

OLDER WOMEN AND EMPLOYMENT: FACTS AND MYTHS

HEARING
BEFORE THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
ONE HUNDRED FIRST CONGRESS
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OLDER WOMEN AND EMPLOYMENT: FACTS AND MYTHS

FRIDAY, AUGUST 2, 1991

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, DC.

The Committee met, pursuant to notice, at 9:30 a.m. in room 385, Russell Senate Office Building, Hon. William S. Cohen [acting Chairman of the Committee] presiding.

Present: Senators Cohen, Grassley, Simpson, Burns, and Specter.
Staff present: Portia Porter Mittelman, Staff Director; Christine Drayton, Chief Clerk; Kim Weaver, Professional Staff; Mary Berry Gerwin, Minority Staff Director; Tracy Gay, Professional Staff Member; Diane Hulse, Staff Assistant.

OPENING STATEMENT OF SENATOR COHEN, ACTING CHAIRMAN

Senator COHEN. The hearing will come to order. The Special Committee on Aging is holding this hearing to look at the older working woman and the problems she is facing in today's work force.

The Chairman, Senator Pryor, had originally scheduled this hearing back in May. It was postponed due to his illness, and we are all pleased that Senator Pryor is doing very well. We saw him via satellite yesterday. He has given me the opportunity to chair the meeting on his behalf and we look forward to his return to the Committee in September. We have an opening statement from Chairman Pryor that will be entered into the record of today's hearing.

As the population ages, the number of women in the work force will continue to increase. There are currently 10 million women over 50 who are working and another 3 million older women who want to work, but cannot find jobs. As the pool of young workers in the labor force shrinks, women—who constitute a majority of older Americans—will become more and more valuable to the economic growth of American business.

Today, we will look at the status and special problems of older women in the work force and the obstacles to employment facing them as they search for work.

Some of these women are returning to work after years at home raising a family. Many find themselves having to be financially independent for the first time due to being widowed or divorced. Some are highly educated, while others may hold few, if any marketable skills.

While their backgrounds and circumstances may differ greatly, these women often face similar barriers when re-entering the work force, or when continuing to work as they reach age 50 and beyond. Such barriers include age discrimination, pay inequities, not advancing into senior positions, and inadequate pension security.

Older women today often lack meaningful employment opportunities and are excluded from the workplace at the very time when our labor force needs a strong base of mature, qualified workers to thrive.

This exclusion can also have severe consequences for the women themselves. Without adequate pay or pensions, older women often are thrust into poverty. A full 70 percent of all the older Americans living below the poverty level in the United States are women, and about half of all the older women who live alone are poor or near poor.

Today we will hear testimony from a wide array of witnesses, including the Department of Labor, the Administration on Aging, organizations representing older women workers, unions, the private sector and women themselves on the extent to which older women are accepted and integrated into the workplace.

While women have made great strides in the workplace over the past two decades, we should not deceive ourselves: we still have a very long way to go to provide meaningful employment opportunities for older working women.

I want to give just a couple of examples. Women earn only 75 percent of what men earn for performing comparable jobs, and women between the ages of 50 and 64 earn on the average, only 55 percent of what men their age earn. Fewer women than men are covered by public or private pensions. Women face age discrimination at earlier ages than men do, beginning as early as the age of 40. Finally, Department of Labor statistics show that older women have longer periods of unemployment than men, and that the vast majority of women continue to work in traditionally female jobs for low wages.

In addition to all of these obstacles, women also must overcome the many myths that surround older working women, and indeed all older workers today. Many employers still believe that older workers cannot be trained in new technologies, that they cost more to employ, and cannot work as efficiently as young people.

The testimony that we will hear today, however, will go far in dispelling these myths and illustrates vividly that older Americans are capable and willing to work and can be a great untapped resource for business.

Federally- and State-funded programs, such as the Displaced-Homemakers and the Job Training Partnership Act, are helping older women to re-enter the work force with the training and experience they need to become employed. Today, Norma Wisor will describe how the Arkansas ABLE program has expanded employment services for older workers in Arkansas, and Betty Friberg of South Portland, ME, will describe how the special project for older women at the Portland Displaced Homemakers program helped her to regain self-confidence and become financially independent.

Finally, we will hear about exciting programs that are underway in the private sector, such as those by Days Inns and Travelers' In-

insurance Co., to aggressively recruit older employees. These programs have had tremendously positive results, and these companies have found older workers to be productive, cost-effective, trainable, and great assets to their businesses.

I look forward to the testimony of our witnesses today. It is critical that we do all that we can to make the workplace responsive to the older working woman, as she is going to be a pivotal part of the work force of tomorrow.

Before I yield to my colleague, I want to point out that we are going to be interrupted several times during the course of this morning's deliberations, as a vote is scheduled. I think, for 10 o'clock. So after Senator Burns makes any opening remarks he has, we will proceed with our first witness and hope that you can at least get your opening statement in before the bells ring.

