

And I yield back my time. Thank you, Mr. Chairman.

[The prepared statement of Congressman Udall appears on p. 41.]

The CHAIRMAN. Thank you. Chairman Buyer.

**OPENING STATEMENT OF HON. STEVE BUYER, CHAIRMAN,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS**

Mr. BUYER. Yes, Mr. Chairman, I want to thank you for holding this hearing. I think this is extremely important. Not only do we have to protect our veterans' preference for those jobs but the encouragement and examination into what the private sector is doing, I compliment you for the hearing.

First of all, let me thank you for your service to the country and for what you do for our veterans. Secondly, as a pace setter, my question would be if you know the numbers of disabled veterans that you have hired within your company in the last 24 months.

If you have those numbers, I would appreciate it if you provide that in your testimony. If not, you could provide it for the record. It would be important for us as we do our inspection to see which companies are the pace setters for the country.

With that, I yield back.
(The information follows:)

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Committee of Veterans Affairs
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Washington, D.C. 20525

April 22, 2004


Dear Mr. Chairman:

I want to thank you and the Committee again for the opportunity to participate in the Hearing On Employing Veterans of Our Armed Forces. I will be meeting with Mr. Wesley Poriois next week to work with him on this important issue.

During the Hearing, the witnesses were asked by Representative Buyer to provide the Committee with a count of the disabled veterans who were hired during the past 24 months. At Prudential Financial, I have been able to identify two such hires but believe there may be more. Our policy requests that applicants voluntarily identify their veteran status and their disability status so there may be veterans whom we have hired over the past 24 months who have chosen not to provide this information.

As added background information, more than 400 veterans currently working at Prudential have self disclosed their veteran status and a total of seven, including the two referenced above, have self identified as being veterans with a disability. Again, given our policy of voluntary self-disclosure, we believe that the actual count may be higher.

Thank you for the opportunity to support efforts to encourage employers to pro-actively recruit and hire qualified military veterans.



Robert C Crawford

The CHAIRMAN. Thank you, Mr. Buyer. Gentlemen, if you want to respond. If we do get up and leave, the hearing will stay open. Like I said, we have four back-to-back votes. We will continue to preside and then we will reconvene and have panel number two come forward.

Mr. PORIOTIS. On the issue of, going to your question on the issue of the disparity in compensation, position, and title, based on those of color from the military with majority, there is a distinct difference. And that is why we call upon this committee to support our initiative to have a minority veterans resource center because I believe it is not so much overt as it is reflective of what individual said, as we studied this problem, we don't—and this individual had run the Army's personnel, General Edwin Gatis, he said, "We don't need more resume writing, more charm school, and more dress for success. We need advocacy and we need a network." So I think that reflective of the problem with military of color, the lack of advocacy and the lack of network and the linkage to those in the private and corporate sector is distinctly reflective of the acute underemployment and the acute unemployment.

Mr. GRANO. I just want to answer your question relative to a bias on the racial side. I believe the private sector has made immense advances but primarily with women not people of color. I have headed diversity efforts since I have been an executive and still do so. At the lower level positions, a lot has been done in terms of the mix relative to people of color. But in management and senior positions we have failed in my opinion and we have a long way to go.

And relative to your question on hiring the handicapped, we have efforts within the organization to hire the handicapped but we don't make a distinction for a handicapped veteran, handicapped people in general is how we measure it and perhaps we should re-look at it.

Mr. KELLOGG. Just a quick comment, at the risk of getting fired since I have only back from Iraq for a month because they don't like to look at it that way, Larry Ellison is our chief executive officer, Chuck Phillips is an African-American former fighter, graduate of the U.S. Air Force Academy. And our second president is Ms. Efra Katz. So when you look at the senior levels of Oracle as a corporation, you can see the diversity there and I know it cascades down tremendously within the corporation itself.

As to the comment about the colleges, it is a wonderful comment and you are correct, sometimes they don't have the opportunity to gain the ability to go to college and then move on to migrate on to positions, job positions. The military has done wonderful work though in allowing the military members to go to college when they are in the military. The military is rather tasked out right now and I think that opportunity is gone. But I still come back to the fact that the ability, if you can get to the schools, it is critical because of the advantage it gives you as you come into there having a military background as a veteran and also a college education.

And the third comment I would make is a comment about how proud the American people are and I saw that last night at a USO dinner with Secretary Principi and the way the Americans feel towards the servicemen which is enormous. And in fact, I am even more proud because my daughter, as a personal comment, will be

attending the U.S. Military Academy this year as plebe. And I didn't force her to go. She went because she said she looks at how America looks at servicemembers and she wants to be part of that.

Mr. WOHLWEND. Congressman, with regard to the issue of racial bias in hiring, I am not familiar with the study you cite but one of the reasons that John Deere embraces military veterans is because they do represent the broader demographic in our country and we find this to be an excellent of filling our hiring needs through a variety of racial and ethnic backgrounds.

Mr. BUYER. Mr. Chairman?

The CHAIRMAN. Yes.

Mr. BUYER. Let me just say this to this panel, if I may, because I only received a partial response to my question, am I to infer by your silence that the companies represented in this panel have not hired a disabled veteran in the last 24 months? That would be an error. So if you do not have that number, please say to this committee that you will find that answer within 24 months. And I solicit from you now a positive or negative response orally, please.

Mr. GRANO. You will have my answer by Friday.

Mr. WOHLWEND. Yes, Congressman, I will have to check our data and respond back.

Mr. SMITH. Congressman, I will have to check with my company.

Mr. BUYER. Thank you.

Mr. KELLOGG. Sir, we will provide that information.

Mr. BUYER. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. We will have to bolt. We have 5 minutes to go on this vote. But, Mr. Darryl Kehrer, our staff director for the Benefits Committee would like to just raise on question with you especially since, Mr. Kellogg, you mentioned the importance of transitioning and one of your pieces, was that they go to college when they come out of the military. And I know that you talked, Mr. Grano, about the importance of subsidized training. And we think with the GI Bill and with the ability of state approving agencies approval relating to that kind of work, they can improve perhaps what your companies are offering, what might be subsidized training. That this is available may at least light up the eyes of some of our CEOs that this is available.

Darryl, do you want to continue on that?

Mr. KEHRER. Thank you, Mr. Chairman. Just to add a technical point very, very briefly, Mr. Grano and members of the panel, Chairman Smith has asked me to work on his behalf and on behalf of Ranking Member Evans to get into your hands as corporate leaders the information about the on-the-job training and apprenticeship program under the GI Bill. It is not very well known because American culture is largely on that says "go to college."

But, Mr. Grano, as you said, you were looking for legitimate subsidized training, if you will, to develop your workforce to stay competitive and to have a quality workforce. The GI Bill, the various GI Bills, Montgomery and all the others have an on-job training and apprenticeship portion of it, sir, that would augment the training wage. And as the training wage goes up over the years due to additional acquisition of skills, the Montgomery GI Bill match will go down. The Montgomery GI Bill is worth \$36,000, as you know, and it can be an excellent subsidized training tool not only for on-

job and apprenticeship opportunities but for going to college at night.

And the last point the chairman asked to make on his behalf and that of Mr. Evans is the institutions that approve, Mr. Grano, and members of the panel and the second panel, on-job training and apprenticeship opportunities within companies, they are known as state-approving agencies. They are under contract with VA. They will come to your company, any of your companies and write up your training opportunities on the job or apprenticeships. That is their job. Mr. Sweeney is here from the state-approving agency, the national organization from Maine, Mr. Bombard from New York. They work closely with the committee.

It is their job not to create paperwork for you, but to come and sit with you and write these programs up so that the person can receive the GI Bill for learning on the job. So those are very excellent opportunities, and I thank the panel.

Mr. SMITH. I sit on the board of directors in Michigan, Volunteers of America, and we run a home for homeless veterans in Lansing, Michigan. And we also must remember, and I am speaking as an individual, that many times we have to let them know what is available. I can assure you those veterans that are in our home in Lansing all want to be productive members of the society but they too, like all of us, need to know what the options are. So we can work on branding the veteran but we also can help out by branding ourselves to them so that they have a choice of private, governmental, non-profit service. Let's create a little buzz of competitiveness so that a veteran also says I want to go to the private sector, I want to work for a company. And this is what I will bring.

Mr. KEHRER. Thank you, General Smith. This panel at the behest of the Chairman and Ranking Member is dismissed. We thank you, and we shall reconvene at the conclusion of the vote.

Thank you.

[Recess.]

The CHAIRMAN. I would like to welcome our second panel to the table. And I do want to apologize for this break. We did have four recorded votes on the floor and we are now trying to muster some of the other members to come back as well. But I can assure you your testimonies will be very widely disseminated and will help us in crafting additional responses. But again, I apologize for that break.

Beginning or first up in panel two will be Harold A. Scott, who joined Harley Davidson Motor Company in 2000 as Vice President of Human Resources. He is responsible for organizational design and development, employee compensation and benefits, employee relations, labor relations, recruiting and placement, training and development and diversity. In his previous position as vice president of human resources for Otis Elevator Company, Mr. Scott created a world-class computer-based training system, established a performance management system for measuring the success of the company's diversity initiatives. He also developed and implemented a comprehensive labor relations strategy linked to the company's overall business strategy. Mr. Scott has previously worked in senior human resources roles with Allied Signal, Incorporated, Friction

Materials Group, and Bendix Corporation. Mr. Scott holds a bachelor's degree in psychology from the University of Michigan.

As Group Vice President of PeopleSoft Public Services, Kevin M. Horigan is responsible for serving the needs of more than 2,100 customers from federal, state, and local governments, public schools, higher education, and the healthcare market sectors.

Mr. Horigan joined PeopleSoft in 2000 as the managing director of the Education and Government Division, and he led the PeopleSoft E&G Division to substantial revenue and profit growth through customer-specific marketing, sales, and satisfaction initiatives.

Mr. Horigan has spent more than 20 years in the technology industry with a number of organizations, including Oracle, MicroStrategy, and Sand Technology. He earned a bachelor's degree in accounting and finance from St. Bonaventure University.

Our third witness will be Brad L. Champlin who is Executive Vice President of Union Planters Corporation. Prior to beginning his 25 year banking career, Mr. Champlin was in the food business working with cutting-edge marketing giants like Ralston Purina and Beatrice Foods. Mr. Champlin grew up in California, graduating from The University of Southern California with a B.S. in management and finance and an MBA in marketing. He also studied at Cambridge University in England.

Mr. Champlin served in the Army Reserves during the Vietnam War and later transferred as a lieutenant into the Navy Reserve unit that, among other things, debriefed officers returning from Vietnam on their way to Washington.

I note that Mr. Champlin's number two son, Scott, is a veteran. He served for 4 years as a Ranger in the U.S. Army and holds a Purple Heart for his service in Panama, where he was a member of the crew that physically removed Manuel Noriega from the country.

In addition to the bank, Mr. Champlin is representing Jackson W. Moore, Chairman, President, and Chief Executive Officer of Union Planters Corporation, and its lead bank subsidiary, Union Planters Bank.

We will also hear from Mr. Robert Crawford, who has a long and distinguished background in corporate human resources. He joined Prudential Financial in 1998 and is currently the Vice President for Staff, where he develops and executes staffing strategies to recruit diverse high-quality candidates for Prudential Financial.

In the mid-1990s, he worked in the Office of Development as a senior human resources generalist at Morgan Stanley, providing human resources support for 600 operations employees. He also centralized control of recruiting efforts to establish uniform, cost-effective and value-added hiring practices. Prior to that, Mr. Crawford spent 13 years with Chase Manhattan Bank. Mr. Crawford earned a B.A. in history from Duke University and an M.A. in Middle Eastern Studies from Georgetown University.

Please proceed if you would.

STATEMENTS OF HAROLD SCOTT, VICE PRESIDENT, HUMAN RESOURCES, HARLEY-DAVIDSON MOTOR COMPANY; KEVIN HORIGAN, GROUP VICE PRESIDENT, PUBLIC SERVICES, PEOPLESOFT; BRAD L. CHAMPLIN, EXECUTIVE VICE PRESIDENT, UNION PLANTERS CORPORATION; AND ROBERT C. CRAWFORD, VICE PRESIDENT, STAFFING, PRUDENTIAL FINANCIAL

STATEMENT OF HAROLD SCOTT

Mr. SCOTT. Thank you, Chairman Smith, Ranking Member Evans, and other members of the committee for the privilege to appear today before the House Committee on Veterans' Affairs. My name is Harold Scott and I am the vice president of human resources for Harley-Davidson Motor Company.

I appreciate the opportunity to tell you about our efforts to bring visibility to issues surrounding former servicemembers who are seeking employment. During Harley-Davidson's 100 year history of making great motorcycles, our products have seen significant action in the U.S. military. We, like my distinguished colleague earlier from Deere, recently signed an agreement to partner with the U.S. Army's Partner for Youth Success Program, known as PAYS. The Army PAYS program is a new initiative that offers youth the ability to serve our Nation while preparing them for the necessary skills to be effective employees in our company.

The partnership between Harley-Davidson and the U.S. Army benefits everyone by providing quality, mature, and disciplined young adults with an opportunity for employment. Harley-Davidson has a long history of supporting employees who serve our country. As far back as 1917, we gave assurances to the U.S. Department of War and Navy that the company would agree to re-hire all of its employees who left to fight in World War I. In addition, during contemporary wartime, we have supported our veteran employees. This support pre-dates the initiation of laws associated with the Uniformed Service Employment and Re-employment Rights Act of 1994.

At Harley-Davidson, we experience the positive contributions of military veterans everyday, from leadership positions throughout every level of the company, military veterans have brought a work ethic reflective of the training and experiences they have acquired. It is now estimated that over 15 percent of Harley-Davidson employees are military veterans and 29 percent of our customers have served in the military.

Just as an example of one of our employees is Brian Zarilla, he is a preparation technician at our vehicle operations in York, Pennsylvania. He served 4 years of active duty in the U.S. Air Force and has spent the last 14 years in the 111th Fighter Wing of the Pennsylvania Air National Guard. Zarilla, a master sergeant and aircraft maintenance quality assurance evaluator, was called to active duty in 1995 in support of Operation Southern Watch in Kuwait. Currently numerous members of his unit are deployed in support of Operation Iraqi Freedom. However, he has not been called to active duty yet. He is able to achieve the balance between work and family obligations, as well as the duties of a reservist through the support of his family, the words of encouragement from his co-

workers, and through Harley-Davidson's special military leave policy.

Harley-Davidson has started initiatives for both our current employees and customers designed to honor their military involvement and provide support as they are serving our country. We support our employees serving the Guard and Reserve through pay and benefits. Harley-Davidson, as well as our unions, the AIM and Pace International Unions have committed a policy to meet the financial needs of the military Reservists and National Guard members who are called to active duty by a presidential order during a military crisis. We do this by compensating an employee called to duty with the difference between his or her military pay and his or her normal salary or straight time hourly rate of pay during their absence. Likewise, the families of employees called to duty will receive continued health care benefits and 401(k) benefits.

For our customers, we recently established a program called Operation Mission Accomplished. This program extends warranty coverage on Harley-Davidson and Buell Motorcycles belonging to military personnel recently deployed in support of operations in Afghanistan and Iraq. This program assures that Harley-Davidson provides a level playing field for those who serve our country.

Also, in 2004, Harley-Davidson will present its annual genuine hero award to a veteran for dedication and service to our country. All veterans are eligible to apply for this award. Veterans or family and friends of veterans are asked to nominate persons on such characteristics as patriotism, citizenship, and wartime heroism or community service.

I feel privileged to speak to the committee today on behalf of the leadership of employees at Harley-Davidson. As I expressed to you our respect for what the veterans have done to preserve our freedom and protect our country. We believe it is our duty as a company to help veterans assimilate back into the workforce when their service to our country is complete and we are honored to do so.

Thank you.

[The prepared statement of Mr. Scott appears on p. 65.]

The CHAIRMAN. Mr. Scott, thank you very much. I would just note during Rolling Thunder One, Secretary Principi and Under Secretary Thompson were both seen on a Harley. And there is no sound like a roadster. Mr. Horigan.

STATEMENT OF KEVIN HORIGAN

Mr. HORIGAN. Thank you, Mr. Chairman, distinguished members, and colleagues. I will read from a brief prepared remarks and then I just want to make a few comments on this morning's panel discussion.

It is an honor for me and PeopleSoft to be invited here. I thank you for the opportunity to testify before the House Committee on Veterans' Affairs on employing veterans of our Armed Forces. Many contributing factors are projecting this important topic into the forefront of both public and private sector agendas. Today, many public sector organizations are facing an unprecedented number of workers eligible for retirement in the next 5 years. Some states and federal agencies project up to 50 percent of their work-

force is eligible for retirement today. Many sector organizations are just beginning to reap the benefits of the economic recovery, job creation and re-creation are just beginning. State and local first responder organizations are burdened due to deficit situations, reduced funding, and key personnel being called to active duty from Reserve and National Guard units. All organizations are seeking technology-savvy resources to compete or provide higher levels of service to customers and citizens.

For veterans, these factors mean tremendous opportunity. For hiring entities, the opportunity is even greater. Our veterans are more dedicated than non-veterans. This equates to training required by employees. Our veterans have critical skills not easily assessable to the private sector, skills including communications, encryption, security, and other computer technology skills, health care logistics and manufacturing. Greater than 50 percent of veterans coming out today have advanced technology and computer skills. But there are other characteristics as well that make veterans an attractive group for recruitment and employment, loyalty, stress management, discipline, and leadership.

As I look at PeopleSoft's workforce, which is representative of the most high-tech companies, the vast majority of individuals are highly educated, motivated and technology oriented. Now let us look at the picture of today's veteran. To look at over 4 million veterans that have exited the Armed Services since 1990, 75 percent of them have been between the ages of 20 and 34. These veterans are educated, trained, dedicated, and highly employable. There are many parallels.

Veterans are a valuable part of PeopleSoft workforce, particularly the public services group. The technology, logistics, health care, and security skills have immense applicability. We actively recruit and hire veterans. Veterans serve as account executives, directors, technical and business professionals and accountants. Veterans are present in every part of PeopleSoft's business.

With that, I would like to stop my prepared remarks because I don't want to lose time here. And in the essence of your schedules, this morning the panel I thought brought up a number of relevant points. And what I heard was branding of the veteran. Mr. Evans pointed out this morning that there will continue to be many men and women that are leaving the Armed Services coming into the workforce. The challenge I see, Mr. Chairman, is a word called translation. And simply put, what I mean there is for an executive like myself who has been in high technology for longer than I would like to admit, when somebody tells me that we are going to interview someone from Stanford or MIT or Berkeley or has worked for one of our competitive companies, I can immediately translate what that potentially means to us. When I hear that there is a veteran coming from the war that is an expert in weapons systems, I can't translate that to what that would mean to me and to PeopleSoft.

And I think that is the strongest issue. Because when you really climb in to see what a weapons person does and what they have been trained in, they are probably one of the world's foremost computer-skilled people, yet we can't translate that. That to me, along with branding, is the germane issue for all of us today. And we at

PeopleSoft stand poised and ready to help any way we can this committee to help convey that.

Thank you.

[The prepared statement of Mr. Horigan, with attachment, appears on p. 68.]

The CHAIRMAN. Thank you very much, Mr. Horigan.