[The prepared statements of Senators Pryor, Reid, Kohl, and Pressler follow:]

STATEMENT OF SENATOR DAVID PRYOR

I would like to thank Senator Cohen for chairing this hearing. Today the Committee will be examining issues that are vitally important to all Americans. The ability of older women to find and keep jobs is inextricably linked to their ability to support themselves and their families and to retire with a reasonable standard of living.

All too often today an older woman faces the prospect of either not finding a job at all or finding a low paying job. She is likely to have little or no pension benefits of her own. This picture must change if we as a nation are going to fully use all of our resources.

As the Commonwealth Fund report demonstrated, older workers are reliable and well worth the investment. As the pool of younger workers in this country shrinks, we are going to have to re-think the stereotypical view of older women that has handicapped them up to this point. Older workers are trainable and older workers are not expensive to hire. We are going to need their contributions.

Today we will hear from representatives of groups that are successfully working with older women to get them in and keep them in the workplace. I particularly look forward to learning from the testimony of Mrs. Norma Wisor from Little Rock. I also look forward to reading the testimony of Mr. Richard Smith from Days Inns who will tell us about their experiences, with actively recruiting older workers.

STATEMENT OF SENATOR HARRY REID

I would like to thank Senator Cohen for convening this hearing on older women and the workplace. I am very pleased that the Aging Committee is examining the challenges older women face as they both re-enter the workplace, and attempt to remain there to achieve for themselves a certain level of financial independence.

A reduction in the time needed to take care of household chores, rising inflation coupled with little real wage growth, and societal attitudes and consumption patterns have all contributed to an enormous increase in female participation in the workplace. The participation of *older* women in workplace parallels this trend. Financial security is, admittedly, more difficult for women to come by than men.

Today we will hear about the challenges faced by these women working towards financial independence, and hopefully some optimistic news about the outlook of their place in the working world. In addition to the concerns I hold for women attempting to achieve financial security in the workplace, I have discovered special needs to women who participate in what was at one time known as "a mother's job." By this I mean the women who stay at home and run households.

In spite of the trend toward increasing numbers of female participation in the workplace, many women opt out of what we call "the workplace" in order to care for children, elderly parents, or other dependent relatives. Because these women stay at home "caregiving", they make a limited—if they make one at all—contribution to Social Security. As one might expect, when these women turn 65, they don't receive much in benefits. I certainly consider these people to be working women—only they are not salaried. Because of this, many women are receiving much less in Social Security benefits than are men, when they have spent just as many years

working—only at home. This inequity contributes to the fact that three-fourths of older Americans living below the poverty level are women.

My concern for this led me to introduce the Social Security Caregivers Act, S. 762. This bill will allow women and men to drop up to five years of either zero or very low earnings from the Social Security calculation providing those years were dedicated to caregiving. This means a mother or father who stay home to care for children will not be penalized by the Social Security system for those years at home.

I am pleased that we can address the financial security of older women, and I thank our forthcoming witnesses for their time.

STATEMENT OF SENATOR HERB KOHL

Mr. Chairman, I would like to applaud you for holding this hearing today. As our nation's workforce becomes older and more older women wish to enter or reenter the work force, we face some real challenges. We do need to address the problems this sector of our population has in finding employment and obtaining competitive wages and benefits.

Statistics show that most older women who seek employment do so because of economic necessity. This is usually the result of the death of her spouse, divorce or separation. But in these tough economic times many women enter the workforce to assist the family in maintaining a standard of living. For instance, in my state of Wisconsin, low dairy prices are forcing many women who work on family farms to find employment off the farm in order to put food on the table and clothe the children. There is no denying that women in each of these situations have special needs in seeking employment.

Today we are going to hear from several groups that are interested in the employment of older women. However, I am particularly interested in hearing from the representative of the Portland Displaced Homemakers organization. As many of you know, this program provides job skills training for women who want to enter or reenter the workforce. In fact, a member of my staff is a graduate of this program. After her divorce, she needed to find employment to support herself and her child. The Displaced Homemakers program provided her with the skills she needed to successfully find a job and she has become an effective, vital member of my staff.

I am also looking forward to the testimony from Mr. Richard Smith, the Senior Vice President of Administration of Days Inns of America. Too often, employers think that it will cost an excessive amount to train older workers. They mistakenly believe that older workers will not be able to learn new skills; that they will not be flexible in working full-time and overtime hours. The experience of Days Inns, and an increasing number of companies, disproves those common perceptions. Older workers bring quality and experience to the workplace. We must do a better job of tapping that quality and experience.

Again, I would like to thank the Chairman for holding this hearing and I look forward to the testimony from all of the witnesses.

STATEMENT OF SENATOR LARRY PRESSLER

Mr. Chairman, I would like to commend you for holding this hearing on the role of women in the work force. I am cosponsoring legislation that designates the second week in March as "National Employ the Older Worker Week". I also select a Senior Citizen intern each year to work in my office for a week. Employment opportunities for women of all ages are of great concern to me, particularly during the current period of economic downturn. We need to provide incentives and encouragement so that women can continue to have work opportunities.

In my State of South Dakota, it is estimated that nearly 5,000 women age 65 and older continue to work. Further, 22,000 women over the age of 45 and 16,000 women over age 55 contribute to South Dakota's labor force.

Women choose to work for a number of reasons. Many choose to remain in the workforce for mental stimulation or pure enjoyment. Others work out of financial need. They may need the additional income to help pay the bills or put a child through college. Others work to obtain health insurance coverage for their loved ones. Whatever the reason for working, we must ensure opportunity and good work conditions for women in our labor force.

A growing number of younger women are choosing to stay home for an extended number of years in order to raise a family. Many of these women then enter or reenter the workforce at age 40 or 50. We need to make a special effort to assist these women when they return to the job market.

Earlier this year, I joined in sponsoring legislation that would repeal the Social Security earnings limitation. As we are all aware, many individuals who choose to

work, or must, past the age of 62 or 65 have their Social Security benefits reduced. This is just one example of a disincentive that should be removed.

In South Dakota, the average woman earns a Social Security benefit of \$458. Many single women are trying to survive on this small monthly benefit. Many have no choice but to continue working. They need our assistance to maintain a decent standard of living.

I strongly support efforts to encourage women to remain in our labor force. I appreciate the skill, wisdom, experience and dedication of older workers. We need more of these dependable workers to fill the needs of our labor market. I look forward to hearing the first-hand accounts of the witnesses and their recommendations on how we can improve their role in our work force.

Senator COHEN. Let me now yield to Senator Burns.

STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. Thank you, Mr. Chairman. Good morning. It was good to see David Pryor by satellite yesterday. We look forward to his return coming up in September in the important work that this Committee does.

The problems that older working women face today are real, and I hope that the testimony we hear today will help us to maybe plot a course or set some sort of policy that will continue that dialog and also make some strides in the right direction.

My circumstance in politics is a little bit different than most folks here. My mother is still living and is 82. With her being a hardcore Democrat, I have had a lot of explaining to do to her. Of course my Dad is, too. He still thinks that Harry Truman was the Lord and when you die you go to Independence. He hasn't changed that either.

There is an old saying in this country and I think it's true—and I bring the point up that my mom still knows how to use the telephone and calls me on many issues because she gets involved in them—but the hand that rocks the cradle rules the nation. In fact, you could expand that and say it runs the whole world, so we don't want to forget what talents and expertise women bring into the work force, especially the women that are getting along in years.

You heard the figures that Senator Cohen quoted that 10 million women over the age of 50 are working and 3 million are looking for jobs. Now that is an amazing presence in our labor force and we really have come a long way, but we cannot rest on our laurels.

There are still paths to be cut to ensure equal pay for equal work. They have the battle of age discrimination to dispel the myths going around over not just hiring older women, but employing older workers in general.

I applaud Days Inn and Travelers Insurance for taking those first steps. They are role models with results that we can only hope will spread rapidly.

Mr. Chairman, in the interest of time and the busy day that is ahead of us, I would ask that my statement be entered into the record. Thank you for this opportunity, and I look forward to hearing from the witnesses.

Senator COHEN. Without objection, it will be included.

[Senator Burns' prepared statement follows:]

STATEMENT OF CONRAD BURNS

Mr. Chairman, I want to thank you for holding this hearing today. I was glad to see Senator Pryor yesterday via satellite looking so well. I know we all look forward

to his return in September. The problems that the older working woman is facing today are real and I hope that from the testimony of those here today and the dialogue that is spurred, we can begin to make some steps towards finding some solutions.

There is an old saying: "The hand that rocks the cradle, runs the country". In fact, the hand that rocks the cradle runs the whole world! Women are extremely important in society. And if women are increasingly returning to the workforce for one reason or another, and are having difficulty finding employment or keeping jobs, then we need to act.

You heard the figures that Senator Cohen quoted: 10 million women over the age of 50 are working and 3 million are looking for jobs. What an amazing presence in our labor force. We really have come a long way. But let's not rest on our laurels.

There are still paths to be cut to ensure equal pay for equal work, to battle age discrimination, and to dispel the myths surrounding not just hiring older women, but employing older workers in general.

I applaud the Days Inns and Travelers Insurance for taking the first steps. They are role models with results that we can only hope will spread rapidly.

We need older women in our society and we need them in our workforce. As our population grows older, this segment will become an incredible resource. We'd be wise to use and recognize their knowledge, their energy, and their wisdom.