And I would like to ask Mr. Champlin, if he would, to proceed.

STATEMENT OF BRAD L. CHAMPLIN

Mr. CHAMPLIN. Thank you. Chairman Smith and members of the House Committee on Veterans' Affairs and guests, good afternoon. My bank, my chairman, and I are honored to come before you this morning to share our practice in employing veterans of our Armed Forces. My name is Brad Champlin. I am executive vice president of Union Planters Corporation, whose principal banking subsidiary is Union Planters Bank. And I am here representing the bank, my chairman, and myself.

The chairman of my bank is Jackson Moore. He is the president and chief executive officer of Union Planters Corporation. Mr. Moore sends his greeting to Chairman Smith and the House Committee on Veterans' Affairs. Mr. Moore is an attorney by trade. He is active in numerous religious, civic, and educational organizations. Mr. Moore has served on active duty in the U.S. military, holding the rank of captain in the U.S. Army and the Army Reserves.

Union Planters Corporation is a New York Stock Exchange-listed bank holding company doing business in every State in the United States but with principal offices in 12 States in the United States. Today we employ over 10,000 with 745 banking offices. We have announced a definitive merger agreement with Regions Bank that will create the 12th largest bank holding company nationwide in terms of deposits. Mr. Moore will become chief executive officer of the combined companies in June 2005 upon the retirement of Carl E. Jones, Jr., the current president and CEO of Regions. Upon completion of the transaction expected in June of this year, the new bank will employ approximately 20,000 people with 1,400 banking offices, 1,700 ATMs, and the 140 brokerage offices of Morgan Keegan Company. And I preface that to simply to say, "This is a big bank."

Mr. Moore serves on the President's National Hire Veterans Committee that was established by the Secretary of Labor and authorized by the President's Jobs for Veterans Act. Terry O'Mahoney from Texas chairs that committee. And I believe he was in the audience earlier.

Mr. Moore is in sympathy with the committee's direction in attempting to create a pull for veterans to be employed in quality jobs throughout America's workforce instead of simply a push of the veteran into the workforce. We believe that there is a disconnect however between corporations who are positively disposed to hire veterans and the skilled veteran labor pool. Our executive vice president of human resources is illustrative of that disconnect. Asked if Union Planters Bank hires veterans, our human resources director said, "Yes, we hire veterans. They are a wonderful addition to our workforce." But when we asked the follow-up question, does

the bank have any special programs targeted to recruit and hire veterans? That resulted in a negative response. The head of our human resources does not know of any group contacting our bank, encouraging us to be proactive in hiring veterans and furthermore at this point would not know where to go if we wanted to target a hire veterans program at our bank. Our state workforce development agencies are more passive than they are proactive.

The good news is that there is a positive connotation to the hiring of veterans. There is a belief that the veteran comes to the workforce with good training and skills in working with and managing people, that the veteran will show up to work on time, have a good attitude, and dress appropriate to the occasion. Mr. Moore believes that there is another value in hiring a veteran. With all the attention on national security, it is equally vital that corporations focus on safety and security in the workplace. The veteran comes to the workplace with skills that set them apart from ordinary employees when dealing in unexpected crisis situations.

We applaud Veterans Across America's initiative to reach out to corporate America with a campaign that encourages the hiring of veterans. And we believe that the branding campaign will help accomplish that objective. We would submit that to be effective, the campaign should target in addition to CEOs, it should target directors of human resources and societies for human resources management.

In short, those in America's workplace that do the hiring. We need to find ways to point these people to the resources that are available to get them connected to veteran talent. Our Nation has a great resource in our veterans and frankly has expended billions of dollars to develop that talent. We do a great favor not only to our veterans but to our corporations, our Nation, and ourselves by finding ways to better utilize the veteran talent pool that exists.

Jack Moore and I thank you for the time you have taken this morning to seek ways to help improve our quality of life for our veterans. And we thank you from the bottom of our hearts for the wonderful work you are doing for our country as elected representatives of this great Nation.

[The prepared statement of Mr. Champlin appears on p. 77.]

The CHAIRMAN. Thank you very much for your testimony and the good work that you are doing as well. It is very much appreciated by this committee and by veterans.

Our final witness will be Mr. Crawford.

STATEMENT OF ROBERT C. CRAWFORD

Mr. CRAWFORD. Good afternoon, Mr. Chairman and distinguished members of the committee, and thank you for the invitation to appear before your committee today. I am delighted to be here representing Prudential Financial, which is headquartered in Newark, NJ.

Prudential is particularly honored to be asked to testify this morning since over our 126 year history, we have prided ourselves in being a company, which to use a current term has always been "veteran friendly." Indeed, veterans of wars ranging from World War I to today's Operation Iraqi Freedom as well as those who have served in times of peace have found Prudential to be rock

solid in the career opportunities provided to veterans and our support for issues important to them.

Today, key Prudential leaders, including our chairman and CEO, corporate controller, chief auditor, the head of our learning organization, and many more senior staff members, too numerous to mention, are veterans. Under their active stewardship, Prudential will remain strongly committed to providing quality employment opportunities to the men and women who have served in our country's Armed Forces. And it goes without saying that over the years Prudential itself has greatly benefitted from the contributions of our employees who have military experience. Indeed, it is a fitting testimony to the many extraordinary service men and women who have worked at Prudential that we are here today to discuss ways in which to keep the bond between the American veteran and corporate America strong and robust.

As the executive responsible for the company-wide staffing at Prudential, a large part of my responsibility is to ensure outreach to a broad group of candidates that reflect a range of skills, experiences, and culture perspectives. This aligns with our goal of attracting a diverse workforce that can generate innovative ideas and understand, serve, and connect with our customers around the world. Being viewed as an employer of choice to such a workforce is a key focus of our corporate recruitment efforts. America's veterans have been, and continue to be, an extraordinary source of the diverse qualities and skills that Prudential knows it needs to compete and prosper.

By way of illustration, at Prudential we have a set of core competencies against which our employees' performance is measured. These include strategic leadership, drive for results, partnering, and courage. In evaluating candidates for jobs, we specifically look for evidence of these qualities based on prior experience and the ability of our candidates to respond to interview questions with real life illustrations. We can clearly see the synergies between the skills that veterans bring to the table and these critical competencies, recognizing the emphasis in today's military on leadership at all levels, decision-making, problem-solving, team work, resourcefulness, dependability, and loyalty. This makes veterans extremely attractive to us as employment candidates.

Historically, we have been successful at recruiting military veterans, both into our general workforce population and for specialized hiring programs, whether through firms specializing in military placement, campus outreach, job fairs, or word of mouth referral. With the advent of the Internet, a key part of our current outreach strategy is to post our open jobs on web sites, including the Department of Defense Job Search, USA Jobs, and the Department of Veterans' Affairs Vocational Rehabilitation Employment Services. We participate in America's Job Bank and enlist in the corporate gray.

These recruiting efforts are complemented by a competitive benefits package, supportive policies, and work life programs that are attractive to veterans and their families. For military reservists, we provide paid annual leave. We also have a long history of supporting Reservists called up to active duty with paid leave of absence and benefits continuation, a tradition that continues today

for employees who are participating in current military operations around the world. Our work life programs provide a variety of supports including tools for families dealing with the challenges of career change, relocation, and in the cases of Reservists called to active duty and overseas deployments.

We also sponsor a number of activities towards targeting and reminding all of our employees of the contributions of our service men and women around the world. Past speakers at Prudential events have included Corporal Craig Widen, who commands the 108th Air Refueling Wing of the New Jersey Air National Guard, Captain Scott O'Grady, the Air Force pilot who was shot down over Bosnia in 1995, and most recently, Dr. Irene Harris, director of the Department of Veterans' Affairs Center for Women Veterans. They have shared their stories with Prudential employees and in the process raised the level of appreciation not only for the sacrifices made but also the depth and riches of those with military experience have to offer.

I hope that this brief overview has given you a flavor for the connection and support that Prudential has for veterans. When we think of diversity in its broadest sense, we believe that veterans should be included in that net, recognizing that they are another historically under-represented pool of talent and brain power. It is against this backdrop that we are delighted and honored to be here to lend our voice to the other enlightened companies on the very important issue of transitioning veterans into the civilian workforce. This is particularly critical at this time when we have so many men and women serving in the military who we expect will soon be moving into civilian lives and careers.

On behalf of our chairman and CEO, Mr. Art Ryan, and the rest of the Prudential community, we applaud your work in connecting veterans with the business community and look forward to lending our continued support to those important efforts.

Thank you.

[The prepared statement of Mr. Crawford appears on p. 81.]

The CHAIRMAN. Mr. Crawford, thank you very much for your testimony and for the good work that Prudential does on behalf of our veterans. All of you, this testimony is extremely helpful. And again we are a committee known for follow-up. We glean ideas and mold them into bills that become law. They don't just get introduced. I am happy to say that we have had something in the order of 16 bills become law in the last 3 years alone and several of those were mega bills where witnesses like yourselves made an enormous difference in shaping and crafting them. We also become a bully pulpit within the government, working with the Executive Branch. And again your stories, your testimonies will be widely disseminated.

And I thought, Mr. Horigan, your comments about translation were very, very on point. What does that mean when you are "weapons expert"? As you said in your testimony, greater than 50 percent of the veterans coming out today have advanced technology and computer skills. That is an asset that, that is what weapons utilization right now is all about. The modern battlefield is not what it was just 20 or 30 years ago, and these new skills are appli-

cable in the private and public sector. And I think your point is very well taken.

Also, the point about so many people in the public sector retiring soon: the bulge in the baby boom on the one hand is going to put an enormous weight on Medicare and Social Security. But it is also going to open up an enormous number of jobs, the so-called jobless recovery may become less so as we move forward with that. And I think your point about that was very well taken as well.

I would point out for the record that OPM Director Kay James has in her report to us indicated to us that the Federal government is making significant strides in hiring veterans. That was not always the case. And I think perhaps the translation, the idea that this is a person, as many of you have pointed out, is disciplined, and has leadership, loyalty, a skill base, and the synergies that are gleaned from this as well. We really have someone who is ready to work, will work those long hours that the job may require, but also has the capacity to do it and to do it well. So I think you all have made so many good points.

Perhaps Darryl might have a question or two or Pat, any of you on the staff. Because again, so much of what you have said just confirms and expands our ability to know what we need to do on our end as well.

Darryl?

Mr. KEHRER. Thank you. A lot of ceremony here. The chairman meant to acknowledge the presence of Dr. Ray Healey from Veterans Across America this morning. Doctor, you have been such a help, and thanks for being here.

The CHAIRMAN. Any final comments you would like to make? Because this committee hearing is not just the first as a full committee, and it won't be the last. We plan on a full court press to try to get, as you saw, the Secretary, who is very committed and was here this morning at the press conference. There is much more that needs to be done and we plan on doing it. But you are leaders. You give us a great example to spread and hopefully others will emulate.

Mr. Scott?

Mr. SCOTT. Yes, I just wanted to add to Mr. Horigan's comment. I had written a note this morning that the advertising that we heard are used to advertise about joining the Army and so forth, I can't remember what the number was, but it seemed like an awfully big number. And I had written the point that they need to start directing those advertising dollars that are available to the skills available and put it in corporate terms. And I think that sort of just piggy backs what he was saying. I think this PAYS situation that we talked about earlier, that is where we actually sit down with an enlisted person and tell them what the skills are that we need so they can aim themselves in a sense. If it came back the other way, with the same kinds of advertising that we see across the board in the media, that would make a difference to us. I don't know anything about a nuclear engineer, but I know he is a pretty smart guy. He could probably help us.

The CHAIRMAN. I also think, and I will go to you, Mr. Crawford. I do believe all of our recruiters are basically meeting their needs but as the war on terror drags on, as some of the stories about the

difficulty in deployment to Iraq and Afghanistan manifest themselves, it may get harder to recruit. Certainly retention is going to become a problem for the Guard and Reserve. And I would think that if at the end of the loop, more of these men and women are finding gainful employment, that becomes a recruiting tool for our recruiters in each of our branches. There could be a recruitment fatigue very shortly on the horizon. And to know that they could be placed with companies like yourselves could make a difference.

Mr. Crawford?

Mr. CRAWFORD. Yes, thanks. I would just also like to underscore the theme of translation. If you look across financial services in all the firms, in all likelihood for many of the same jobs. So indeed, any effort dedicated to one job group even would be—would enjoy returns several fold, and that indeed would be well worth the effort.

The other interesting common theme this morning, which I will also underscore, is the issue of branding. Before I came here, I asked a number of people, who were probably at mid-level, give me your image of a veteran. And it was a very confused image. And so when one sits there and thinks that if I go to a hiring manager and if a hiring manager came to me and said, "Hey, Bob, why aren't there veterans? Where are the veterans?" Because they have been clued in and understand what the image of a veteran is, that would be a very natural progression. I think when that takes hold at that level, then I think that we will have achieved success.

I would also argue that the war for talent that we all experienced just a couple of years ago is only on pause. And to your point, as people retire, there is going to be a renewed, if you will, war for talent. And I think the current time frame offers us an extraordinary opportunity to the positioning we have got to do so when things heat up again, which they will, we, the corporations, and the Veterans Across America have a bridge and a link so that the communication is almost effortless. The needs are so identical that it would be truly a shame to miss this opportunity. Thank you.

The CHAIRMAN. Any further comments? I again want to thank you for the tremendous work you are doing and for your patience in waiting so long between votes to testify. Again, we will take your testimony and your examples and give it a very, very wide reach among the Members of the House and Senate and the Executive Branch.

The hearing is adjourned. And, again, thank you.

[Whereupon, at 1:30 p.m., the committee was adjourned.]

A P P E N D I X

**Statement of the Honorable Lane Evans
Ranking Democratic Member, Committee on Veterans Affairs
March 24, 2004**

Thank you, Mr. Chairman, for holding this hearing today to examine the private sector's role in the employment of veterans of the armed forces. This hearing follows on a hearing the Committee held last session to examine the federal government's efforts to assist and promote veterans' employment and small business opportunities. Indeed, these are clearly important and timely subjects, given the prolonged downturn in the economy and extreme job loss the Nation is experiencing. We must do all we can to educate, promote and market the business value of employing individuals with military training. The old sentiment of "hire a veteran" for patriotic reasons still holds but is outdated. We must work to convince the private sector and the public sector that hiring a separating servicemember or veterans is in their best interest and sound business practice.

Before we begin today I want to welcome all the witnesses and thank you for your testimony. I very much appreciate your taking the time to testify before us and share your experiences. I would like to extend a special welcome to Mr. Steve Wohlwend, who is representing John Deere & Company today at the hearing. John Deere headquarters is located in Moline, Illinois, right in the heart of the 17th District of Illinois. For the last twenty-two years it has been my privilege and honor to represent the good people of Moline – many of whom are employed with the John Deere Company. Thank you for your testimony today. Additionally, I want to express my appreciation to Wes Poriotis, Dr. Ray Healey, and the staff of Veterans Across America. The work you all have done to promote servicemembers and veterans as a top-quality business resource is truly impressive. I look forward to continuing our work together to market veterans of our armed forces as a valuable resource for business and industry.

Indeed, the men and women serving in the military today are highly trained, highly qualified, and extremely motivated. They would add value to any small business or corporation savvy enough to tap into this ready labor pool. Over 200,000 servicemembers leave the military every year. Surely any servicemember with the skills to keep jets flying, battleships cruising and weapons systems on target would be valuable to any company seeking the best and the brightest as part of their workforce.

This hearing will provide the Committee an opportunity to promote former servicemembers and veterans as a valuable business asset, as well as to hear from the private sector about its current employment and recruiting efforts. I am particularly interested in examining the private sector's perceptions of the military as a workforce training ground, as well as the difficulties, if any, of coordinating with the Pentagon regarding employment recruiting. It will take some work to address the Department of Defense's (DoD) concerns that any developing employment initiative is not about cherry picking its best and brightest recruits. Indeed, in my opinion, a robust DoD/private-sector employment program would only assist the service branches recruiting efforts. If individuals understand that military service will increase their chances for quality employment opportunities in the private sector then this could be used (similar to the G.I. Bill) by the military as a valuable recruiting tool itself.

On a related front, I want to note for the record that as opposed to the witnesses appearing before us today, the Secretary of Labor has, in my opinion, little to no interest in improving economic opportunities for servicemembers and veterans. Indeed, the U.S. Department of Labor has, in essence, washed its hands of veterans' employment issues. Not once in Secretary Chao's tenure has she agreed to appear before the Committee to discuss these very important issues. Frankly, I am disappointed with this Labor Department under Secretary Chao's leadership, and I do not believe veterans' employment is a priority for her or this administration. Congratulatory speeches once or twice a year only go so far in creating quality employment and training opportunities for the nation's veterans. I see no issue greater than the economic well being of those who have sacrificed so much to protect us and our economic system. I sincerely hope the administration begins to understand this and starts to work with us to address these important issues.

Thank you Mr. Chairman.

**OPENING STATEMENT OF
LUIS V. GUTIERREZ
FULL VETERANS AFFAIRS COMMITTEE HEARING
"Employing Veterans of Our Armed Forces"
March 24, 2004 at 11:00 a.m.
334 Cannon**

Mr. Chairman, I thank you for holding this hearing to consider how we as a Committee can work with leaders in the business world to facilitate and expand employment opportunities to our nation's veterans.

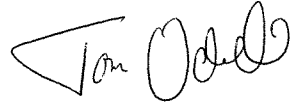
I also want to thank the witnesses today for being here and adding to this ever important dialogue. I am delighted that we have invited business leaders from the automotive, banking and high-tech industries to share their experiences with the veteran workforce.

I am sure everyone here today can agree that veterans involved in the private sector bring with them a wide range and unique set of skills and experiences that is not often found among recent college graduates or the general labor force. In addition, our soldiers make up one of the most diverse components of our society. When these veterans transition to the private sector they will bring with them not only the leadership and dedication that our armed

services instill in them, but also a healthy infusion of diversity and culture that will be an excellent addition to Corporate America.

This is not the first time this committee has taken up this issue since I have been in Congress. I believe it is important for us to continually rethink and refocus our efforts to ensure that our veterans are prepared for the private sector, especially as the growing technologically advanced nature of our nation's economy increases the demand for workers who possess a specific range of computer skills, counseling and training. Today, I am specifically interested in hearing from some of our panelists who have participated in the Department of the Army's Partnership for Youth Success Program (PaYS), about their experience with the initiative and how we as a Committee can work to expand that program to other participants.

Today, while there are well over a hundred thousand troops serving this country in Iraq, Afghanistan the Balkans and around the world, it should be a priority of this Committee to exercise every option in order to provide them with the greatest access and opportunities for gainful employment when they make the transition to civilian life. I thank the panelists again for being here and look forward to working with you in the future.

A handwritten signature in black ink, appearing to read "Tom Udall". The signature is written in a cursive, slightly stylized font.

Opening Statement
HVAC Hearing 3-24-04
"Employing Veterans of Our Armed Forces"
Rep. Tom Udall

Thank you, Mr. Chairman.

I appreciate the initiative taken by Chairman Smith, Ranking Member Evans, and the Veterans Affairs Committee staff to hold a hearing on this very important issue. We have an impressive witness list today and I look forward to hearing what these companies are doing to employ our nation's veterans.