I look forward to hearing and reading your testimonies and I thank you all for joining us in discussing this vitally important issue. I have no doubt that we can make an impact, erase some stereotypes, and encourage the tapping of this valuable resources, older working women.

Thank you, Mr. Chairman.

Senator COHEN. The Committee is pleased to welcome our first witness, Elsie Vartanian, Director of the Women's Bureau at the Department of Labor.

Ms. Vartanian.

STATEMENT OF MS. ELSIE VARTANIAN, DIRECTOR, WOMEN'S BUREAU, DEPARTMENT OF LABOR

Ms. VARTANIAN. Thank you, Mr. Chairman. Good morning, Mr. Chairman and members of the Committee. I appreciate the opportunity to be here this morning in response to your invitation to Secretary Lynn Martin to testify on older women and employment: facts and myths. Please extend our warm best wishes to Senator Pryor for his speedy recovery and return.

As the American work force changes and becomes older, smaller, and more diverse, we must redouble our commitment to utilize all of our human resources to their optimum.

Issues affecting women today include training, wages, and pensions. This morning, I am pleased to give you an overview of the situation facing older women workers and the Department of Labor's programs serving them.

Older women workers are generally thought of as those over the age of 55, although as I get older that seems to get younger in my mind. They have become a steadily growing part of our work force. While a few issues such as forced retirement and age discrimination are unique to older persons, unemployment, job displacement, and labor market discouragement affect workers of all ages.

Unemployment rates for older workers are well below the average for all workers, but because older workers often have some resources available for retirement, many choose to leave the labor force rather than persist in lengthy and difficult job searches.

In addition to general labor market problems and age discrimination, older women face the special problems of reentry after a sustained absence, low-wage employment, and occupational segrega-

tion. Women reentering the work force after divorce or death of a husband tend to be those with fewer years of work experience and the fewest resources to finance a prolonged job search.

The work they find is frequently characterized by low wages. These lower earnings translate into lower pension and Social Security benefits and the need for post-retirement employment based on economic necessity.

It seems likely that occupational segregation and low wages for women in their 50's and 60's will persist. Women in their 20's and 30's today, however, are beginning to enjoy greater occupational diversity and can look forward to higher earnings as well as greater retirement benefits.

While the stereotypical displaced worker is usually an older white male who has lost a blue-collar job, older displaced women encompass all races and include homemakers as well as workers. They are less likely than their male counterparts to find employment, more likely to leave the labor force entirely, and are at greater risk to poverty.

Case studies conducted in 1990 and 1991 have identified three common corporate myths that often serve as the basis for age discrimination. They were: older workers could not be trained in new technology; older workers are more costly to employ and are not as efficient as younger workers; and older people are inflexible about the terms of their employment, particularly as regards working full-time or overtime. The facts refute these myths, Senator.

Today, more older workers than ever before are returning to school to improve their skills and to learn new technologies. The Administration on Aging has reported that worker productivity does not decline with a worker's age, and older workers have proven to be flexible about their working hours.

In a 1987 conference cosponsored by Kentucky Fried Chicken, the National Restaurant Association, and the American Association of Retired Persons, the food industry gave top ratings to older workers for dependability, job performance, and customer and co-worker rapport. The Older Workers Task Force, established by Labor Secretary Ann McLaughlin in 1988, examined issues relating to America's maturing labor force. Their findings revealed an aging and diversifying work force. In response to that, the Department began working with employers to develop policies and benefit programs to address the needs of a diverse work force.

The Department administers Title V of the Older Americans Act and Titles II and III of the Job Training Partnership Act, programs which serve more than 126,000 workers by providing job counseling, basic skills training, and retraining. Secretary Martin is developing policies in support of the Administration's initiative on life-long work-based learning programs.

On April 30, Secretary Martin unveiled an Administration proposal addressing the Nation's pension system. Retirement income is critical to the economic security of older women and the POWER proposal will increase available pension coverage options and increase portability, a boon for all women workers.

Since 1920, the Women's Bureau has been working to accomplish its legislative mandate, to promote the welfare of all wage-earning women. In recent years, this has come to include older women

workers and displaced homemakers. We have participated in policy discussions on training and benefits, developed our own initiatives, and provided funding and technical assistance to national programs such as the Displaced Homemakers network.

In 1989, the Women's Bureau established the Work and Family Clearinghouse, which provides information, references, and examples of employer-sponsored options that enable workers to balance work and family responsibilities. We have supported a number of regional programs serving older women, which address their employment, economic, and career transition needs. Our regional offices work cooperatively with older women advocacy groups and have cosponsored conferences across the country focusing on the role of older women in Work Force 2000.

Remarkable changes in the industrial and occupational structure of our society are taking place. The work force and the nature of work itself are being altered significantly due to technological and demographic changes.