In a time when my constituents—and I'm sure the constituents of my colleagues on this panel—are increasingly concerned about the exportation of American jobs to countries like India and China, I am especially interested to hear what the companies represented here today are doing to ensure that Americans who have bravely served our country are employed.

What I am sure will come out in this hearing today is the sense veterans lend valuable skills to the workplace. As will be stated in some of the testimony but no doubt deserves to be highlighted is that veterans of our armed forces have unique experience that has taught them to accurately assess a situation, consider the best solution, and quickly put a plan into action. Moreover, veterans exhibit integrity, loyalty, and a stellar work ethic—qualities all employers seek in applicants.

In addition to helping veterans get employment in large businesses, we must continue helping veterans open their own small businesses. To that end, I recently introduced a bill called the “Seeds for Soldiers Act.” My bill creates a specialized loan program for veterans through the Small Business Administration, and establishes a vocational rehabilitation program specifically designed to assist veterans in the transition out of service to become entrepreneurs. I believe assisting veterans in running their own businesses is a crucial component to ensuring success upon their return.

Over 4,700 men and women from my state of New Mexico are currently deployed in Iraq and Afghanistan. I want to be able to confidently tell them, upon their return, that they will find work as a veteran in the private sector if they so choose. Just as Uncle Sam said "I want you for the U.S. Army," American companies should be extending their arms to shake the hands of our veterans and welcome them as part of the team.

Thank you, Mr. Chairman.

Joseph J. Grano, Jr.
Written Statement - House Committee on Veteran's Affairs
Hearing on Employing Veterans of Our Armed Forces (March 24, 2004)

I would like to thank the members of this committee for this opportunity to speak on the important issue of employing our country's veterans. I hope that my own experiences as a veteran who transitioned into the private sector might provide you with some useful insights.

As background for the committee on my professional and military experience, I am currently the Chairman of UBS Financial Services Inc. and the Chairman of the Homeland Security Advisory Council.

Prior to my career, I enlisted in the armed services in 1967 and became a Captain of the United States Special Forces, Green Berets. I completed my service six years later after being severely wounded and assigned the status of 60% permanently disabled. After serving my country and facing the rigors and challenges of military duty, I decided that the closest thing I could find to combat was the brokerage business. I therefore chose to enter the fray of the financial services business as a Merrill Lynch broker in New Haven, Connecticut.

During my sixteen years at Merrill Lynch, I was fortunate enough to become the firm's youngest vice president in Manhattan and serve in numerous senior positions, including Director of National Sales. I then joined PaineWebber in February 1988 as President of Retail Sales and Marketing, and became President of the entire firm in December 1994. As President, I was able to oversee a series of significant restructurings at the firm, including the acquisition of Kidder, Peabody in 1995 and J.C. Bradford in 2000, culminating with the merger of PaineWebber with UBS in 2000. In 2001, I was named Chairman and CEO of UBS PaineWebber.

I now also have the privilege of serving my country again. In July 2002, I was appointed Chairman of the President's Homeland Security Advisory Council, where members of industry, academia and the government can work together and lend their talents to the great security challenges we face today as a nation.

I have no doubt in my mind that I owe a great deal of my career growth to many of the skills and leadership attributes that I acquired as a soldier for the United States of America. Indeed, discipline, the ability to quickly assess and react to your environment and efficient communication and interaction with your comrades are as important to success in the private sector as they are in the armed forces.

All of my experiences in the private sector – from being a financial advisor with hundreds of demanding clients to running a 20,000-person financial services firm – have certainly been positively colored by my military experience. I know for a fact that I was able to leverage my military experience when I worked and communicated with clients on a one-on-one basis and strategically plotted appropriate financial paths for them. During periods of market turbulence, clients also need someone who could act as a leader and weather them through the turmoil. Having been a senior executive, I also know the importance of making difficult decisions based on assessing the environment and a firm's strategic capabilities to address it. I also believe that

during the most difficult times, crisis management and re-enforcing morale of the corporate troops are absolutely essential. In short, while corporate battles are by no means the equivalent of real-life combat, they require many of the same skills to achieve success.

While these skills and attributes have been critical for me personally, they are also precisely the same types of characteristics that millions of our fellow citizens have acquired while honorably serving their country. That is precisely why I am here before this committee. I have a tremendous amount of respect and appreciation for the sacrifices our men and women in uniform make on a daily basis, especially during times of combat, as we're in today. I therefore wanted to express my thoughts about the obligations all of us have as private citizens, as HR directors, as any executive – from line manager up through the ranks of CEO.

Indeed, I believe that it is the duty of every patriotic CEO and American to create opportunities for returning veterans. As a firm, my organization tries to ensure such opportunities are indeed available to the men and women who served our country. We've learned that this can be accomplished through very simple actions, like participating in Corporate Gray job fairs and advertising in their books -- "From Army Green to Corporate Gray", "From Navy Blue to Corporate Gray", and "From Air Force Blue to Corporate Gray." Representatives of our firm have also made presentations at military installations and partnered with those who directly interface with veterans throughout the United States (e.g., the Noncommissioned Officer Association). We post job opportunities on websites such as the Destiny Group and the Marine Executive Association. We also provide job descriptions to the Army, Air Force, Navy, Marines and Coast Guard so they can be incorporated into transition packets for returning veterans.

All of these activities are easy enough to do. They merely require that private sector firms have executives who care enough about this issue to do something about it. However, beyond the obligations the private sector has to these fine men and women, this is also about tapping the tremendous talent and resources that our veterans possess. For those firms wise enough and informed enough to realize it, veterans have many qualities that can add significant value to an organization. UBS Financial Services has clearly been a beneficiary of the benefits they bring, with approximately 5% of our employees being veterans and about 8% of our financial advisors – the lifeblood of our organization – having served their country. As a real-life example, the ex-commandant of Fort Hamilton, Colonel Frank Clepper, now serves as a Senior Vice President at our firm and we are a stronger organization for it.

I firmly believe that if other managers in companies across the country more fully leveraged the veterans talent pool, they would not only be supporting these courageous citizens but also positioning themselves ahead of their competitors. One step that this commission might consider in this regard is promoting a voluntary effort where participating companies strive for some standard percent of job applicants to come from the veteran population. A goal of up to 5% - especially for those positions that are most applicable to the skill sets of veterans - would perhaps be a good target. I believe that such efforts should focus on non-commissioned officers as a priority, so that a young, but eager and talented pool of veterans can be groomed into future corporate leaders. In order for this to be successful, the government will however also need to do its part, and more fully leverage programs like the Department of Defense's Transition

Assistance Program to better align and communicate the skill sets of our veterans with the human resource needs of the private sector.

In closing, I know that many of you on this committee contribute a great deal of time and resources to this and other important veterans issues. I'm certain that hearings like this will only help bring about even more positive developments for the many veterans who have been invaluable to this country and hope that my input has been of assistance to you.

**TESTIMONY BEFORE THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS**

DEERE & COMPANY

24 MARCH 2004

Good morning Mr. Chairman and Committee members. My name is Steve Wohlwend, Senior Division Manager of Industrial Relations for Deere & Company. It is a pleasure to come before you today representing John Deere.

John Deere is a 167-year-old global enterprise based in Moline, Illinois, that not only has a rich tradition of supporting those engaged in the agriculture, construction, forestry and grounds businesses, but also has a long history of supporting our military in times of international crisis. John Deere has been on the battlefields since the outbreak of the Civil War. Whether with wartime machines such as wagons, tractors or excavators, or with the recruitment and mobilization of support services here at home, John Deere has answered the call. Today, John Deere answers the call with thousands of employees participating in National Guard and Reserve units across the nation.

The Committee's interest in employer support for Reservists and Guardsmen is admirable and one that we share. It is John Deere's philosophy that our support for those called to duty is not only the right thing to do for America, but it is also good business. Our ability to recruit and retain outstanding talent is strengthened by our company's progressive policies towards Reservists and National Guard members who are becoming an increasingly important component of our nation's defenses. By standing by our deployed employees, John Deere becomes a more attractive employer, and our own recruiting efforts are enhanced.

We have found that the most important result is a more loyal and committed workforce strengthened by employees who have returned from military service. Our approach is to preserve the career of those called to military duty, as well as to ensure that their families don't suffer a loss of income while their loved ones serve.

With the passage of the Uniformed Services Employment and Reemployment Act (USERRA) in 1994, John Deere has viewed these employment rights as a minimum obligation to our employees. We have taken a number of steps beyond the legal requirements to support our men and women called to duty. Special provisions to our

company's military leave and pay policies were adopted following the terrorist attacks in September of 2001. These enhancements have remained in place as the global war on terrorism continues. These provisions ensure that those called to full-time military service are provided 12 months of salary or wage differential as well as full health, life and other John Deere benefits. After twelve months, these military personnel are eligible for an additional six months of company-sponsored medical and dental benefits.

There is no minimum service requirement for military personnel to receive such benefits. Presently we have 55 employees serving our country and receiving these benefits while engaged in full-time military service. John Deere takes great pride in providing these enhancements to the Uniformed Services Employment and Reemployment Act and views this approach as an important part of our corporate citizenship. Additionally, John Deere benefits when these citizen-soldiers return home and bring their added skills, training and work ethic to assist our company in meeting the competitive challenges of the global marketplace.

In addition to John Deere's enhanced support for employees called to duty, our company is among those that have partnered with the United States Army in a program called Partnership for Youth Success, or as it is more frequently called by its acronym - PaYS. PaYS was conceived by the United States Army Recruiting Command and advanced by the Command's Major General Michael D. Rochelle as a win-win approach to address the recruitment needs of employers and the Army. The program allows the Army to use offers of employment opportunities with partner corporations as a recruitment tool. Upon entering military service, Army recruits would, at their option, select a partner company and job category for potential employment upon exiting military service. PaYS allows recruits to align their military training opportunities with actual private sector job requirements. Simply put, the corporate brand of John Deere and other leading companies is leveraged by the Army in their recruitment of talent. Following the completion of military service, John Deere and other corporate partners receive the benefits of these soldiers' excellent military training and experience.

The program is beneficial for the Army, their corporate partners and the recruits. PaYS helps the Army in their recruitment efforts, pairs talent with John Deere's actual business needs, and assures recruits that their military training is transferable to the private sector.

Because the program was launched in 2000, the first enlistees in the program will soon be exiting the military for civilian life. John Deere looks forward to hiring its first "class" of veterans of the PaYS program. We fully expect to benefit from not only their extensive targeted training but also from the maturity and discipline gained through their military service. Over the next several years, John Deere will give hiring preference to more than 200 Army PaYS "graduates" for employment opportunities within our company. We are flattered that these veterans would choose John Deere as a future employer and look forward to their service within our organization.

The Army deserves great credit for the development of this innovative program that benefits recruits, corporate partners and, of course, the military and its veterans. Our company is very proud to be associated with the United States Army through PaYS, which in a small way allows John Deere to further serve our country.

Thank you again, Mr. Chairman, for allowing me to share with you how John Deere supports our employees called to military service as well as how John Deere and the United States Army are beneficiaries of the Partnership for Youth Success, a valuable public-private partnership.

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**Steve Wohlwend
Curriculum Vitae**

Steven A. Wohlwend has been employed by Deere & Company for twenty-six years. He currently serves as Senior Division Manager, Industrial Relations for Deere & Company and offices in the company's worldwide headquarters in Moline, Illinois. In this capacity Mr. Wohlwend develops, manages and negotiates labor agreements with three major unions and oversees the health and pension benefits for all U.S. Deere salaried employees. In prior positions with the Company, Mr. Wohlwend has served as Human Resources Manager for John Deere Dubuque Works as well as having held other Compensation, Benefits and Industrial Relations positions. He earned a B.A. degree at Wartburg College as well as a M.A. degree at Iowa State University. Mr. Wohlwend resides in Bettendorf, Iowa.

Federal Grants or Contracts Relative to the Testimony

Deere & Company has not received any Federal Grants or any Federal Contracts relative to the subject matter of today's testimony. Whereas it is neither germane to the Veterans' Affairs Committee nor necessary as such to disclose pursuant to the House Rules, Deere & Company does provide the U.S. Department of Defense with equipment sales via competitive bid and cooperates with DOD-led Research and Development.

**Committee on Veterans' Affairs
U.S. House of Representatives
Testimony of Robert W. Smith III, Major General, U.S. Army Reserve
March 24, 2004**

Adding to the Bottom Line with a Veteran

It is my distinct privilege and honor to have an opportunity to share with you from a personal perspective as a combat veteran, some of my thoughts of why hiring a veteran can be added value and help improve the bottom line.

People are the greatest asset a company or organization can have or invest in. As a finance professional, the attached balance sheet below is part of my world and is the underpinning for development of a business case for hiring a veteran. The left side of the balance sheet represents what companies' value, while the right side lists the skills of the veteran that correspond to each category.

In my 30 years at Ford Motor Company, I have no doubt the preceding veterans' demonstrated skills have been both an asset to the company and me. For example, we veterans can help improve a company's bottom line by: utilizing leadership; a "can do" attitude; and, teamwork skills to help create, implement and manage a global financial reporting infrastructure which can result in worldwide cost reduction for redundant operations and /or processes.

My skills have enabled me to experience an outstanding career at FORD. The skill sets of being able to multitask, manage time effectively, and embody the core value of selfless service, have enabled me to be a controller, facilities manager and military reservist simultaneously. This challenging triad has been part of the motivation to why I have remained with Ford for 30 years and encouraged others to stay, thus reducing training cost and personnel turnover cost.

The above listed skills of veterans can also lead to awards, honors, and recognition from companies. For me, these have included the company's Diversity & Worklife Award and the Leadership Excellence Award along with being selected by the company's chief operating officer to represent FORD as one of its Centennial Tour Speakers. I have also been recognized with the Recruiter Excellence Award, which was a result of my opportunity to help recruit many outstanding candidates.

I, as well as other recruiters, have found that military veterans often will rise to the top of the recruiter's recommendation for hire list during the interviewing process because of their skill sets and prior experiences coupled with their academic credentials.

Throughout my many years at FORD, I have met, mentored and networked with countless FORD military veteran employees from the plant shop floors to the board rooms here and abroad, and I have observed that several of them have retired with the ranks of Major General or Admiral. They have included Major General Bodycomb, United States Air Force Reserve (Former pilot for Henry Ford II), Admiral Landus,

United States Navy Reserve, and Major General Williams, United States Marine Corp Reserve.

I would like to thank the Committee on Veterans' Affairs for this opportunity to put forth my views about why hiring a military veteran is important. I am one military veteran. But there are thousands of deserving, skilled veterans whose hiring will benefit corporate America. So at the end of the day, hiring a veteran not only makes good business sense, but sound financial sense since their skill sets will help add black ink to the corporate bottom line.

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Attachment: Veteran's Personnel Balance Sheet

VETERANS' PERSONNEL BALANCE SHEET

<u>Companies Value:</u>	<u>The Book Value of the Veteran:</u>
Innovation	Leadership Adaptability Ability to multitask Worldwide Travel
Elimination of Waste	Time Management "Can Do" Attitude Task Oriented Work Ethic- Accomplish the Mission First
Reduction of Health Care Cost	Physical Fitness Dental Fitness Anti-drug Culture Stress Management (Mental and Physical)
Reduction of Training Cost	Leadership Training Skills with Real World Experience Teamwork Skill Set Ethics -- Leave No One Behind
Reduction of Personnel Turnover Cost	Leadership Skills Ethics -- Loyalty to Unit
Improvement of Corporate Image	Leadership Ethics -- Integrity Core Values -- Selfless Service Live the Diversity Model
<hr/> Black Ink \$\$\$	<hr/> Military Veterans as Human Capital

equals

ORACLE®

Statement of

Joseph "Keith" Kellogg
Senior Vice President
Homeland Security Solutions
Oracle Corporation

Before the

Committee on Veterans Affairs
United States House of Representatives

24 March 2004

Mr. Chairman, Vice Chairman Bilirakis, Ranking Member Evans, and members of the Committee, my name is Keith Kellogg, Senior Vice President for Homeland Security Solutions at Oracle Corporation. Thank you for the opportunity to testify here before you this morning.

Oracle is the largest enterprise software company in the world, providing information management solutions to organizations ranging from the Fortune 1000 to the federal government. In fact, we at Oracle are proud of the partnerships we have with the Department of Defense and the Department of Veterans Affairs on a wide range of mission-critical information management initiatives. We at Oracle also take great pride in the many men and women at Oracle who serve in the Guard or Reserves. Since September 11th, 24 Oracle employees have been called to active duty.

After 32 years in the United States Army, it seems fitting and ironic that my first formal testimony before Congress as a private citizen is before the House Veterans Affairs Committee. It is even more appropriate that I am here to talk about the employment of veterans in the private sector because that has been a central topic in my own household this past year. While I am certainly enjoying this new chapter as veteran and private citizen, the transition has had its share of dramatic diversions. I joined Oracle last summer, but within four months after my arrival, I was asked by the President of the United States to return to public service-- this time as Chief Operating Officer of the initial Coalition Provisional Authority in Iraq, where I served for four months before returning to Oracle.

Everyday seems to begin with yet another challenge for our US military forces. That is certainly true for the more than 120,000 young men and women who are serving our country in Iraq, but it is also true for the tens of thousands of brave and dedicated Americans who wear a military uniform in places like Bosnia, Afghanistan, and most recently Haiti. They are new heroes for a new century, and it was a great honor to work with all of them in Iraq. I was particularly impressed with the can-do spirit, teamwork, initiative and leadership demonstrated at every level of our military. And let us not forget the single most important characteristic shared by each and every member of our military: They volunteered. This level of commitment, this unsurpassed dedication shown by all branches of the military is something all Americans can be proud of.

As difficult as serving in the military can be, the transition from military to civilian life can prove to be far more daunting, especially for veterans injured in the line of duty. Sometimes the benefits of medical and psychological help are slow to take hold. This was very true for our Vietnam veterans, and will certainly be true for veterans of the Persian Gulf war, Iraq, Afghanistan or Bosnia. This will most certainly mean new demands on the Department of Veterans Affairs, and specifically, on the numerous programs it has available to assist veterans as civilians, including health benefits, vocational rehabilitation and employment services.

Oracle's long-standing partnership with the VA has not been limited to technology alone. In the 1990s, Oracle's corporate headquarters in Redwood Shores, California, partnered

with the local VA office and a nonprofit organization called the Next Step Center, which provided veterans with a place to live, and health and vocational services to turn their lives around for the better. The Next Step Center reached out to Oracle and other companies in the area to see if there were opportunities for veterans to get a new lease on life in the workforce. The folks in the manufacturing and distribution division at Oracle, which was chiefly responsible for packaging and shipping software to our customers, worked with the Next Step Center to provide many veterans with jobs in packaging and shipping. Although Oracle software is now shipped mainly through electronic means, several veterans who participated in the program are still working for Oracle today.

Mr. Chairman, if I could give one piece of advice for many of our younger members of the armed forces – those who may have volunteered for service right after high school or junior college – I would urge that they transition from the military to civilian life through a college or university, especially those institutions that provide the education and skills sets needed to be an innovator in the information technology industry. We at Oracle have a number of partnerships with institutions of higher learning through the Oracle Academic Initiative. This initiative partners with educators to deliver state-of-the-art Oracle software and curriculum resources to the college and university classroom. Our mission is to enable every student of higher education across the globe to acquire industry-relevant skills and an introduction to the Oracle certification pathway as part of a broader program of study.