By the year 2000, the work force will, by necessity, include more older workers. Employers will have to reconsider traditional methods of recruiting, training, and managing an older work force. We at the Department of Labor will continue to help employers and workers meet the challenges of a diverse work force while ensuring that the contributions of older women workers are recognized and their opportunities for employment and economic security are expanded.

Thank you, Senator. I'll be pleased to answer any questions.

[The prepared statement of Ms. Vartanian follows:]

STATEMENT OF ELSIE VARTANIAN, DIRECTOR, WOMEN'S BUREAU, U.S. DEPARTMENT OF LABOR

Mr. Chairman and Members of the Committee, I very much appreciate the opportunity to be here with you today in response to your invitation to Secretary Martin to testify at this hearing on "Older Women and Employment: Facts and Myths."

Who is an older worker? A 1988 Department of Labor Older Worker Task Force felt that "no single homogeneous group can be tagged 'older workers.'" The report saw "older workers" as a relative term which may variously refer to workers who are 47 years old or 74 years old who may need additional training, retirement security, or flexible alternatives to the existing job structure to continue employment beyond normal retirement age. In my testimony, I will be alluding not only to training programs geared to workers 55 years of age and older, but also to displaced homemaker programs geared to women whose ages range from under 35 to over 65 and to the Age Discrimination in Employment Act, which protects workers ages 40 and over.

As you pointed out in your letter of invitation, the Labor Department's broad mandate encompasses many important issues affecting women as they move into and out of the workforce. Thus, I will address such issues as training and retraining, wages, and retirement income.

Before discussing the labor market problems of older women workers, I would like to briefly address the extent of their labor force participation.

Labor Force Participation. In 1990, 6.6 million women age 55 and over were in the U.S. labor force. While overall labor force participation among older women changed very little over the past two decades, subgroups of older women showed very different labor market patterns.

Women in their late fifties participated in the influx of women into the labor force during the 1970's and 1980's, though they entered at a much less dramatic pace than their younger counterparts. In 1990, 55 percent of women ages 55 to 59 were in the labor force, up from 49 percent 20 years earlier. The fact that each new cohort of women entering their fifties will have had more lifetime work experience than those before them suggests that participation will continue to rise.

For women ages 60 to 61, labor force participation was up only slightly over the period and was down among those ages 62 and over. At ages 62 and 65, respectively, workers become eligible for reduced and full Social Security worker retirement benefits. Since the mid-1980's, however, labor force participation increased incrementally across all groups of older women.

In contrast to women, the participation rate for men has declined for each age group 55 years of age and above over the last twenty years. Their participation rate at ages 55 to 59 declined from 90 percent in 1970 to 80 percent in 1990. At ages 60 to 61, it declined from 83 percent to 68 percent.

Why do older Americans stop working? In its 1989 annual report, The Commonwealth Fund, a national philanthropy, says that poor health is not the major reason older Americans retire early. The report also says that raising the mandatory retirement age did not lead to increases in employment among older workers. It suggests that business attitudes and practices may be responsible. Such attitudes and practices include management's belief that aging means declining health, safety, motivation and productivity; a lack of policies to encourage older workers who want to stay on the job; the philosophy that retirement at or before age 65 is in the best interest of both the employee and the organization; and early retirement packages offered as a way to trim staff size during recession.

According to The Commonwealth Fund's 1989 annual report, surveys have indicated that as many as half of retirees would have preferred to go on working. In 1989, Louis Harris and Associates conducted a survey for the Fund to determine how many older Americans really are willing and able to work. Over 3,000 persons were sampled, including women ages 50-59 and men ages 55-64. Of the 1510 non-working persons surveyed, 45 percent of nonworking men and 41 percent of non-working women would prefer to be working.

LABOR MARKET PROBLEMS OF OLDER WORKERS

While a few issues, such as forced retirement and age discrimination are unique to older persons, many labor market problems, such as unemployment, job displacement, and labor market discouragement, affect workers of all ages.

Unemployment. Unemployment rates for both older men and women are low compared to workers of other ages. In 1990, the unemployment rate of women ages 55 to 64 was 2.8 percent and the rate for women age 65 and over was 3.1 percent. However, lower unemployment rates for older workers did not necessarily indicate that older workers had an easier time in the labor market. Rather, because older workers often have different resources available for retirement, they may choose to leave the labor force rather than persist in job search even though they may prefer to work. A large proportion of the unemployment spells of older persons end in labor force withdrawal rather than employment. Had these persons persisted in their job searches, unemployment would probably be higher than it is.

In addition to the labor market problems of older workers in general, older women face special problems such as a difficult labor market reentry, low wage employment and occupational segregation, displacement as well as the effects of possible age discrimination. I will now address each of these points in turn. Labor Market Reentry. In general, women with fewer years of work experience and education have a greater chance of unemployment at reentry. The women most likely to experience unemployment tend to be those with the fewest resources to finance a job search. Women who are reentering the work force after divorce or their husband's death often do not have recent—or even any—work experience and may lack the money needed to support themselves or their children during a prolonged job search.

Earnings and Occupational Distribution. Those older women who find work often receive relatively low earnings in the jobs they hold. In 1990, median annual earnings for women ages 55 to 64 and those 65 and over who worked full-time and year-round were \$18,727 and \$17,565, respectively. Both figures were equal to 58 percent of the earnings of men the same ages.

Older women's earnings reflected their occupational distribution. Fully 6 of every 10 employed women ages 55 to 64 and 7 of every 10 women age 65 and over were employed in either sales, administrative support, or services occupations. Older black and Hispanic women experience the greatest labor market difficulties, both groups being segregated in very low-paying occupations, such as private household work.

The relatively lower earnings of women translate into lower pension and Social Security benefits and a need for postretirement employment based on economic necessity since women have a longer life expectancy than men.

In the short term, it seems likely that occupational segregation and low wages for women in their fifties and sixties will persist. However, over the long term, there may be some changes. Women in their twenties and thirties are somewhat less concentrated in traditionally-female occupations than are older employed women. The gap between earnings of men and women is also much smaller for younger groups. In addition, future cohorts of older women will have had many more years of work experience than their mothers and grandmothers and may have higher earnings and greater retirement benefits as a result.

Displacement. Data on worker displacement from the January 1990 displaced worker survey are a good measure of labor market difficulties of older women. A displaced worker is someone who had held his or her job for a least three years and lost it due to a plant or business closing or moving, slack work or the abolishment of their position or shift. While the stereotypical displaced worker is usually an older white man who has lost a blue collar job, data from the 1990 survey indicate that older women of all races are also subject to displacement from long-held jobs. Between 1985 and 1990, for example, 250,000 women ages 55 to 64 and 82,000 women ages 65 and over lost jobs they had held for at least three years. Older displaced women were less likely than their male counterparts to have found employment and more likely to have left the labor force entirely after displacement.

Older displaced workers are more likely than their younger counterparts not to look for a job because they think it would be impossible to find one and even among the reemployed, older persons are more likely than others to have suffered a loss in earnings relative to those in their previous job. Even though women tend to have lower earnings than men before displacement—and therefore seemingly less to lose—they suffer earnings declines similar to those of men upon reemployment.

Age Discrimination. The special difficulties women and minorities may experience in the labor market generally can be traced to deficiencies in education and labor force experience, or discrimination, not to age per se. Nevertheless, older women may face discrimination on any of the bases faced by other age groups and on the basis of age as well. An Equal Employment Opportunity Commission data analysis of all charges filed in FY 1988 shows that race discrimination continues to be the leading basis for complaint, followed by sex discrimination. However age discrimination ranked third, being named in 21.6 percent of all complaints. During Fiscal Years 1986-88, there was an increase in the proportion of Age Discrimination in Employment Act (ADEA) charges received by the Equal Employment Opportunity Commission (EEOC).

A 1984 study found that ADEA lawsuits by older women were more likely to involve discrimination in hiring, promotion, or wages and fringe benefits while lawsuits by older men were more likely to involve termination or early retirement (Lois B. Shaw, "Special Problems of Older Women Workers," in *The Older Worker*, IRRA, 1988).

Case studies conducted for the Commonwealth Fund in 1990-91 found evidence to refute three common corporate myths about older employees that often serve as the basis for age discrimination. They were (1) that older people cannot be trained in new technologies, (2) that older people cost more to employ and cannot work as efficiently as younger people, and (3) that older workers are inflexible about the terms of their employment, especially about working full-time or overtime.

DEPARTMENT OF LABOR OLDER WORKER TASK FORCE

The Older Worker Task Force established by then-Secretary of Labor Ann McLaughlin examined issues relating to America's maturing labor force and outlined policy alternatives to address challenges in the coming years.

The major findings of the Task Force, still relevant today, were that:

The median age of the workforce is increasing from 36 today to 39 by the end of the century;

Older people will be healthier, live longer and be available for work longer;

Older workers may continue to opt for earlier retirement instead of continued employment (the average age of retirement had declined to 61 when the report was issued);

Tomorrow's workplace will want and need more older workers;

Tomorrow's workplace will need to reconsider traditional methods of recruiting, training/retraining and managing older workers; and

Tomorrow's workplace may be expected to restructure benefit packages to address the needs and expectations of the workplace, to reduce job turnover, and to offer incentives to mature, experienced workers to retire later.

PROGRAMS UNDER THE OLDER AMERICANS ACT AND THE JOB TRAINING PARTNERSHIP ACT

The Labor Department provides services to a significant number of workers age 55 and older through Title V of the Older Americans Act and Titles II and III of the Job Training Partnership Act (JTPA).