Oracle also is in the third year of a scholarship partnership with the United Negro College Fund. Juniors and seniors who are enrolled in UNCF Schools and any other Historically Black Colleges and Universities are eligible to participate in an 8-week paid summer internship at an Oracle location in Redwood Shores, California or Reston, Virginia. Students are assigned summer projects in the areas of software engineering, marketing, business administration, finance, accounting and human resources. Upon successful completion of the internship, students are eligible to receive a \$10,000 scholarship to cover tuition and other school expenses.

When it comes to technical training, there is no substitute for a college education; however, there is no better training ground for leaders than the US Armed Forces. It is very clear that Oracle's CEO, Larry Ellison, sees former military officers as central to the company's current and future success. Former officers serve many leadership positions at Oracle, including:

- Our Chief Security Officer, Mary Ann Davidson, who served as a Commander in the US Navy.
- Our President, Charles Phillips, who is a graduate of the Air Force Academy.
- Kevin Fitzgerald, my boss, who runs Oracle Government, Education and Healthcare, and is a former pilot in the United States Air Force.
- Jack Pellicci, currently in charge of Government, Education and Healthcare business development and also a longtime contributor to Oracle's global government and spatial technology efforts, is a retired general in the US Army.

Mr. Chairman, those are just some of the more than 300 military veterans who work at Oracle Corporation. And it's fair to say there are hundreds and hundreds of Oracle employees, starting with our Chairman of the Board, who are the children of military veterans.

The value of former military personnel and leaders to Oracle is obvious and cuts across a number of levels. First, the Defense Department is one of Oracle's most valued customers and partners – a Department that has a complex and diverse set of mission requirements among all four service branches, the Reserves, and the Guard. These missions present their own information management challenges and opportunities – challenges in logistics, supply chain, personnel, and financial management. Who better to help Oracle better understand the complexities of these mission requirements, and who better to help Oracle apply and leverage technology to make these missions more effective and efficient than military veterans. Oracle's domain expertise is one reason why it has been a trusted technology adviser and provider to government agencies since its inception more than a quarter century ago.

The value of veterans extends beyond the direct partnership with DOD. In today's military, men and women are exposed to large-scale operations, and this background, coupled with the appropriate training in our academies, colleges and universities, makes them particularly useful as we move toward a more integrated, larger-scale information infrastructure that cuts across all levels of government.

Oracle also has benefited from its long-standing relationship with and sponsorship of the Armed Forces Communications and Electronics Association. AFCEA was created not long after the Second World War and has been a critical bridge between government requirements in communications and technology and industry capabilities. Of more importance and interest to this Committee given today's hearing, AFCEA maintains a tax-exempt educational foundation that provides annual scholarships, fellowships and awards to students who are studying the "hard" sciences in our five service academies, ROTC programs, graduate schools and other educational institutions. The foundation also operates a professional development center to help active military get the additional skills they need to further their military careers or to transition to the private sector. In fact, AFCEA continues to play an important role in identifying top talent within our military, as several of our veterans here at Oracle can attest.

Mr. Chairman, there is no question that we at Oracle look forward to working with you and the Department of Veterans Affairs to ensure that today's military leaders – young and old – can make a smooth transition to become tomorrow's citizen leaders, whether it be in business, education or innovation. Thank you again for the invitation to appear before you today.

THE HOUSE VETERANS AFFAIRS COMMITTEE

Hearing on "Veterans as a Unique Resource to Our Economy"

March 24, 2004, 10:00 A.M.

Statement of Wesley Poriotis

Chairman and co-founder of Veterans Across America

A VETERANS SOCIAL MOVEMENT

"BRANDING" THE VETERAN:

CREATING DEMAND FOR THE VETERAN IN THE WORKFORCE

MEMBERS OF THE COMMITTEE, HONORED GUESTS, LADIES AND GENTLEMEN:

IT'S AN HONOR AND A PRIVILEGE TO APPEAR BEFORE THIS COMMITTEE. I'D LIKE TO THANK CHAIRMAN SMITH AND RANKING MEMBER EVANS FOR THEIR VISION IN CONVENING A GROUP OF TOP BUSINESS EXECUTIVES TO TACKLE THE ISSUE AT HAND. A SPECIAL THANKS TO ALL OF YOUR STAFF MEMBERS WHO WORKED SO HARD TO MAKE THIS HEARING A SUCCESS.

WE HAVE AN OPPORTUNITY TO IGNITE THE FUSE ON THE FIRST GREAT SOCIAL MOVEMENT OF THE 21ST CENTURY--A VETERANS SOCIAL MOVEMENT.

I'M OLD ENOUGH TO RECALL TWO OF THE GREAT SOCIAL MOVEMENTS OF THE 20TH CENTURY--THE CIVIL RIGHTS MOVEMENT AND THE WOMEN'S MOVEMENT. THESE MOVEMENTS—WHICH TRANSFORMED OUR SOCIETY AND EMPOWERED MILLIONS OF CITIZENS--HAD ONE COMMON DENOMINATOR:

BEFORE EITHER WOMEN OR PEOPLE OF COLOR COULD TAKE THEIR RIGHTFUL PLACE IN AMERICAN SOCIETY--AND COMPETE EQUALLY ON THE PLAYING FIELDS OF BUSINESS AND POLITICS--A MASSIVE ATTITUDINAL CHANGE TOWARD INCLUSIVENESS HAD TO TAKE PLACE--TOWN BY TOWN, COMMUNITY BY COMMUNITY, FAMILY BY FAMILY.

WE MUST NOW UNDERTAKE A THIRD GREAT SOCIETAL CHALLENGE: TO INSURE THAT AMERICA'S VETERANS HAVE THE FULL OPPORTUNITY TO

COMPETE FOR QUALITY EMPLOYMENT. AND TO ELIMINATE THE DESELECTIVE BIAS THAT CONTINUES TO HINDER TRANSITIONING AND FORMER MILITARY FROM COMPETING ON A LEVEL PLAYING FIELD.

THIS DESELECTIVE BIAS IS SIMILAR TO THAT FACED BY WOMEN AND PEOPLE OF COLOR IN DECADES PAST, AS THEY BATTLED TO GAIN A Foothold IN THE AMERICAN WORKFORCE.

THIS BIAS PERSISTS BECAUSE OF THE MYTHS, MISCONCEPTIONS AND STEREOTYPES THAT HAVE GROWN UP ABOUT THE VALUE OF MILITARY SERVICE TO THE PRIVATE SECTOR—ESPECIALLY IN THESE LAST THREE POST-VIETNAM DECADES OF A VOLUNTEER MILITARY.

THIS BIAS IGNORES A KEY LESSON OF HISTORY, THAT THE MILITARY IS A GREAT TRAINING GROUND FOR BUSINESS LEADERS.

WORLD WAR II WAS THE CLASSIC EXAMPLE. THE HARVARD BUSINESS SCHOOL CLASS OF 1949, THE FIRST POST WAR CLASS, PRODUCED 700 NEW MBAs. 91% OF THEM WERE VETERANS. HOW WELL DID THEY DO IN BUSINESS? PRETTY DARN WELL.

A THIRD OF THEM BECAME CEOs, INCLUDING JIM BURKE OF JOHNSON & JOHNSON, TOM MURPHY OF CAPITAL CITIES/ABC, MARVIN TRAUB OF BLOOMINGDALES AND PETER MCCOULOUGH OF XEROX.

IN SPITE OF THIS STELLAR RECORD OF ACHIEVEMENT, MORE RECENT GENERATIONS OF VETERANS HAVE NOT HAD NEARLY AS MUCH SUCCESS IN THE WORKFORCE, HAVE NOT RISEN TO LEADERSHIP ROLES IN THE SAME NUMBERS.

THE BAD NEWS IS THAT MILITARY SERVICE HAS BECOME DEVALUED IN THE AMERICAN WORKFORCE. THE GOOD NEWS IS THAT WE AT **VETERANS ACROSS AMERICA** HAVE A SOLUTION TO THIS PROBLEM.

THE AMERICAN SOLDIER HAS BEEN HERALDED BY *TIME* MAGAZINE AS "PERSON OF THE YEAR." BUT IN CORPORATE AMERICA THAT RESPECT HAS NOT SPREAD WIDELY ENOUGH BEYOND THE REALM OF THE COMPANIES THAT HAVE TRADITIONALLY HIRED MANY VETERANS—THE NATION'S DEFENSE CONTRACTORS.

TWO YEARS AGO I HAD THE PRIVILEGE OF TESTIFYING BEFORE THE BENEFITS SUBCOMMITTEE OF THIS BODY, BEFORE CHAIRMAN SIMPSON AND RANKING MEMBER REYES, IN REFERENCE TO THE JOBS FOR VETERANS ACT.

I SAID THEN THAT A KEY TO SUCCESS IN THIS AREA WAS TO
“**AGGRESSIVELY MARKET THE MILITARY TO CORPORATE AMERICA.**”

BUILDING ON THIS CORE IDEA, LAST YEAR WE CONVENED A BRANDING SUMMIT WHICH BROUGHT TOGETHER SOME OF THE MOST ASTUTE BUSINESS AND CREATIVE MINDS OF OUR TIME.

THEIR CONCLUSION? WE CAN AND SHOULD **BRAND THE VETERAN AND CREATE A DEMAND** FOR THIS COMPETITIVE RESOURCE AMONG ALL AMERICAN EMPLOYERS.

AFTER ALL, THE ARMED SERVICES SPEND \$600 MILLION ANNUALLY IN MARKETING AND ADVERTISING AS AN ENGINE TO RECRUIT YOUNG WOMEN AND MEN **INTO** THE MILITARY.

TOGETHER, WE MUST BUILD AN EQUALLY POWERFUL ENGINE TO PROPEL THOSE WITH MILITARY SERVICE **INTO** THE AMERICAN WORKFORCE.

“BRANDING” THE VETERAN, LITERALLY RELAUNCHING THE VETERAN AS A VALUABLE RESOURCE (OR PRODUCT) USING CLASSIC CONSUMER ADVERTISING TECHNIQUES, WILL ACCOMPLISH TWO OBJECTIVES:

- BRANDING WILL CREATE THE **PULL** IN THE MARKETPLACE FOR THE VETERAN AND TRANSITIONING MILITARY, BECAUSE THEY WILL BE PERCEIVED AS A VALUABLE AND COMPETITIVE ASSET.
- A BRANDING CAMPAIGN WILL EMPOWER TRANSITIONING MILITARY TO APPROACH THE CAREER MARKETPLACE WITH A HIGH DEGREE OF CONFIDENCE

(ONE WAY TO FURTHER BUILD THE CONFIDENCE AND SELF ESTEEM OF TRANSITIONING MILITARY WOULD BE TO INCORPORATE THIS BRANDING CAMPAIGN RIGHT INTO THE ACTIVE MILITARY.)

WHAT ARE THE LONG-TERM COSTS OF SUCH A BRANDING AND MARKETING CAMPAIGN? IT WOULD BE LESS ON AN ANNUAL BASIS THAN WHAT THE AVERAGE DETROIT AUTOMAKER SPENDS ON THE INTRODUCTION/LAUNCH OF ONE NEW VEHICLE!

A KEY PART OF THE "BRANDING" PLAN IS WHAT I WOULD CALL THE **INFORMATION SOLUTION**. THIS IS THE DIGITAL AGE. WE ALL USE COMPUTERS, DATABASES, E-MAIL SOFTWARE, AND THE INTERNET TO SOLVE PROBLEMS IN OUR BUSINESS AND OUR PERSONAL LIVES.

LET'S USE TECHNOLOGY TO HELP VETERANS COMPETE FOR BETTER JOBS. AND TO HELP COMPANIES TAP THIS VALUABLE RESOURCE.

HERE'S ONE STRIKING STATISTIC. FOUR MILLION. THAT'S HOW MANY VETERANS HAVE TRANSITIONED FROM THE ARMED FORCES SINCE THE END OF THE FIRST GULF WAR. FOUR MILLION. THAT'S A LOT OF TALENT POURING INTO THE WORKFORCE.

THE PROBLEM IS THAT, IN THIS VAUNTED DIGITAL AGE, WHEN WE HAVE VAST AMOUNTS OF DIGITIZED DATA ABOUT EVERYBODY ON THE PLANET, WE DON'T HAVE A CLUE ABOUT WHAT **HAS HAPPENED** TO THESE FOUR MILLION VETERANS.

HERE IS WHAT WE **DO** KNOW ABOUT THEM, BASED ON EXHAUSTIVE DATA COMPILED **BEFORE** THEY EXITED THE MILITARY.

- 42% OF THESE VETERANS, 1.6 MILLION, LEFT THE SERVICE WHEN THEY WERE BETWEEN **20 AND 24** YEARS OF AGE; 75% OF THEM TRANSITIONED WHEN THEY WERE UNDER THE AGE OF 34.
- MORE THAN 334,000 OF THEM HAVE SPECIFIC TRAINING IN THE AREA OF **COMMUNICATIONS AND INTELLIGENCE**.
- MORE THAN 219,000 OF THEM HAVE **HEALTH CARE** TRAINING
- THEY'RE HIGHLY EDUCATED: MORE THAN 35,000 HOLD PHDs; 108,000 HOLD MAs OR MSs; 254,000 HOLD BAs OR BSs; AND AN IMPRESSIVE 3.4 MILLION OF THE 4.1 MILLION HAVE AT LEAST A HIGH SCHOOL DEGREE.
- LOOKING FOR MINORITY TALENT? WELL, 25% ARE BLACK OR HISPANIC.

BUT WE KNOW NEXT TO NOTHING ABOUT HOW THEY HAVE USED THEIR SKILLS AND EDUCATION, BECAUSE THE GOVERNMENT DOESN'T TRACK THEM.

THAT'S TOO BAD. BECAUSE THESE FOUR MILLION REPRESENT AN EMPLOYMENT "NETWORK" FOR OTHER VETERANS TRANSITIONING EVERY DAY.

BUT WE CAN'T TAP THAT NETWORK BECAUSE WE DON'T KNOW WHERE THESE VETERANS HAVE LANDED AND WHAT THEY'RE DOING.

BY CONTRAST, THINK OF THE MILLIONS OF STUDENTS WHO HAVE GRADUATED FROM AMERICA'S COLLEGES AND UNIVERSITIES SINCE 1990. WE KNOW A TREMENDOUS AMOUNT ABOUT WHERE THEY ARE BECAUSE COLLEGES TRACK THE PROGRESS OF THEIR ALUMNI/AE WITH GREAT CARE. AND NOT JUST FOR FUND-RAISING PURPOSES. BECAUSE GRADUATES FROM EARLIER YEARS REPRESENT A VITAL EMPLOYMENT NETWORK FOR NEWER GRADUATES.

LET'S TAKE A PAGE FROM THE PLAYBOOK OF AMERICAN COLLEGES. LET'S TRACK THE EMPLOYMENT SUCCESS OF OUR TRANSITIONING MILITARY—THE MILITARY'S VERSION OF COLLEGE ALUMNI.

LET'S TAP THIS NETWORK TO HELP OUR NEWEST MILITARY "GRADUATES" FIND THEIR PLACE IN THE WORKFORCE.

WITH THE HELP OF FORBES MAGAZINE, *VETERANS ACROSS AMERICA* HAS IDENTIFIED ABOUT 40 CEOs OF AMERICAN COMPANIES WHO ARE VETERANS. BUT WHY STOP THERE? LET'S IDENTIFY **ALL** OF THE CEOs WHO ARE VETERANS, INCLUDING THOSE AMONG THE FOUR MILLION.

LET'S ALSO DEVELOP SOME PERFORMANCE METRICS ABOUT VETERANS. AFTER ALL, WE SPEND \$17 BILLION A YEAR OF TAXPAYER MONEY TO TRAIN THE MEMBERS OF OUR ARMED FORCES.

SHOULDN'T WE SPEND A LITTLE MORE MONEY TO FIND OUT HOW EFFECTIVE THIS TRAINING HAS BEEN IN PREPARING VETERANS TO PERFORM IN THE PRIVATE SECTOR, WHERE THE VAST MAJORITY WILL WIND UP?

MANY COMPANIES SAY THEY WOULD LOVE TO HIRE MORE VETERANS BUT THEY HAVE TROUBLE FINDING THEM, HAVE TROUBLE CONNECTING WITH THOSE WHO HAVE THE SKILLS AND TALENTS NEEDED FOR SPECIFIC JOBS.

WOULDN'T IT BE VALUABLE TO HAVE A **SOFTWARE AND SUPPLY CHAIN ENGINE** THAT COULD LINK THE SPECIFIC REQUIREMENTS OF REAL LIFE JOBS THAT COMPANIES ARE TRYING TO FILL EVERY DAY—COMPANIES LIKE THOSE TESTIFYING HERE TODAY—WITH THE SPECIFIC SKILLS AND TALENTS THAT MEMBERS OF THE ARMED FORCES HAVE LEARNED IN THE MILITARY? THE SO-CALLED **MILITARY OCCUPATIONAL SKILLS**, OR MOSs.

USING SUCH A SOFTWARE ENGINE, A COMPANY COULD PLUG IN THE JOBS IT NEEDS TO FILL—SAY, TRUCK DRIVER OR COMPUTER EXPERT OR VP OF SALES OR AUDITOR OR WAREHOUSE LOGISTICS CHIEF—AND IN SECONDS THE SOFTWARE WOULD PROVIDE A LIST OF ALL THE AVAILABLE VETERANS WITH THOSE EXACT SKILLS.

AS PART OF OUR PROPOSED SOLUTION, *VETERANS ACROSS AMERICA* IS BUILDING THIS VERY SOFTWARE, IN CONJUNCTION WITH PEOPLESOFT, INC.

THIS SOLUTION CAN SUCCEED **NOW** BECAUSE WE ARE AT A WATERSHED MOMENT, WHEN THERE IS A POWERFUL AND POSITIVE CONNECTION BETWEEN THE AMERICAN PEOPLE AND OUR MILITARY.

I'LL CONCLUDE BY STRESSING A FEW FINAL POINTS.

WE MUST STAY PASSIONATE ABOUT OUR MISSION. AS STATED, IT IS A MOVEMENT...A VETERANS SOCIAL MOVEMENT.

AND WE MUST STAY THE COURSE ON THE BIG IDEA.

LET'S "**BRAND**" THE AMERICAN VETERAN.

SO THAT AMERICAN EMPLOYERS BECOME FULLY AWARE OF THE VALUE OF THIS RESOURCE.

AND SO THAT AMERICAN COMPANIES WILL COMPETE WITH EACH OTHER TO ATTAIN THIS VALUABLE ASSET.

LET'S DEPLOY ALL OF THE POWERFUL TOOLS OF THE DIGITAL AGE—
SOFTWARE, DATABASES, THE INTERNET—TO CREATE A **NETWORK** OF
VETERANS WHO HAVE SUCCEEDED IN AMERICAN BUSINESS.

FINALLY, TO ACHIEVE THESE GOALS, WE NEED SUFFICIENT RESOURCES—
FINANCIAL, DIGITAL, HUMAN. I CALL UPON THE MEMBERS OF THIS
COMMITTEE, AND THE CORPORATE AND POLITICAL TALENT IN THIS ROOM,
TO BAND TOGETHER IN A PARTNERSHIP TO PROVIDE THESE RESOURCES..

THIS PARTNERSHIP SHOULD BE DEDICATED TO INSURING THAT ALL OF
THOSE VETERANS WHO HAVE SERVED THIS COUNTRY OVER THE GENERATIONS
CAN CONTINUE THEIR SERVICE TO NATION AFTER THEY LEAVE THE MILITARY.

WITH YOUR HELP, VETERANS WILL FIND THEIR RIGHTFUL PLACE IN
AMERICAN SOCIETY. AND OUR COUNTRY WILL FINALLY REAP THE HARVEST OF
THE ABUNDANT SKILLS AND TALENT THAT VETERANS HAVE GAINED IN
SERVING THEIR COUNTRY.

THANK YOU.

Remarks by Harold Scott
Harley-Davidson Vice President of Human Resources
To the U.S House of Representatives Committee on Veterans Affairs
March 24, 2004

Thank you, Chairman Smith, ranking member Evans and other members of the committee for the privilege to appear today before the House Committee on Veterans' Affairs. My name is Harold Scott. I am the Vice President, Human Resources for Harley-Davidson Motor Company.

I appreciate the opportunity to tell you about our effort to bring visibility to issues surrounding former service members who are seeking employment.

During Harley-Davidson's 100-year history of making great motorcycles, our products have seen significant action in the U.S. military.

We recently signed an agreement to partner with the United States Army's Partnership for Youth Success Program (PaYS). The Army PaYS program is a new initiative that offers Wisconsin youth the ability to serve our nation while preparing them with the necessary skills to be an effective employee in our company. The partnership between Harley-Davidson and the U.S. Army benefits everyone by providing quality, mature and disciplined young adults with an opportunity for employment.

Harley-Davidson has a long history of supporting employees who serve our country. As far back as 1917 we gave assurances to the U.S. Department of War and Navy that the company would agree to rehire all of its employees who left to fight in World War I. In addition, during contemporary wartime, we have supported our veteran employees. This supports predates the initiation of laws associated with the Uniformed Service Employment and Reemployment Rights Act (USERRA) of 1994.

At Harley-Davidson we experience the positive contributions of military veterans every day. From leadership positions throughout every level of the company,

military veterans have brought a work ethic reflective of the training and experiences they've acquired. It is now estimated that about 15% of Harley-Davidson's U.S. employees are military veterans, and 29% of our customers have served in the military.

An example of one of our employees is Brian Zarilla, Preparation Technician, Harley-Davidson Vehicle Operations, York, PA. He served four years of active duty in the Air Force and has spent the last 14 years in the 111th Fighter Wing of the Pennsylvania Air National Guard. Zarilla, a Master Sergeant (Msgt) and an aircraft Maintenance Quality Assurance Evaluator, was called to active duty in 1995 in support of Operation Southern Watch in Kuwait. Currently, numerous members of his unit have been deployed in support of Operation Iraqi Freedom; however, he has not been called to active duty yet. Sergeant Zarilla has been able to achieve the balance between work and family obligations, as well as the duties of a reservist through the support of his family, the words of encouragement from his co-workers and through Harley-Davidson's Special Military Leave Policy.

Harley-Davidson has started initiatives for both our current employees and customers designed to honor their military involvement and provide support as they are serving our country.

We support our employees serving the Guard and Reserve through pay and benefits. Harley-Davidson Motor Company, as well as the I.A.M. and PACE International unions, have committed to a policy to meet the financial needs of Military Reservists and National Guard members who are called to active duty by presidential order during a military crisis. We do this by compensating an employee called to duty for the difference between his or her military pay and his or her normal salary or straight time hourly rate of pay during their absence. Likewise, the families of employees called to duty will receive continued health insurance and 401(k) benefits.

For our customers we recently established a program called "Operation Mission Accomplished." This program extends the warranty coverage on Harley-Davidson and Buell motorcycles belonging to military personnel recently deployed in

support of operations in Afghanistan and Iraq. This program insures that Harley-Davidson provides a level playing field for those who serve our country.

Also in 2004, Harley-Davidson will present our annual "Genuine Hero" Award to a veteran for dedication and service to our country. All veterans are eligible to apply for this award. Veterans, or family and friends of veterans are asked to nominate persons on such characteristics as patriotism, citizenship, and wartime heroism or community service.

I feel privileged to speak to the committee today on behalf of the leadership and employees of Harley-Davidson as I express to you our respect for what veterans have done to preserve our freedom and protect our country. We believe it's our duty as a company to help veterans assimilate back into the workforce when their service to our country is complete. And we are honored to do so.

We know from experience that the better Harley-Davidson's employee population reflects our customer base, the more successful we will be as a company. Having a common bond of military service strengthens our employee's ability to relate to customers and meet their needs.

In short, support of veterans makes good business sense for Harley-Davidson.

Mr. Chairman and Committee Members, given the current unemployment situation in the United States, Harley-Davidson believes that it is especially important to consider those challenges faced by military personnel after completion of their service. It is my hope and the hope of Harley-Davidson's leadership team that all U.S. employers -- as well as policy makers -- will treat this situation as a serious responsibility. Together, we need to do whatever steps are required to secure work opportunities for our veterans. You can be assured Harley-Davidson will do everything in its power to continue our efforts. Thank you.

PeopleSoft®

Testimony

to the

Committee on Veteran's Affairs

On

"Employing Veteran's of Our Armed Forces"

Presented by:

Kevin Horigan

Group Vice President, Public Services

March 24, 2004

PeopleSoft.

TESTIMONY

Mr. Chairman, distinguished Members, and colleagues:

It is an honor for me and for PeopleSoft to be invited here and I thank you for the opportunity to testify before the House Committee on Veterans' Affairs on "Employing Veterans of Our Armed Forces." Many contributing factors are projecting this important topic into the forefront of both public and private sector agendas. Today,

- Many public sector organizations are facing an unprecedented numbers of workers eligible for retirement in the next 5 years. Some states and federal agencies project up to 50% of their workforce is eligible for retirement today.
- Many private sector organizations are just beginning to reap the benefits of the economic recovery – job creation is just beginning.
- State and local first responder organizations are burdened due to deficit situations, reduced funding, and key personnel being called to active duty from Reserve and National Guard units.
- All organizations are seeking technology-savvy resources to compete or provide higher level of services to customers and citizens.

For continued military and operational readiness, the combined Armed Forces spent \$17B on training last year alone. However, private sector and state and local governments were not in a position to spend even a fraction of this on training.

For veterans these factors mean tremendous opportunity. For hiring entities, the opportunity is even greater.

- Our veterans are more educated than non-veterans. This equates to less training required by employers.
- Our veterans have critical skills not easily assessable in the private sector. Skills including communications, encryption, security, and other computer and technology skills, healthcare, logistics/manufacturing.
- Greater than 50% of veterans coming out today have advanced technology and computer skills.

But there are other characteristics as well that make veterans an attractive group for recruitment and employment.

- Loyalty
- Stress Management
- Discipline
- Leadership

More organizations must leverage these assets. Companies have the need for people with these characteristics today. In some cases, the need for technical and computer skills is urgent to support mission critical business applications and functions.

At PeopleSoft, the fourth largest software company in the United States, we employ more than 12,000 people. We have a diverse workforce that is dispersed across the United States. Our major employment centers include our corporate headquarters in Pleasanton, California, and major offices in New Jersey, Colorado, Texas, Pennsylvania, Georgia, Illinois and our Public Services headquarters in Bethesda, Maryland. My organization serves Public Service Organizations, including State & Local governments, and Federal clients, as well as Higher Education, K-12, Healthcare, and public utilities.

As I look at PeopleSoft's workforce, which is representative of most high tech companies, the vast majority of individuals are highly educated, motivated, and technology-oriented. Now, let us look at the picture of today's veteran. To look at the over 4 million veterans that have exited the Armed Forces since 1990, 75% of them have been between the ages of 20 and 34. These veterans are educated, trained, dedicated, and highly employable. There are many parallels.

PeopleSoft.

Veterans are a valuable part of the PeopleSoft workforce, particularly the Public Services group. The technology, logistics, healthcare, and security skills have immense applicability. We actively recruit and hire veterans. Veterans serve as Account Executives, Directors, technical and business professionals and accountants. Veterans are present in every part of PeopleSoft's business.

I'd like to talk now about what we're doing beyond the walls of PeopleSoft, to assist veterans in their employment efforts on a larger scale, and make sure that you know where you too can help repay the debt of honor we all owe these soldiers returned as citizens.

PeopleSoft has been the leader in Human Capital Management since our start 15 years ago. The very concept of Human Capital Management is based on moving beyond viewing workers as expendable assets to treating them as invaluable resources.

Today, complex information systems are used by the military to track individual readiness, certifications, training, education levels, and even specialized skills. However, as these individuals leave the Armed Services, we are not leveraging these systems to assist in job placement.

We can do more. We need to do more. Veterans at large are a tremendous boon to the US workforce and essential to making the US economic engine turn. In some cases, we are at risk of under-utilizing these resources. We need improvements in the ways we outpace veterans and in the job search skills we provide for them, but we also need better information flow both to veterans coming out of active service and to employing organizations.

PeopleSoft and Veterans Across America (VAA) are advocating the need to:

- Provide the infrastructure to carry over that training and skills information for the veteran to use when seeking employment, and to make sure that hiring companies have a proper appreciation of the benefits that training can bring to them.
- Provide Education to industry in the translation of military training to industry skills.
- Deliver the tools to industry to be able to readily assess the specialized training, advanced education, unique skills, and soft skills and map those into the more traditional skill sets they already understand.

Human Capital programs such as the Defense Integrated Military Human Resources Systems (DIMHRS) offer a pathway to the first goal. DIMHRS, which is currently in development to provide a single Human Capital Management system for all uniformed military personnel, will capture full information about training, certifications, and evaluations for each member of the military. It will be the richest data set ever of skills for military personnel. We need to ensure that it can go further to retain that information in a form that adds value to the exiting veteran in his or her job search. DIMHRS will be useful in the preparation of a resume or vitae, with detailed training, skills, and evaluation data.

The second objective of translating military training and skills to civilian management requires the actual translation plus the dissemination of that information. We have observed that non-military government has a deep appreciation of the sometimes under-rated value that veterans bring to their workforce. Federal, state, and local governments actively seek out veterans, informally and through preference programs. They have discovered the value. We need to make sure that others in the private sector discover that value as well.

This branding of veterans, as talented, motivated, and capable employees should be one of our goals. It requires cooperation from you, here, on the Hill as well as for us in the private sector. We have to analyze and publicize. Veterans represent a substantial national talent pool, but to get the maximum value from that resource, we need to make some changes in our employment models and behavior. We must coordinate information flow to ensure that we get not only the right information to the right place, but that it is presented in the right context. VAA is a mechanism to achieve this, and I am pleased to add what I can to the process.

It is our responsibility as a nation of people whose protection is afforded by these individuals to honor them by placing them in jobs where their skills are leveraged and valued.

Thank you for your time and attention this morning, and I look forward to continuing our advocacy for veterans.

Supporting Documentation

February 2004, Excerpts from ©SIGNAL Magazine 2004

Pay and Personnel Record Keeping Turns Purple

Integrated system brings jointness to military human resources.

By Maryann Lawlor

With the help of commercial technology, 3.1 million of the U.S. Defense Department's most valuable assets, its people, will soon experience transformation from a personal--and personnel--perspective. Work has begun on a departmentwide system that will integrate personnel and pay systems and track each warfighter's career from recruitment to retirement. Soldiers, sailors, airmen and Marines will be able to access their individual records and, in some cases, update information from anywhere, including from the battlefield. In addition, combatant commanders will have personnel data literally at their fingertips.

Since the mid-1990s, the department has been working on how to turn the military's personnel and readiness system purple, allowing service personnel greater access to and more control of their records. The Defense Science Board recommended combining personnel and pay systems at that time, and work began in earnest to determine the services' functional requirements and the feasibility of using a commercial off-the-shelf solution. As a result, the Defense Integrated Military Human Resources System (DIMHRS) began to take shape. DIMHRS, which will replace 79 legacy systems, will create a single record for service members that will follow them throughout their entire career.

Even today's systems do not track temporary duty assignments, and accountability does not exist, St. Claire says. This became particularly apparent when some operation Desert Storm veterans began exhibiting unusual physical symptoms, she points out. Because the department could not ascertain where soldiers had been stationed, it could not determine whether they had been exposed to dangerous chemicals and others could not be notified that they should be checked by a doctor, she shares.

Compared with existing systems, the benefits of DIMHRS are many and far-reaching, St. Claire says. First and foremost, military personnel will be paid on time and accurately. The active duty payroll process currently takes several days. The current estimate is that DIMHRS will reduce this by at least 25 to 50 percent.

Second, the system will be semi-self-service, so warfighters will be able to correct or update some of their records, such as change of address or number of dependents. This will not be the case in all instances. For example, individuals will not be able to change their pay grade or update training information independently. However, when service members review their records and find errors, they will be able to contact the appropriate authority to correct the records, she explains.

The benefits go far beyond accurate record keeping. From a mission and operations standpoint, combatant commanders will be able to use the system to locate personnel who possess required skill sets. They may, for instance, need someone who is a Tomahawk missile-firing specialist or proficient in Farsi. Using DIMHRS, commanders will be able to query a single database from their desktop computer to find out who is available and closest to their command center. Today, commanders would have to query 12 different databases to acquire this information, and because records may be outdated, they could receive erroneous information.

Once fully implemented, the new system will enable cross-servicing in joint operations. This is especially important in today's warfighting environment, St. Claire says, when so many reservists and guardsmen are part of the active duty force, and manual tracking is not feasible. Although the Marine Corps currently has an integrated system, it is not connected to the other services, so DIMHRS will be the link, she adds.

Capt. Valerie E. Carpenter, USN, joint program manager, DIMHRS, is in charge of DIMHRS implementation and says that the cooperation of all the services has contributed greatly to the success of the project so far. "This certainly represents a change in the approach and strategy from the services. It shows their willingness to commit to best business practices and to do what's in the best interest not only of their service and the Department of Defense but also, more importantly, of their individual service member," Capt. Carpenter says.

Career development is one example of what this system brings to each warfighter. For instance, a soldier may believe his skills are current in a specific area; however, a quick self-review of his record may show that it is time to obtain additional training. This self-service aspect of DIMHRS not only gives service members more control, the captain says, but also it will give defense leaders in the Pentagon near-real-time force accounting. At any time, they will know the number of people in the service and their pay grades as well as the skill sets personnel possess so recruiting goals can be adjusted if necessary.

Implementation of DIMHRS is taking place one service at a time. Although the U.S. Navy is the testing and evaluation organization, the U.S. Army will be the first service to move into the system, followed by the Navy then the U.S. Air Force and finally the U.S. Marine Corps. The government's requirements are very specific, Capt. Carpenter explains, and Northrop Grumman will develop and implement the system, which will go through various levels of testing by the government then undergo operational testing. In all, nearly six months of testing will take place prior to deployment.

According to Defense Department officials, this will be the largest implementation and deployment of the PeopleSoft human resources suite in the world, and Capt. Carpenter says there are several advantages to employing a commercial product. "A lot of the commercial industry development cost and risk is on the company. Also, as new practices and new innovations develop, the commercial sector leads the way, and this way we get to ride along on the coattails of that new innovation and a better way of doing things," she says.

"This also means that we have to change how we do business," the captain observes. "We have to stop being Defense Department-centric and start being best-business-practice-centric and look at the commercial world and say, 'Can we live with the way they do business?' What is important to us is not the process, but that we get the right outcome from the process. If we do, then does the process really matter?"

Capt. Carpenter admits that using commercial products has some disadvantages. Government agencies cannot tell companies when to release a new version or capability, so they are dependent on firms for upgrades scheduling. In addition, although government organizations have specific requirements, the products are developed for the commercial market so they may not meet some needs as precisely as a government-developed item. PeopleSoft has been very responsive in this regard, and the captain relates that the company has been examining the government's terms and has been building its commercial product to meet those requirements at no additional cost to the department.

Cmdr. Jensen relates that current scheduling calls for DIMHRS to be fully implemented for active duty, reserves and National Guard within the next five years. Retirement pay will be handled separately from DIMHRS, but human resources records for retirees will be part of the system.

Both St. Claire and Capt. Carpenter recognize that an implementation of this magnitude involves some challenges. They agree that, at the beginning of the implementation phase, each service will have to identify a sole authoritative source for data for every data element and ensure that the information is correct. "For the services, that's the long pole in the tent," Capt. Carpenter says. This is no small task. As of last fall, the program office had identified 3,000 data elements for all of the services.

Additional information on the Defense Integrated Military Human Resources System is available on the World Wide Web at www.dimhrs.mil.

Supporting Documentation**U.S. Army Leverages PeopleSoft's Student Administration Application for Online University Initiative with PricewaterhouseCoopers**

Leading software provider to provide distance learning for US Army

PLEASANTON, Calif. – May 9, 2001 – PeopleSoft, Inc. (Nasdaq: PSFT), a world leader in providing eBusiness applications, today announced that its Student Administration software will be used within PricewaterhouseCoopers' online learning portal solution recently selected by the US Army. Under the agreement, PeopleSoft will be instrumental in providing soldiers with convenient and easy access to higher education degrees and advanced training certifications.

"We are proud that PeopleSoft has been selected to provide the administrative component of Army University Access Online," said Ron Sullivan, general manager and vice president for federal at PeopleSoft. "This project is a great opportunity to work in conjunction with our contacts within education and government while helping to provide unprecedented distance learning opportunities to America's soldiers."

PeopleSoft Student Administration will provide the administrative backbone for student records and course registration for the Army University Access Online (AUAO) portal. It offers a comprehensive suite of integrated solutions that automate and improve administrative processes while significantly reducing overhead costs. Designed specifically for the internet, PeopleSoft Student Administration addresses every aspect of student administration – from recruitment through admissions, student services, financial aid, fund-raising, grant-writing and alumni relations. In addition, PeopleSoft Consulting (PSC) will work closely with PricewaterhouseCoopers to build a best-of-breed distance learning solution that leverages the best practices of both organizations.

"We are pleased to have PeopleSoft and other leading e-learning vendors as part of our Army University Access Online solutions-provider team. Our use of best-of-breed technology vendors and our leading edge portal provide critical services for student education, all in one click," said Jill Kidwell, Management Consulting Services partner with PricewaterhouseCoopers.

Supporting Documentation

PeopleSoft Pays Off for the New York State Comptroller

"We have one of the largest state payrolls in the country. It delivers \$440 million every two weeks, so it's critical to the state's economy. We rely on PeopleSoft to help us keep it running efficiently and cost-effectively."

Margaret Sherman
Deputy Comptroller for Payroll and Revenue Services

A quarter of a million New York state employees count on receiving their paychecks every two weeks from the Office of the New York State Comptroller. Behind the scenes, the state comptroller executes collective bargaining agreements with 46 unions representing 110 bargaining units, processes 753 different types of payments (overtime, location pay, shift differential, and more), exchanges data and funds with seven different retirement systems, and deducts contributions for a myriad of health and dependent benefits.