Title V of the Older Americans Act of 1965, as amended, authorizes a Senior Community Service Employment Program (SCSEP) for older workers. This program, administered by the Department of Labor, provides subsidized, part-time employment to low-income persons age 55 and older. The program also has a goal of placing 20 percent of participants into unsubsidized employment. Currently, 91 national contractors, the U.S. Forest Service, and all states operate the program. Program participants work an average of 20 hours a week in a wide variety of community service jobs, such as child care workers, teaching aides, health aides, library assistants, senior center aides, and telephone hotline counselors. The program also furnishes participants with personal and job-related counseling, annual physical examinations, skills training, classroom training, literacy assistance, and on-the-job training with the private sector.

The typical enrollee is a 65-year-old white female with some high school education. For the Program Year ending June 30, 1990, 67.6 percent of those entering the program and 71 percent of current enrollees were women.

Last month, Secretary Martin announced the awarding of more than \$390 million in grants for the operation of SCSEP projects which will subsidize jobs for over 64,000 unemployed, low-income older workers in Fiscal Year 1991. The projects are operated either by the States or by nine national non-profit organizations and the U.S. Forest Service. The organizations are Association National Pro Personas Mayores, the National Center on Black Aged, Inc., the National Council on Aging, the American Association of Retired Persons, the National Council of Senior Citizens, the National Urban League, Inc., Green Thumb, Inc., the National Pacific/Asian Resource Center on Aging, and the National Indian Council on Aging.

The authorization for Title V expires November 29, 1991. The Administration is proposing a three-year reauthorization of the Senior Community Services Employment Program.

The Job Training Partnership Act provides job training and related assistance to economically disadvantaged individuals, dislocated workers, and others who face significant employment barriers.

Title II-A of JTPA authorizes a wide range of training activities to prepare economically disadvantaged youth and adults for employment. Training services available through the basic Title II-A grant program include on-the-job training, institutional and classroom training, remedial education and basic skills training, and job search assistance and counseling. For the period July 1, 1989 through June 30, 1990 (Program Year 1989), 11,488 persons 55 years of age and over either successfully completed or left for other reasons the Title II-A program. The above figure does not include those persons similarly situated in programs funded under set-asides.

In addition, three percent (3%) of the Title II-A allotment of each State is to be made available for the training and placement of older individuals in employment opportunities with private business concerns. JTPA offers wide discretion to the Governors in using the set-aside, but two major patterns have evolved. One pattern is organizationally distinct older worker projects; the other is the use of the set-aside to ensure a minimum portion of older workers among the Title II-A participants. During Program Year 1989, over 40,000 participants either successfully completed or left for other reasons this set-aside program.

Title III of JTPA authorizes a State-administered dislocated worker program which provides training and related employment assistance to workers who have been, or have received notice that they are about to be, laid off due to a permanent closing of a plant or facility; laid off workers who are unlikely to be able to return to their previous industry or occupation; and the long-term unemployed with little prospect for local employment or reemployment. Participants may receive pre-layoff assistance, job search assistance, retraining, and relocation assistance. During Program Year 1989, approximately 10,400 individuals 55 years of age and over completed program activity. During program year 1989, the most recent year for which complete data are available, there were about 62,000 persons over the age of 55 who either successfully completed or left for other reasons JTPA programs.

In addition, State-operated public employment service offices offer employment assistance to all jobseekers, including middle-aged and older persons. These offices offer a full range of basic labor exchange services, including counseling, testing, job

development, job search assistance, and job placement. Labor market information and referral to relevant training and employment programs are also available.

PENSIONS

Today, my remarks will focus on pensions and pension reform because the Labor Department enforces Title I of the Employee Retirement Income Security Act of 1974, which sets minimum standards for pension plans in private industry.

Retirement income, important to all people, is critical to women because of their longevity. Approximately 58 percent of persons aged 65 and older in 1989 were women. The majority of these women, almost 6 out of 10, were single—49 percent were widows, five percent were divorced, and five percent had never married. It is estimated that by the year 2030 the number of Americans over 65 will double, and that over half of these older Americans will be women.

One of the myths about older workers identified by the Administration on Aging (Older Workers: Myth and Reality) is that older people are well provided for by their retirement income. Elderly unmarried women tend to be less financially secure than elderly married couples because many such women have few sources of income other than Social Security. In 1988, the most recent year for which such data were available, 20 percent of unmarried women age 65 and older received 100 percent of their income from Social Security, while only 7 percent of couples relied solely on Social Security. Women who rely only on Social Security and do not receive a pension or continue to work beyond normal retirement age are at higher risk of becoming poor according to Lois B. Shaw, in "Special Problems of Older Women Workers," in "The Older Worker," IRRA, 1988. In May 1991, average monthly Social Security benefits awarded to retired working women were \$422 compared to \$685 for male retired workers. For retired widows, average benefits were \$572.