"We have one of the largest state payrolls in the country," says Margaret Sherman, deputy comptroller for Payroll and Revenue Services. "It delivers \$440 million every two weeks, so it's critical to the state's economy. We rely on PeopleSoft to help us keep it running efficiently and cost-effectively."

Privacy and Productivity

As the office that sets New York state standards for internal control, the state comptroller places a high importance on information security and the privacy of personal employee information. "The security that's built into PeopleSoft has certainly helped," Sherman explains. "And we've been able to upgrade the types of checks and W-2s that we print. Now we are able to provide sealed checks and W-2s and mail them to home addresses."

With the recent downturn in the economy, it is even more critical for the state comptroller to streamline payroll processes. PeopleSoft has helped in this effort by enabling the office to analyze payroll transactions for trends. The payroll bureau provides statistics for the agency payroll offices, which they can use to compare certain performance measures, such as the length of time required to put a new hire on the payroll.

"PeopleSoft has made it possible for us to get that information," Sherman says. "That's pretty powerful. You start to see improvement in those statistics because people now have that performance measurement data. We've targeted the timeliness of initial paychecks, as well as the accuracy of payments to employees leaving the payroll. In one year, we've seen improvements of about 20 percent."

A Big Payoff With PeopleSoft

The state comptroller is currently upgrading to pure internet PeopleSoft Payroll to improve business processes and add functionality such as employee self-service. It also expects to significantly reduce customizations in key areas, such as garnishments and deferred compensation. Eliminating the customizations from garnishments alone avoids an estimated \$1 million in costs.

The payroll bureau plans to use workflow to manage its responsibility for auditing payroll transactions. "Our staff is excited about the possibilities in workflow," Sherman says. Long term, the state comptroller anticipates improved data sharing between that office and the Department of Civil Service, which split the processes for human resources and payroll. "We'd like to offer one-stop shopping for employee self-service. We look forward to savings in printing and distribution of direct deposit advices once our employees are comfortable with self-service," Sherman says.

The state comptroller expects to have the new PeopleSoft solution up and running with 2,000 users by August 2003. "We're very positive about the functionality in PeopleSoft," she adds. "We're looking forward to even more improvements when we upgrade to a web-based system."

The Commonwealth of Massachusetts Manages People and Paychecks with PeopleSoft

"Our goal is to make it easier and simpler for people to do business with us by having a single face of government through the internet. PeopleSoft plays a big part in that effort."

Peter Quinn
CIO

Every other week 90,000 people depend on the Office of the Massachusetts State Comptroller to deliver their paychecks.

"It's a pretty tight fire drill," describes Martin Benison, comptroller of the Commonwealth. "Our pay week ends at midnight Saturday and the last day for time and attendance is Monday. We run the payroll on Tuesday. To the best of our knowledge, we've never missed a check. That's what counts."

While employees need their paychecks, the governor and the legislature depend on the organization for something altogether different—accurate human capital data for analysis. The Commonwealth of Massachusetts has been relying on PeopleSoft Human Resources and PeopleSoft Payroll since 2000.

“PeopleSoft has been the right move for us,” says Patricia Wada, former director of Personnel. “The integration between HR, Payroll, and Time and Labor works quite well. We work closely with the House and Senate Ways and Means Committees, and with PeopleSoft we have provided consistent data across the board. That’s been terrific, especially during a transition of administrations.”

The Commonwealth upgraded its PeopleSoft software in February 2001. “Having pure internet architecture is certainly an advantage,” says Peter Quinn, CIO. “It allows us to distribute access to a wide variety of users, which would have been impossible before.”

Restructuring Government

Like many states, Massachusetts has had to deal with a lagging economy. With PeopleSoft, the government was able to react quickly and decisively. Recalls Wada, “Our policy makers needed to know their options. We were able to quickly pull enough data so we could perform ‘what if’ scenarios to evaluate alternatives, like early retirement, furloughs, and other workforce reduction options. This type of analysis would have been extremely difficult to do without that rich database.”

An early retirement program was created, enabling the Commonwealth to move much-needed resources into other areas. “As a unionized state, the fact that we can quickly understand what any particular earning is costing us is very important for us. We know very quickly what a particular shift differential costs,” Wada explains.

As the government continues to reorganize, Massachusetts is shifting its focus to be more proactive in its human resources management. “There’s no doubt that the data sitting there is very strategic for a variety of workforce analyses, including collective bargaining,” says Wada. “Since we can pull the data apart and put it back together, it allows us to very easily compare what jobs cost in other states. That’s important in any kind of labor negotiations.

“There’s functionality in PeopleSoft that will enable us to be more strategic in our workforce planning, especially in managing competencies for titles and jobs. We’re going to take advantage of that, as well as the functionality of PeopleSoft. Features like Mass Position Transfer will make the restructuring of state government easier by being able to implement that in an automated way,” she adds.

Simplifying with eGovernment

Years ago, Massachusetts became one of the first states to launch eGovernment when it put the car registration process online. With PeopleSoft, it is continuing to leverage the internet by giving employees access to a wide range of HR information, including the payroll calendar, deductions calendar, and HR policies and memos. Employees also can go online to instantly access paycheck data. Plans to have time and attendance information available online are in the works.

“Our goal is to make it easier and simpler for people to do business with us by having a single face of government through the internet,” Quinn says. “PeopleSoft plays a big part in that effort.”

The Lone Star State Transforms IT Initiatives Statewide

“Our investment in PeopleSoft gives us current value, great customer service, continuous new functions, and a positive foundation for the Texas public education business for the decade ahead.”

Bill Monroe
Chief of Operations

With a population of over 20 million, the State of Texas is the second largest state in the nation. In an effort to streamline and consolidate information technology initiatives, the state recognized the advantages of having state agencies use the same software.

The State of Texas has undertaken PeopleSoft projects in several entities, including state universities, large cities, counties, hospitals, and public schools. In many cases, this has resulted in sharing of information across agency lines and transforming the way agencies conduct their business.

Track Public Education Programs

“Our investment in PeopleSoft gives us current value, great customer service, continuous new functions, and a positive foundation for the Texas public education business for the decade ahead,” says Bill Monroe, chief of operations for the Texas Education Agency (TEA). “We have the comfort of knowing that we are leaving something of truly positive value to the next generation of employees at this agency.”

Based in Austin, Texas, the TEA provides funding and statewide standardized testing and accountability standards for the 1,200 school districts and charter schools serving the 4 million K-12 public school children in the state.

TEA went live on PeopleSoft Financials in 1997. The software has enabled TEA to better manage the business and educational program sides of the agency, including current expenditures of \$15 billion and a trust fund of \$17 billion. In addition, over the last five years, TEA has been able to operate its financial functions with 100 fewer employees, leading to tremendous cost savings.

In 2000, TEA deployed PeopleSoft Enterprise Performance Management (EPM), making it the first PeopleSoft education and government customer to do so. "The EPM package is a tremendous physical and virtual warehouse that is very rich in functionality, especially in its measure simulation and reporting capabilities," Monroe says. TEA uses EPM to analyze program performance and improve communication with customers and legislative stakeholders. Going forward, TEA will use PeopleSoft EPM for advanced, comprehensive balanced scorecards that link financial operations to its mission of "fulfilling the promise for all Texas children."

Another recent milestone for TEA was implementing PeopleSoft Services Procurement, part of the PeopleSoft Enterprise Service Automation suite, in March 2002. Service Procurement helps TEA with time capture, invoicing and payment, and data analysis and reporting. Within the first week of implementing, TEA had 27 vendors online and, at its one-year anniversary, the agency is now processing \$20 million in contracts with the application.

TEA has also licensed PeopleSoft Customer Relationship Management and looks forward to using it in the future for complaints management and monitoring of school districts.

Anytime, Anywhere Access

The Texas Employees Retirement System (ERS), which administers a variety of benefit programs for the State of Texas, has implemented PeopleSoft Benefits Administration to manage health, life, disability, and flexible spending programs for 300,000 employees and retirees.

"Offering 24x7 online access to benefits allows us to deliver first-class customer service," says Sheila Beckett, executive director of the Texas Employees Retirement System. "We also meet our responsibilities as a trust fund by using the most efficient and cost-effective means of service delivery."

ERS plans to add Pension Administration and Payroll for North America to administer its nearly \$20 billion pension fund. ERS is live on other PeopleSoft applications, including Human Capital Management and other Financial Management applications.

Streamline Health Department

Texas Department of Health (TDH) has recently implemented PeopleSoft Financial Management Solutions to enable the TDH to more easily process \$1.5 billion in transactions. The project was completed on time and under budget. PeopleSoft Financial Management modules implemented include General Ledger, Payables, Purchasing, and Asset Management. Implementing PeopleSoft enabled TDH agencies to replace 20 legacy systems with one integrated software solution.

The Constitution State Selects PeopleSoft

"PeopleSoft met the highest percentage of the state's business requirements of the enterprise software packages we evaluated in our competitive bid process."

Core-CT Project Director

With a population of 3.4 million, Connecticut is New England's second smallest state. Yet, Connecticut has a big plan to replace its aging core financial and administrative systems with a new, fully integrated solution called Core-CT.

Based on PeopleSoft financial, human resources, procurement, and portal technology, the Core-CT system will be used by the state's 70 executivebranch agencies, including the departments of transportation, corrections, education, and mental health.

The PeopleSoft payroll system will cut paychecks for 60,000 employees, including those in the legislative branch, judicial branch, and the state's universities.

The State of Connecticut chose PeopleSoft because, according to a Core-CT project director, "PeopleSoft met the highest percentage of the state's business requirements of the enterprise software packages we evaluated in our competitive bid process. PeopleSoft also had the most experience in statewide implementations. This has made it easier to share ideas and solutions with users in other state governments."

The state expects to complete its Phase I implementation of PeopleSoft Financial Management in July 2003 and PeopleSoft Human Capital Management in October. Currently, state agencies use separate stovepipe systems written in five languages, residing on four platforms, and including six databases. That results in poor integration, redundant data entry, and time-wasting reconciliation. Core-CT will store data from all its systems in a single database and give executive agencies statewide access through a web browser.

TO: HOUSE COMMITTEE ON VETERANS' AFFAIRS

FROM: BRAD L. CHAMPLIN
EXECUTIVE VICE PRESIDENT
UNION PLANTERS CORPORATION

DATE: MARCH 24, 2004

Chairman Smith, members of the House Committee on Veterans' Affairs, and guests of the committee, good morning. My bank, my chairman and I are honored to come before you this morning to share our practice in employing veterans of our armed forces.

My name is Brad L. Champlin. I am executive vice president of Union Planters Corporation whose principal subsidiary is Union Planters Bank. I am here representing my bank, the Chairman and President of Union Planters Corporation, Jackson W. Moore, and myself. Let me say at the outset that none of the parties that I represent this morning are currently receiving or have received in the past two years any Federal grant or contract relevant to the subject matter of this testimony.

Next year will mark a 30-year career in banking for me. I spent the first 22 years with Leader Federal Bank, a large thrift in Tennessee, which was acquired by Union Planters in 1996. For most of my career I ran the retail side of the bank. Currently I coordinate the legislative activity for my bank and manage our Union Planters Community Foundation, a vehicle that allows us to contribute over \$4 million dollars every year to worthwhile charitable activities in the banking communities we serve. I also serve on a number of not-for-profit and for profit boards of directors, including the Navy League in our Memphis, Tennessee market.

Because of the nature of this committee I will highlight the military experience of both my chairman and myself. I served in the Army reserves during the Vietnam War and later transferred as a Lieutenant into the Navy reserves into a unit that, among other things, debriefed officers returning from Vietnam on their way to Washington D.C. For much of that time I

was also working and a student at the University of Southern California where I ultimately earned both my undergraduate and graduate degrees.

My wife of 40 years and I have four children. We are very proud that our number two son, Scott, is a veteran. He served for four years as a Ranger in the U.S. Army, and holds a purple heart for his service in Panama where he was a member of the crew that physically took Manuel Noriega out of the country. Scott returned to college to finish his degree after military service, graduating summa cum laud from the University of Memphis. After a four year stint with Auto Zone, where he progressed from a "grunt" to a district manager of loss prevention, he returned to graduate law school and is currently a corporate attorney for Ring Industrial Group. We're thankful for the sense of responsibility Scott learned while in the military.

In addition to my bank, I am representing Jackson W. Moore who is the Chairman, President and Chief Executive Officer of Union Planters Corporation, and its lead bank subsidiary, Union Planters Bank. Mr. Moore sends his greetings to Chairman Smith and the House Committee on Veterans' Affairs.

Mr. Moore is an attorney by trade. He is active in religious, civic and educational organizations, serves on the Board of Trustee of Vanderbilt University, Asbury Theological Seminary, the Memphis/Shelby County Sports Authority, Memphis Tomorrow, the Executive Council of the Chickasaw Council of the Boy Scouts of America, and Youth Programs, the owner and producer of the FedEx Golf Tournament in Memphis benefiting St. Jude Children's Research Hospital. Mr. Moore is currently Chairman of the Memphis Regional Chamber of Commerce, is a member of the World Presidents' Organization and is on the Administrative Board of Christ United Methodist Church in Memphis.

Mr. Moore served on active duty in the United States military holding the rank of Captain in the United States Army and Army Reserves.

Union Planters Company is a New York Stock Exchange listed bank holding company doing business in every state in the United States, but with principal banking offices in Tennessee, Arkansas, Louisiana, Mississippi, Alabama Kentucky, Indiana, Illinois, Iowa, Missouri, Florida and Texas. Today we employ over 10,000 people with 745 banking offices and over 900

ATMs. We have announced a definitive merger agreement with Regions Bank that will create the 12th largest bank holding company nationwide, in terms of deposits. Mr. Moore will become Chief Executive Officer of the combined companies in June 2005 upon the retirement of Carl E. Jones, Jr. current president and CEO of Regions. Upon completion of the transaction, expected in June of this year, the new bank will employ approximately 20,000 people with 1,400 banking offices, 1,700 ATM's and the 140 brokerage offices of Morgan Keegan Company.

Mr. Moore serves on the Presidents National Hire Veterans Committee that was established by the Secretary of Labor and authorized by the Presidents Jobs for Veterans Act. Terry O'Mahoney from Texas chairs that committee. Mr. Moore is in sympathy with the committees' direction in attempting to create a "pull" for veterans to be employed in quality jobs throughout America's workforce instead of simply a "push" of the veteran into the workforce. We believe there is a disconnect, however, between Corporations who are positively disposed to hire veterans and the skilled veteran labor pool.

Our Executive Vice President for Human Resources is illustrative of that disconnect. Asked if Union Planters Bank hires veterans, our Human Resources director said, "yes we hire veterans, they are a wonderful addition to our workforce". But, the follow up question, "does the bank have any special programs targeted to recruit and hire veterans" resulted in a negative response. The head of our human resources does not know of any groups contacting our bank encouraging us to be proactive in hiring veterans, and furthermore, at this point, would not know were to go if we wanted to target a hire veterans program at the bank. Our state workforce development agencies are more passive than proactive.

The good news is that there is a positive connotation to the hiring of veterans. There is a belief that the veteran comes to the workforce with good training, and skills in working with and managing people. That the veteran will show up to work on time, have a good attitude and dress appropriate to the occasion. Mr. Moore believes there is another value in hiring a veteran. With all the attention on National security it is equally vital that corporations focus on safety and security in the workplace. The veteran comes to the workplace with skills that set them apart from ordinary employees when dealing in unexpected crisis situations.

We applaud Veterans Across America's initiative to reach out to corporate America with a campaign that encourages the hiring of veterans and believe that the "branding" campaign will help accomplish that objective. We would submit that to be effective the campaign should target, in addition to CEO's, directors of human resources, societies for human resources management ... in short, those in America's workplace that do the hiring. We need to find ways to point these people to the resources that are available to get them connected to veteran talent.

Our Nation has a great resource in our veterans, and frankly has expended billions of dollars to develop that talent. We do a great favor not only to our veterans but also to corporations, our Nation, and ourselves by finding ways to better utilize the veteran talent pool that exists. Jack Moore and I thank you for the time you've taken this morning to seek ways to help improve the quality of life for our veterans. And, we thank you from the bottom of our hearts for the wonderful work you are doing for our country as elected representatives of this great Nation.

PREPARED STATEMENT OF ROBERT C. CRAWFORD, VICE PRESIDENT,
STAFFING, PRUDENTIAL FINANCIAL

Committee on Veteran's Affairs
Subcommittee on Benefits
Bob Crawford testimony
March 24, 2004

Good Morning Mr. Chairman and thank you for the invitation to appear before your committee today. I am delighted to be here representing Prudential Financial, which is headquartered in Newark, New Jersey.

Prudential is particularly honored to be asked to testify this morning since over our 126 year history we have prided ourselves on being a company which, to use a current term, has always been veteran friendly. Indeed, veterans of wars ranging from World War I to today's Operation Iraqi Freedom, as well as those who have served in times of peace, have found Prudential to be rock solid in the career opportunities provided to veterans and our support for issues important to them.

Today, key Prudential leaders including our Chairman and CEO, Corporate Controller, Chief Auditor, the head of our Learning Organization and many more senior staff members too numerous to name are veterans. Under their active stewardship, Prudential remains strongly committed to providing quality employment opportunities to the men and women who have served in our country's armed forces. And it goes without saying that over the years Prudential has greatly benefited from the contributions of our employees who have military experience. Indeed, it is a fitting testimony to the many extraordinary service men and women who have worked at Prudential that we are here today to discuss ways in which to keep the bond between the American veteran and corporate America strong and robust.

As the executive responsible for company-wide staffing at Prudential, a large part of my responsibility is to ensure outreach to a broad group of candidates that reflect a range of skills, experiences and cultural perspectives. This aligns with our goal of attracting a diverse workforce that can generate innovative ideas and understand, serve and connect with our customers around the world. Being viewed as an employer of choice to such a workforce is a key focus of our corporate recruitment efforts. America's veterans have been, and continue to be, an extraordinary source of the diverse qualities and skills that Prudential knows it needs to compete and prosper.

By way of illustration, at Prudential, we have a set of core competencies against which our employees' performance is measured. These include Strategic Leadership, Drive For Results, Partnering and Courage. In evaluating candidates for jobs, we specifically look for evidence of these qualities based on prior experience and the ability of candidates to respond to probing interview questions with real life illustrations.

We can clearly see the synergies between the skills that veterans bring to the table and these critical competencies, recognizing the emphasis in today's military on leadership at all levels, decision making, problem solving, teamwork, resourcefulness, dependability and loyalty. This makes veterans extremely attractive to us as employment candidates.

Historically, we have been successful recruiting military veterans; both into our general workforce population and for specialized hiring programs whether through firms specializing in military placement, campus outreach, job fairs or word of mouth referral.

With the advent of the Internet, a key part of our current outreach strategy is to post our open jobs on web sites including the Department of Defense Job Search, USA Jobs and the Department of Veterans Affairs Vocational Rehabilitation and Employment Services. We participate in America's job bank and list in "The Corporate Gray."

These recruiting efforts are complemented by a competitive benefits package, supportive policies and work/life programs that are attractive to veterans and their families. For military reservists we provide paid annual training leave. We also have a long history of supporting reservists called up to active duty with paid leave of absence and benefits continuation – a tradition that continues today for employees who are participating in current military operations around the world.

Our work/life programs provide a variety of supports including tools for families dealing with the challenges of career change, relocation and, in the case of reservists called to active duty, overseas deployments.

We also sponsor a number of activities targeted at reminding all of our employees of the contributions of our service men and women around the world. Past speakers at Prudential events have included Colonel Craig Widen, who commands the 108th Air Refueling Wing of the New Jersey Air National Guard, Captain Scott O'Grady the Air Force Pilot who was shot down over Bosnia in 1995 and most recently Dr Irene Trowell-Harris, director of the Department of Veterans Affairs, Center for Women Veterans. They have shared their stories with Prudential employees and in the process raised the level of appreciation not only for the sacrifices made, but also the depth and richness those with military experience have to offer.

I hope that this brief overview has given you a flavor for the connection and support that Prudential has for veterans. When we think of diversity in its broadest sense we believe that veterans should be included in that net, recognizing that they are another historically underrepresented pool of talent and brainpower.

It is against this backdrop that we are delighted and honored to be here to lend our voice to the other enlightened companies on the very important issue of transitioning veterans into the civilian workforce. This is particularly critical at this time when we have so many men and woman serving in the military who we expect will soon be moving into civilian lives and careers. On behalf of our Chairman and CEO Art Ryan, and the rest of the Prudential community we applaud your work in connecting veterans with the business community and look forward to lending our continued support to those efforts.



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March 23, 2004

Congressman Smith:

This letter is submitted for record pertaining to your March 24, 2004 hearings
"Employing Veterans of Our Armed Forces."

I am a retired Regular Army Officer. During my 20 years of active service my assignments covered three main areas: command of combat troops (Armor and Cavalry, including three US Troop command tours in Vietnam), Education and training (both sides of the podium), and Project Management. For those services I was award two Legions of Merit, two Silver Stars, five Bronze Stars for Valor, two Purple Hearts and variety of service and campaign ribbons. I also completed the Army's Airborne School (three airborne unit assignments, over 100 jumps) and Ranger School (started the first Army Long Range Patrol program in Vietnam).

Upon retirement, I was seeking an opportunity to extend into civilian life what I saw as a terrific training program which consistently developed low achieving and directionless young men into well trained functioning members of combat units able to perform under conditions of enormous stress. I believed those military training successes could be transformed into a civilian model capable of producing similar outcomes. Analyses of the military's success led to an understanding of teaching styles and methods. Most of these men I had seen in the military training program proved to be intelligent and wise soldiers who were handicapped, according to conventional wisdom, as kinesthetic learners, people who learn hands-on versus traditional school succeeders who are mostly auditory learners.

My searches led to a Community College in the mid-west located in a town suffering massive unemployment due to auto plants shutting down. Hired initially to install a new computer system (I have an MS in Computer Science), within 18 months I was appointed President of the college. Over the next 10 plus years, I tried to gain the support of a recalcitrant faculty to do for this community what I saw the military accomplish in training similarly situated individuals. The faculty, secure behind an iron clad bargaining contract, refused to budge off traditional approaches and in my view, totally failed to provide the community and its citizens even a modicum of support and assistance.

Recruited by a for-profit post secondary college system to help restore a battered campus (recently organized by the Teamsters), I again hoped to find a venue for my notion of training people not able or not interested in traditional colleges. The faculty problem was



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quickly resolved and within two years the campus was operating as one of the best in the system and had opened a branch campus in another city. Although this experience was closer to my expectations, there remained notions of becoming a more traditional elite university.

Two years later I was recruited by another for-profit company in southern California. Finally, I found an organization that was trying to address the education and training needs of a large, mostly ignored population. Alas, the parent corporation was not stable and within a few months announced plans to shut down the schools, at which point I was appointed President of the schools group. Within months, the schools were profitable on a cash basis, but the parent was committed to closeout the schools. As a result, in July of 1995, four of my vice presidents and I bought 15 of the schools and started Corinthian Colleges, Inc (CCI).

Today, CCI is a publicly traded (NASDAQ-COCO), nearly three billion dollar market cap company operating over 150 facilities in 23 states and 7 Canadian provinces. Enrolling over 60,000 students we are the third largest post-secondary institution in the US. Of all our accomplishments, I am most proud of the roughly 50 diploma colleges that we operate in American inner cities providing training and employment for a population largely ignored by traditional colleges and policy makers – single head of household minority women with no prior career training. Those programs have propelled us into America's largest provider of health care professionals.

The success of this company directly relates to the lessons learned in the military in terms of how to train, prepare and employ kinesthetic learners who have great potential, but lack the traditional skill sets (auditory learning) to be successful in state sponsored school settings.

The original five partners who started this company include two Army officers, and two enlisted men. A large percentage of senior and executive members of the company, both men and women, have prior military experience. All have advanced degrees in their professions, many either provided while on active duty by the military or by use of the various forms of the GI bill.

We actively recruit retired military technicians to teach particularly in the medical fields and technologies. Where they lack formal academic credentials, we have an active program to assist attainment of the degree(s) needed, providing employment in a provisional status while we support them and largely pay the bill. The pay off for us is the unusually high level of commitment, maturity and technical skills they bring with them and a clear understanding of hands-on training which is successful with kinesthetic learners. We would hire many more if we could find them.



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If Congress is looking for a way to improve job prospects for former military personnel, I would make several suggestions:

1. Place higher priorities on completing commercial quality credentials – accredited degrees – while still on active duty.
2. Promote the employability of military skills and training to the active military.
3. Provide an easy way for military personnel to get resumes into national data bases, e.g. Monster.Com.
4. Facilitate promoting national employers in common military publications and newspapers.
5. Encourage the American Council on Education (ACE) to promote converting military experiences in to college credit, especially for Career and Community College.

Sincerely,

David G. Moore
Chairman and CEO

**STATEMENT OF BETH B. BUEHLMANN
VICE PRESIDENT AND EXECUTIVE DIRECTOR
CENTER FOR WORKFORCE PREPARATION
U.S. CHAMBER OF COMMERCE
SUBMITTED TO THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES**

Employing Veterans of Our Armed Forces
March 24, 2004

Chairman Smith and Members of the Committee:

As the vice president and executive director of the Center for Workforce Preparation (CWP), I am pleased to provide this written statement on behalf of CWP, a nonprofit affiliate of the U.S. Chamber of Commerce, regarding employing veterans of our armed forces. The U.S. Chamber of Commerce is the world's largest business federation, representing more than three million businesses and organizations of every size, sector and region.

CWP is the only arm of the U.S. Chamber dealing solely with education and workforce development issues. Through its access to a broad network of chambers, CWP is on the forefront helping businesses and chambers in their communities find, use, and build resources to support productive workplaces and develop a skilled workforce. CWP, in partnership with local chambers, other workforce development organizations and funders, is addressing a key employer concern – finding, retaining and advancing qualified workers. Together, CWP and local chambers excel at reaching small and medium-size businesses, where the majority of job growth occurs.

However, workforce development is about more than just hiring and training the right workers. It is also about identifying and addressing other critical concerns such as transportation, health care and child care as well as promoting lessons and promising practices from successful communities to encourage chambers and employers to build resources that support productive workplaces.

My perspective on the particular issue before this committee comes from several years of working with state, local and metropolitan chambers and specifically working in the San Diego community to create a model that builds bridges between key stakeholders such as the military's Transition Assistance Program (TAP), businesses, community service providers and the publicly

funded workforce system to establish a seamless system of services and support to improve the employment opportunities for transitioning military and their spouses into civilian jobs and careers. My remarks will focus on:

- the impending workforce dilemma that employers are facing as they conduct business in the 21st century's global economy;
- the added value of veterans in the mainstream workforce;
- barriers currently faced by transitioning veterans;
- CWP's work with transitioning military through its *Operation Transition* initiative in the community of San Diego, California; and
- recommendations for better collaboration between key stakeholders to provide needed services to transitioning military personnel.

An Emerging Challenge

America and American business are facing an emerging challenge. This country's knowledge-based economy requires highly educated and highly skilled workers to maintain desired rates of growth. More than 80 percent of the 23 million jobs that will be created in the next 10 years will require some postsecondary education. In short, the challenges are:

- There will be a shortage of 10 million workers to meet projected job growth by 2010. The Bureau of Labor Statistics predicts there will be only 157 million people in the labor force to fill 167 million jobs.
- Growth in the native-born workforce for those between the ages of 25 and 54, the years of greatest productivity, is expected to be flat over the next 20 years, after growing approximately 44 percent over the past 20 years (Aspen Institute)
- The fraction of workers with some education beyond high school will grow by just 4 percentage points (58% to 62%) between 2000 and 2020, after rising nearly 20 percentage points in the past 20 years (Aspen Institute)

In partnership with state and local chambers, CWP conducted a survey to hear the voice of business – especially small and medium-size – on the challenges and successes of finding qualified workers to fill job openings. Half of the employers responding report having a hard or very hard time finding qualified job applicants. The problem is greatest for small employers. Nearly 60 percent of employers with 11 to 50 employees report having a very hard or hard time securing qualified applicants. Among the smallest employers, those with 10 or fewer employees, just under half (49%) have a hard or very hard time finding qualified applicants.

The Added Value of Veterans to the Workforce

One solution to the impending workforce crisis is to utilize the diverse pool of military veterans transitioning from the military to the civilian workforce. Tapping into veterans as a rich source of skilled and qualified employees is a shrewd business strategy for employers of all sizes. There are several reasons why veterans bring added value to the American workforce.

Veterans have:

- Training that meets industry standards
- The ability to adapt quickly to change
- Knowledge of cutting-edge technologies that are of concern to employers as they evaluate the abilities of their current workforce in meeting the skill needs of the future marketplace
- Experience with multifaceted procedures and systems
- The ability to work effectively under pressure and meet deadlines
- Education and certification credentials necessary in a global economy
- Skills required to successfully transition into the civilian workforce
- A strong work ethic
- The ability to work on diverse teams
- Effective written and oral communication skills
- Security clearance
- Demonstrated leadership skills and managerial experience

Hiring veterans is simply good business sense. The twelve key factors listed above are solid reasons why businesses should look at these highly skilled individuals when making hiring decisions. According to William Bradshaw, Director, National Veterans Service, Veterans of Foreign Wars (VFW), *“Hiring military veterans is a ‘win win’ for employers.”*

There is also a growing emphasis among employers to build diversity in the workforce. This increasing interest means that corporate staffing professionals need rich pools of diverse candidates from which to draw. Data from the U.S. Department of Defense reveals that over 465,000 U.S. military personnel come from diverse backgrounds: over 272,000 African-Americans, 107,000 Hispanics and 85,000 other minorities.

Veterans are well trained and are held to high standards, which makes them ideal candidates for corporate recruiters. They are attractive because of the skills acquired through their highly effective military training. In addition, these men and women offer the vital, intangible attributes of strong work ethics, resourcefulness, ability to follow orders, flexibility, accountability

and dedication to mission. Employers of members of the National Guard and military reserves have observed that those employees often add value to their organizations. They have unique experiences and perspectives not usually found in workers who have not served in the military. A recent survey showed that young military officers, completing their first or second tour of duty, are considered prime candidates for corporate leadership positions.

Barriers to Successful Transition from the Military to the Civilian Workforce

Although there are many good reasons for businesses to hire veterans, there are still barriers that hinder the employment of veterans in the civilian workforce. Statistics show that there is a definite unemployment problem among military veterans transitioning into the civilian labor market.

Unemployment among service members transitioning into the mainstream workforce for the first time is almost twice the nation's veterans average. Over 200,000 military personnel transition into the civilian workforce annually. Some have completed only one enlistment period while others have considerably more experience. According to statistics from the Bureau of Labor Statistics (BLS), the veteran labor force totaled more than 15 million in 1998, or 12% of the total civilian labor force. BLS data reveals that certain subgroups among veterans have recently shown disproportionately higher unemployment rates than the veteran's rates. These groups include the disabled, women and minority veterans. In addition, the Office of the Deputy Assistant Secretary of Defense reports that nearly 80 percent of active duty personnel are below age 35. Military personnel completing 20 years of service are usually still in their early 40's, with at least 20-30 years of additional career opportunity awaiting them. Several factors can be attributed to the high unemployment rates in the transitioning veteran population.

American military veterans possess a wealth of experience and abilities. Their training in the armed forces has provided them with high-end skill sets that employers are looking for in their future workforce. However, we have found that upon discharge from the military, many transitioning veterans have no knowledge of the resources available to them in finding gainful employment using the skills they have acquired during their military careers. In addition, many transitioning veterans are unable to see how their training translates into mainstream employment opportunities, which in turn makes it difficult to articulate to prospective employers how their skills apply to available jobs. As a result, these veterans remain unemployed for long periods of time or feel they have no other option but to apply for low-wage,

low-skilled jobs under the assumption that there is no demand for their skills in the civilian job market. Likewise, employers need to better communicate their workforce requirements through chambers that organize and aggregate the labor market needs of business and articulate them to the publicly funded workforce system and other community resources. By making meaningful connections with military transitioning programs, key community stakeholders can figure prominently in developing processes that better serve transitioning veterans.

The Operation Transition Initiative

To meet the challenges described above and to begin the process of building bridges between key stakeholders, in 2002 CWP designed a successful demonstration program with the Veterans of Foreign Wars (VFW) that complemented VFW's efforts to assist military personnel returning to civilian life and to the workforce. The VFW approached CWP because of its history and proven track record in workforce development, particularly its ability to reach small and medium-size businesses through chambers of commerce.

A highly coordinated transition strategy is required in order to develop and connect a skilled workforce from among the thousands of potentially available military personnel who leave the service every year. Between the military services, veterans groups and civilian resources, a vast array of employment and training services and resources are available to military personnel and their dependents. While these resources have been proven effective over time, they have not been coordinated and aligned with the needs of businesses. Consequently, the full range of benefits available to both military personnel and employers has not been fully realized. Through relevant job training and placement assistance combined with military and civilian transition services, eligible personnel can link their military experience and training more specifically to the needs of civilian employers.

Using the San Diego community as a demonstration site, *Operation Transition* engaged the San Diego military community, the Veterans of Foreign Wars, CWP, the San Diego Regional Chamber of Commerce, the business community, the local workforce system and service providers in structured discussions that challenged the stereotypes, clarified misunderstandings and identified operational disconnects among these communities. The goal was to define and create local solutions that effectively bridged the gap between the employers who needed workers, the

transitioning military who needed jobs and advancement opportunities and the providers of workforce services.

CWP spearheaded the successful demonstration project in San Diego expecting a number of outcomes that include:

- Improved employment transition outcomes for veterans that promote an improved quality of life for veterans and their families;
- Clarification of the expectations and needs of transitioning military, their spouses, community leaders, employers, and service providers;
- Increased knowledge of what resources are available to transitioning veterans and their spouses and how to access them;
- Promising practices that stakeholders can use to address worker shortages, provide access to jobs and workplace supports; and
- Demonstrated role of chambers of commerce in promoting and supporting a coordinated workforce delivery system for military veterans.

Recommended Strategies for Collaboration to Benefit Transitioning Military

CWP's work on the San Diego demonstration project provided a wealth of information for establishing a community model that helps transitioning veterans. A three-step approach was used in the San Diego community: (1) identification of existing resources and responsibilities of key stakeholders through a community audit; (2) three one-day forums to bring together the VFW and the military community, employers and service providers in a common effort to improve access to workforce supports in the San Diego community; and (3) development of a common agenda, common understanding and focused programs for use among the veteran population.

Subsequently, CWP has identified a number of recommendations for fostering better communication and collaboration between TAP, businesses, community service providers and the publicly-funded workforce system to create a seamless system of services and support for transitioning military personnel.

- **Appointment of an Executive Council** – An executive council should be established to lead the implementation of the communities recommended actions that ensure long-term success.
- **Selection of a Lead Organization** – A lead organization in the community must be identified early in the process. It is recognized

that the local chamber of commerce plays an important role by bringing employers to the table. The chamber provides legitimacy to the business community and ensures that business is always part of the discussion. Nevertheless, the chamber is not necessarily the only appropriate lead organization. The executive council should be given the authority to decide which organization should be the lead organization.

- **Assessment of the Transition Assistance Program (TAP)** – A closer connection between the business community and TAP should be developed. Employers engaged in TAP can comment on the value and relevance of the information being imparted to military service members. As discovered in San Diego, there may not be consistency across the TAP process among military branches. An earlier finding of the transition model shows that regular and ongoing business engagement in reviewing TAP at the community level can help better serve military personnel as they transition from the military into the community. As a result the U.S. Department of Defense can use the information from the business community as part of an ongoing process to ensure quality control and consistency of TAP throughout all military branches across the country.
- **Connection to the Public Workforce System** – To provide the best possible assistance to military personnel and their spouses, a seamless transition between TAP and the publicly funded workforce development system should be created. After military personnel are discharged, they need to be informed of how they can access the services offered by the publicly funded workforce development system to help them obtain private sector employment and support services (e.g., child care, transportation, education and training, disability). To develop a seamless transition, the publicly funded workforce development system must be engaged in all community discussions to ensure that military personnel receive the services they need.

Conclusion

In summary, CWP is working to align the relationships in communities that benefit both the employer and the participant. Helping employers understand how to access the services already available in their communities and how to create links with support services that can help employers retain and advance entry-level workers are the essential components in CWP's efforts. In

addition, CWP partners with state, local and metropolitan chambers to identify underutilized populations such as transitioning military and their spouses as a source of qualified and skilled workers for the employers in their communities.

The role chambers play in communities is vital to creating this necessary link between employer needs and the publicly funded workforce system. The more robust these relationships are and the more complete the range of partners who are brought to bear on creating a system to address these issues, the more the focus is on the dual customers—employers and jobseekers—and not dual systems, hence the greater the likelihood of success. It is CWP's mission to help chambers take on this role so that employers and communities benefit.

I want to thank the Committee for this opportunity. CWP is committed to working with business in communities to help them remain competitive.

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March 25, 2004

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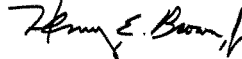
Dear Chris:

Thank you for your leadership in convening yesterday's hearing, "Employing Veterans of Our Armed Forces." I was pleased to participate in the press event and regret a markup on the Transportation and Infrastructure Committee prevented my attending the hearing.

I request the enclosed paper, *Personal and Family Income of Male Veterans and Non-Veterans*, by Robert Klein, PhD, be included in the printed record of the hearing. As you will find, the paper furnishes valuable insights on the exemplary earning power of former servicemembers.

Thank you.

Sincerely,



HENRY E. BROWN, JR.
 Chairman
 Subcommittee on Benefits

Enclosure

**PERSONAL AND FAMILY INCOME OF
MALE VETERANS AND NONVETERANS**

Robert E. Klein, Ph.D.

Deputy Assistant Secretary for Information Resources Management
Office of Information Management and Statistics
Research Division (711)

October 1989

INTRODUCTION

The Department of Veterans Affairs has a continuing interest in gauging the income of veterans. Since eligibility for some VA programs such as pension and health care is tied to income, an income profile of veterans and their families, and an assessment of how this profile has changed over time provide useful information for planning veterans' future needs. A critical focus of this report is the contrast between veterans' income and that of their nonveteran counterparts.

Data in this report come primarily from the March 1988 income supplement to the Census Bureau's Current Population Survey (CPS), the chief source of information on the nation's labor force. Income data from the 1988 supplement refer to money income from all sources in calendar year 1987. All other information, such as age, veteran status, and family status, pertains to March 1988, except where otherwise specified. Data are limited to males, since income data for veterans are available only for males.

HIGHLIGHTS

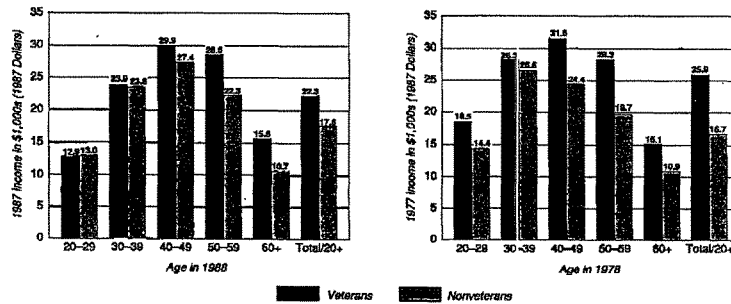
Veterans in general fare better than nonveterans with respect to both personal and family income, and have done so consistently for many years. However:

- With an increase in the number of veterans 65 or older, most of whom retire and no longer earn employment income, the gap in overall income between veterans and nonveterans has diminished over the decade (Figure 1).
- For most age groups, the relative difference in income between veterans and nonveterans has declined (Figure 1).
- Unlike veterans of other periods of service, post-Vietnam era veterans aged 20 to 34 have lower median personal and family income than their nonveteran age counterparts. This is due, in part, to differences in educational attainment (Figures 1, 5, and 6).

Other findings focus on comparisons within the veteran population. These include:

- In spite of a relatively high proportion of veterans 65 or older heading families, these oldest veterans have the lowest family income of all the age groups (Figure 5).
- In contrast to the pattern of income by age, older veterans have greater assets and smaller liabilities than younger veterans (Figure 8).

**FIGURE 1
MEDIAN PERSONAL INCOME OF MALE VETERANS AND NONVETERANS, 1977 AND 1987**



CHANGE IN MEDIAN PERSONAL INCOME: 1977 AND 1987

Veterans' median personal income in 1987 was 27 percent higher than nonveterans' median personal income (\$22,300 v. \$17,600) (Figure 1). In 1977, the difference was 35 percent [\$25,900 v. \$16,700 in constant (1987) dollars].

The decline over the decade in the overall gap between veterans' and nonveterans' income is, in large measure, a function of the aging veteran population. In 1978, the largest concentration of veterans was in the high earning years, ages 50 to 59. Ten years later, however, the largest group was 60 or older, many of whom were retired (Figure 2). The smaller gap in income is also a reflection of lower overall socioeconomic achievement of post-Vietnam era veterans (such as in educational attainment) today compared to their contemporary nonveteran counterparts and compared to veterans who were under age 35 ten years ago. Figure 1 shows that:

- Except for the youngest men in 1988, veterans have higher median income than nonveterans at each age and in each year.
- At both points in time, the youngest and oldest men, among veterans and nonveterans alike, have lower income than men in the middle age groups. Income is highest for men in their forties.
- A comparison of veterans and nonveterans of a given age with men of that age ten years later shows that the income gap between them has declined in most cases. For example, the median income of veterans 20 to 29 in 1978 (Vietnam era veterans) was 28 percent higher than the median of their nonveteran counterparts. In 1988, however, veterans 20 to 29 (post-Vietnam era veterans) had a lower median income than nonveterans of that age. On the other hand, the relative income difference between veterans and nonveterans 60 or older increased over the decade.

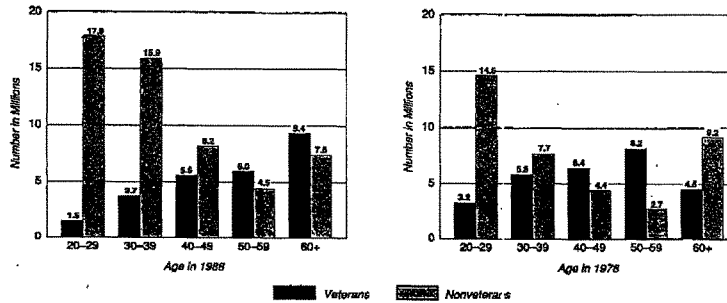
In spite of the increase in relative income differences between older veterans and older nonveterans over the decade, the increasing proportion of older veterans in the veteran population effectively narrows the gap in income between all veterans and nonveterans.

Figure 2 shows the change in the age distribution of the male veteran and nonveteran populations between 1978 and 1988.

- Over the decade, the number of veterans declined in each age group except for the group 60 or older, which increased substantially. In contrast, the number of nonveterans between 30 and 59 increased, while the number in the oldest group declined.
- In 1988, men 60 or older comprise more than one-third of the veteran population compared to only 13.9 percent of the nonveteran population.

The low income of older men, coupled with their increasing number among veterans, account for much of the narrowing overall difference in veterans' and nonveterans' median income.

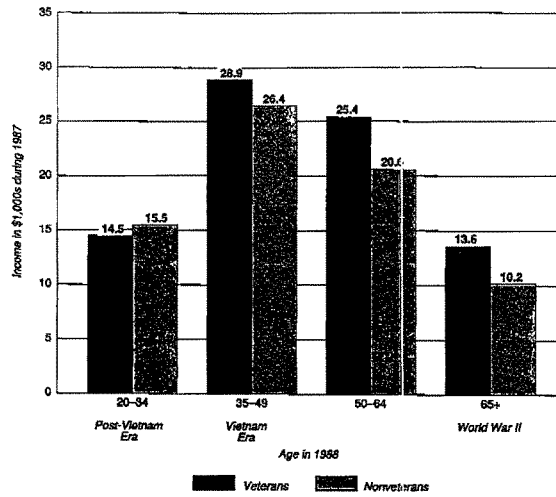
**FIGURE 2
NUMBER OF VETERANS AND NONVETERANS BY AGE, 1978 and 1988**



PERSONAL INCOME BY PERIOD OF SERVICE

Income differences among veterans are strongly related to their period of service. In contrast to earlier charts, which feature ten-year age groupings to facilitate studying change over the decade, Figure 3 and subsequent charts focus on age groups which correspond roughly to periods of service. Since much interest centers on Vietnam era and post-Vietnam era veterans, veterans aged 20 to 34 include post-Vietnam era veterans only, while veterans aged 35 to 49 are limited to those of the Vietnam era.

**FIGURE 3
MEDIAN PERSONAL INCOME OF MALE VETERANS AND NONVETERANS BY AGE, 1988**



- Unlike other veterans, the youngest veterans (those aged 20 to 34 of the post-Vietnam era) have a lower median income (by \$1,000) than their nonveteran age counterparts.
- Vietnam era veterans (those aged 35 to 49) have a higher median income than veterans in general, primarily because they are in the prime earning years; they also exhibit a higher median income than their nonveteran age counterparts.
- Although veterans of traditional retirement age, 65 or older, have a significantly higher median income than their nonveteran counterparts, older veterans have a substantially lower personal income than veterans of younger ages.

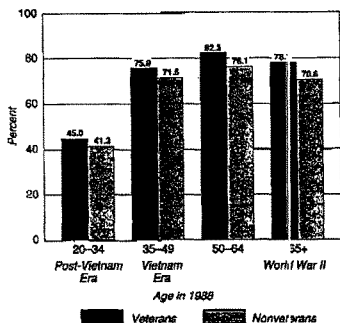
FAMILY INCOME PROFILE

While personal income is important as an indicator of individual economic achievement, family income usually reflects more accurately the economic resources available to an individual who is part of a family.

Living in a family, heading a family, and the type of family in which one lives are all related to income. Three-quarters of the 26.2 million male veterans 20 or older head families compared to 57 percent of the 54 million male nonveterans of that age. The difference reflects, in part, the older age distribution of veterans, since the likelihood of heading a family is greatest for men in their fifties and sixties.

Figure 4 shows the percentage of veterans and nonveterans who head families by age.

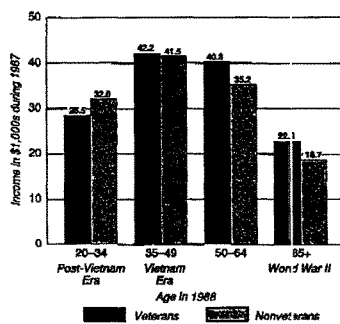
**FIGURE 4
PERCENT OF MALES HEADING FAMILIES BY VETERAN STATUS AND AGE, 1988**



- The vast majority of both veterans and nonveterans in the age groups above 35 (over 70 percent) head families, including the oldest men.
- There are only slight differences in the proportions of veterans and nonveterans of the same age heading families.
- Of those veterans and nonveterans who head families, the overwhelming majority (95 percent) head husband-wife families; relatively few head families with no wife present (data not shown). The high proportion of husband-wife families among families has important implications for family income, since the majority of wives in husband-wife families earn an income.

Family income for veterans and nonveterans by age is shown in Figure 5.

**FIGURE 5
MEDIAN FAMILY INCOME BY VETERAN STATUS AND AGE, 1988**



- Contrary to the overall edge families of veterans have over those of nonveterans, families headed by the youngest veterans have a lower median income than families headed by nonveterans of the same age.

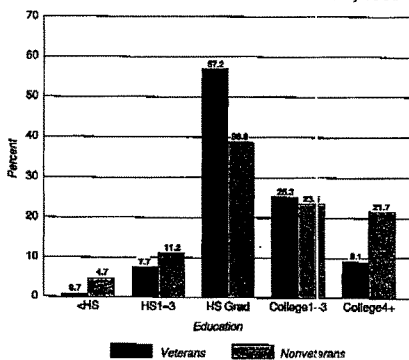
- Overall, families headed by veterans have higher median income (\$36,250) than families headed by nonveterans (\$33,250).
- Families of Vietnam era veterans, who are in the prime years of their working life, have the highest income among the veteran groups shown. Their families do slightly better than the families headed by nonveterans of comparable age. Families of veterans 50 to 64, who are close behind Vietnam era veterans in level of income, have substantially higher income than their nonveteran counterparts.
- Although families headed by veterans 65 or older have significantly higher income than families headed by nonveterans of that age, families headed by the oldest veterans have the lowest family income among all families headed by veterans.

Throughout this report, the income levels of the youngest and oldest veterans have been prominently cited. The next two sections focus on the special situation of these veterans.

INCOME OF POST-VIETNAM ERA VETERANS 20 TO 34

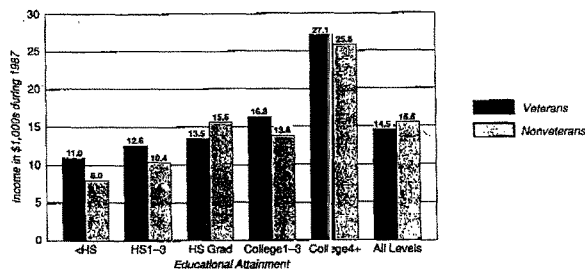
Post-Vietnam era veterans aged 20 to 34 are unique with respect to income in that unlike other veterans, they have lower income than their nonveteran counterparts. For example, the median personal income of these veterans (\$14,540) is 6.7 percent lower than the median income of their nonveteran counterparts (\$15,520). Part of the explanation for the difference in income is due to the difference in their educational attainment and the relationship between education and income. Personal income rather than family income is the appropriate income measure in its relationship to education in so far as each is strictly a measure of individual achievement. Figure 6 shows the distribution of veterans and nonveterans 20 to 34 by highest level of education attained; Figure 7 shows median income by level of education for these groups.

FIGURE 6
PERCENTAGE DISTRIBUTION OF MALE POST-VIETNAM ERA VETERANS AND
NONVETERANS 20-34 BY EDUCATION, 1988



- A higher proportion of veterans are at the middle levels of educational attainment, (high school graduate and college 1-3), and a higher proportion of nonveterans are at the highest levels (college 4 or more) and lowest levels (less than high school graduate).
- Veterans have a higher median income than nonveterans at each level of educational attainment except high school graduate.

**FIGURE 7
MEDIAN PERSONAL INCOME OF MALE POST-VIETNAM ERA VETERANS AND
NONVETERANS 20-34 BY EDUCATION, 1988**

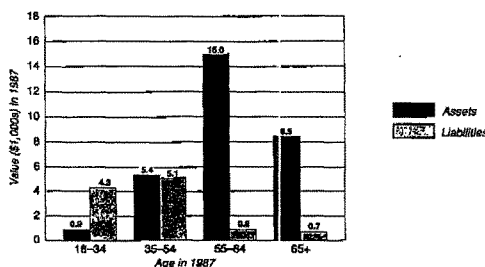


The fact that nearly 60 percent of young veterans are at the high school graduate level compared to less than 40 percent of young nonveterans explains, in part, the lower overall median income of young veterans. Their lower overall median income masks the important fact that young veterans have higher income than young nonveterans at all levels of educational attainment except those with a high school education only.

INCOME OF VETERANS AGED 65 OR OLDER

The number of veterans at or nearing retirement exceeds the number of younger veterans. Indeed, 21.7 percent of male veterans are 65 or older compared to 11.2 percent under aged 35. This is of concern since veterans 65 or older have lower income than younger veterans. Older veterans are, by and large, out of the labor force, as are their wives, and, as such, without employment income. Yet income alone, particularly employment income, does not provide the complete picture of economic well-being. Many older persons have a relatively large proportion of their total net worth in assets not readily converted to cash, such as real estate. In fact, VA's 1987 Survey of Veterans shows that 64 percent of veterans 65 or older own their own homes free and clear compared to 23 percent of veterans under age 65. Moreover, older persons usually incur less debt than younger persons. Figure 8 shows median assets and median liabilities by age for male veterans from data collected in the 1987 Survey of Veterans.

**FIGURE 8
MEDIAN ASSETS AND MEDIAN LIABILITIES FOR MALE VETERANS BY AGE*, 1987**



Source: 1987 Survey of Veterans, Department of Veterans Affairs

*Note: These are slightly different age groups than shown previously

- The median value of assets of veterans 65 or older is higher than the median of assets of veterans 18 to 34 and 35 to 54; the youngest veterans have the lowest median value of assets while veterans aged 55 to 64 have the highest.
- Among all age groups, veterans 65 or older have the lowest median value of liabilities. This is true, in large measure, because of the high proportion of these veterans who own homes free of mortgage debt.

SUMMARY

The overall income picture for male veterans is a relatively good one.

- Veterans in general fare better than nonveterans in terms of both personal and family income. The latest data available show, for example, that veterans' median personal income in 1987 was about 27 percent higher than the median income of nonveterans.
- As a consequence of the aging veteran population, the overall gap between veterans' and nonveterans' income has narrowed during the decade. However, for some age groups, the relative difference between veterans' and nonveterans' income has, in fact, declined.
- Within the veteran population, the youngest and oldest veterans have lower median personal and family income than veterans of other ages.
- If veterans are compared to nonveterans, the youngest veterans, under age 35, are the only group of veterans who have lower income than their nonveteran age counterparts. This is explained, in part, by the fact that the youngest veterans have lower overall educational attainment than nonveterans. In particular, young veterans are concentrated in the middle levels of education (high school graduate and some college), whereas nonveterans of this age are more likely to have graduated from college.
- Although veterans 65 or older have higher income than nonveterans of the same age and family arrangement, older veterans have considerably lower income than veterans of younger ages.
- Income is an important but only partial measure of economic well-being. The value of total assets and liabilities is strongly related to age. Veterans 65 or older have higher median assets than veterans in age groups under age 55, and the lowest median debt among all age groups.

APPENDIX: VETERANS' INCOME DISTRIBUTION

Median income is an extremely useful measure of income in that it neatly divides the population in half with respect to income. Yet, as a summary measure, the median does not capture the details and nuances of the income distribution such as the proportion of the population at the extremes of an income distribution. A more complete picture of income is provided by the full distribution. Appendix Table 1 shows the distribution of males by age, veteran status, and personal income. Appendix Table 2 shows the distribution of male family heads by age, veteran status, and family income.

Appendix Table 1
Percentage Distribution of Males by Age, Veteran Status, and Personal Income (1987)
 Veterans

Income ¹	Total 20 or Older	20-34 ²	35-49 ²	50-64	65 or Older
Under \$10,000	19.7	27.5	10.9	16.9	32.7
10,000 - 19,999	25.5	34.5	17.6	21.7	38.2
20,000 - 29,999	20.4	20.4	24.4	20.2	15.3
30,000 - 39,999	15.2	11.7	21.6	16.2	6.4
40,000 - 49,999	8.3	3.6	12.0	10.0	2.9
50,000 - 59,999	4.2	1.5	5.8	5.1	1.8
60,000 or more	6.6	0.7	7.7	9.7	2.9
Total	100.0	100.0	100.0	100.0	100.0%
Number (in Thousands)	26,212	2,927	7,820	9,667	5,698

Nonveterans

Income ¹	Total 20 or Older	20-34	35-49	50-64	65 or Older
Under \$10,000	29.3	32.1	17.1	26.8	49.2
10,000 - 19,999	26.0	29.5	18.9	22.1	32.2
20,000 - 29,999	19.2	20.2	21.4	16.4	10.0
30,000 - 39,999	12.0	10.5	17.3	13.1	4.9
40,000 - 49,999	6.1	4.2	10.3	8.3	1.7
50,000 - 59,999	3.0	1.7	5.7	4.4	0.9
60,000 or more	4.4	1.8	9.3	7.0	1.9
Total	100.0	100.0	100.0	100.0	100.0
Number (in Thousands)	54,037	26,996	15,081	5,820	6,140

¹ Medians of income in text are based on more detailed income categories.
² Includes war and peacetime veterans.

Appendix Table 2
Percentage Distribution of Male Family Heads by Age, Veteran Status, and Family Income (1987)
 Veterans

Income ¹	Total 20 or Older	20-34 ²	35-49 ²	50-64	65 or Older
Under \$10,000	5.3	7.0	2.6	5.2	8.6
10,000 - 19,999	15.8	21.1	9.0	12.0	30.5
20,000 - 29,999	17.9	22.8	14.0	15.9	25.2
30,000 - 39,999	17.4	21.9	13.8	16.3	14.5
40,000 - 49,999	14.2	13.9	13.9	14.4	8.2
50,000 - 59,999	10.9	7.9	11.9	11.3	4.5
60,000 or more	19.3	5.3	21.4	24.9	6.3
Total	100.0	100.0	100.0	100.0	100.0
Number (in Thousands)	19,913	1,449	6,035	7,952	4,447

Nonveterans

Income ¹	Total 20 or Older	20-34	35-49	50-64	65 or Older
Under \$10,000	8.0	6.9	4.7	10.2	16.5
10,000 - 19,999	17.4	17.7	10.9	14.2	37.6
20,000 - 29,999	16.6	22.6	14.1	16.7	20.4
30,000 - 39,999	18.1	21.6	18.9	16.0	11.1
40,000 - 49,999	13.5	14.2	16.3	13.1	6.5
50,000 - 59,999	8.9	8.2	11.5	9.9	3.1
60,000 or more	15.5	8.6	24.3	19.9	5.8
Total	100.0	100.0	100.0	100.0	100.0
Number (in Thousands)	30,713	11,155	11,791	4,434	4,334

¹ Medians of income in text are based on more detailed income categories.
² Includes war and peacetime veterans.

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