The pension coverage rate for women who work full-time is about 52 percent, compared to a coverage rate for men of about 57 percent. This coverage discrepancy is expected to shrink in future years. Women's jobs are more likely to be concentrated in retail trade and the service industry where pension coverage rates are lower than in other industries and frequently pension coverage is lost with employment changes or moves in and out of the labor force.

It has been difficult for women, particularly those with family responsibilities, to meet the years-of-service requirements to earn a private pension. The Retirement Equity Act of 1984 removed many difficulties workers—particularly women—have faced in earning their own pensions and in receiving retirement income following divorce or the death of a spouse.

In addition, during the United Nations Decade for Women, 1976–1985, considerable legislation was passed which in whole or in part sought to improve women's retirement income. Such efforts included the Social Security Amendments of 1977 and 1983, various laws dealing with annuities for former spouses of retired Federal employees, former military spouses, and former spouses of railroad employees, the Economic Recovery Tax Act of 1981, and the Tax Reform Act of 1986.

During her confirmation hearing, Secretary of Labor Lynn Martin testified that one of her primary goals for the Department would be to pursue security for those who have retired after a lifetime of productive work. She said that she would work to ensure that our private pension system is safe and meets the needs of today's workforce and the retirees of tomorrow.

On April 30, the Secretary unveiled an Administration proposal which will greatly expand, simplify and make more portable the nation's pension system. The Secretary estimates that the POWER (Pension Opportunities for Workers' Expanded Retirement) package could increase retirement security for nearly 42 million full time American workers. The five-point plan will expand coverage for workers in small business and State and local governments, simplify the rules for pension plans, shorten vesting for private sector employees covered by a multiemployer pension plan, and encourage workers who change jobs to roll over funds into a new retirement plan or Individual Retirement Account, thus increasing portability.

WOMEN'S BUREAU INITIATIVES

The Women's Bureau has been working for over seventy years to accomplish its legislative mandate to formulate standards and policies to promote the welfare of wage earning women, to improve their working conditions, to increase their efficiency, and to advance their opportunities for profitable employment. More recent Women's Bureau initiatives that impact on mid-life and older women focus upon alternative work schedules, displaced homemakers, and eldercare.

Alternative Work Schedules. The earlier mentioned Older Worker Task Force report stated that "Consideration should be given to allowing older workers opportunities to scale down their level of involvement through job sharing, part-time jobs and other kinds of reduced work schedules that allow them to experience a gradual rather than an abrupt transition from full-time work to retirement by progressively substituting leisure time for work time. "In light of this view, the Women's Bureau provided partial funding for a 1988 survey of senior human resources executives in 2,775 of the largest U.S. companies in nine major industries concerning their current and projected use of flexible staffing and scheduling arrangements. Such arrangements included internal temporary pools, temporary agency hires, self-employed independent contractors, flextime, regular part-time employment, job sharing, compressed workweeks, phased retirement, and home-based work.

The survey found that phased retirement was one of the least likely arrangements and the one most likely never to have been considered. Only 36 of the companies surveyed had such programs, while 323 never considered implementing one. Of those companies with phased retirement programs, the most typical pattern was to allow gradually shortened workweeks, a preferred schedule among older workers according to various attitude surveys. With regard to trends for the future, the proportion of firms expecting growth in job sharing and phased retirement was especially high, although the current base for these arrangements is very low.

In 1989, the Women's Bureau established a Work and Family Clearinghouse called CHOICES (Clearinghouse on Implementation of Child Care and Eldercare Services). It consists of an up-to-date data base of information, references, examples and technical assistance on employer-sponsored options that can help workers manage their family responsibilities. The clearinghouse information includes option synopses. There are option synopses for alternative work schedules, including part-time employment, job sharing, and phased retirement. As user of this service will receive a description of the available options, a list of factors to be considered and a list of advantages and disadvantages. The clearinghouse also contains program profiles, that is, examples of employer-supported programs retrievable by employer name, industry, numbers of employees, geographic region, urban or rural setting and type of options provided.

The Women's Bureau has also prepared a Work and Family Resource Kit designed to help employers understand the range of family needs affecting employees in the workplace and the numerous options for a company response. It includes a state-of-the-art review of dependent care options (including elder care services), alternative work schedules (including phased retirement), and benefits, leaves, and other services. Advantages and disadvantages of each option are discussed and references and resources to help employers select the appropriate response for their employees' family needs are included.

Labor Market Reentry and Displaced Homemakers. Some older women suffer problems at the point of entry or reentry into the labor force. Women currently in their fifties and sixties have had a wide variety of labor market experiences. Those who enter or reenter may have been out of the labor force for an extended period of time, either due to childrearing, care of other family members or for other reasons. Many women reenter the labor force following a divorce or the death or unemployment of a spouse. While some women have few problems finding work, others lack familiarity with the labor market, recent continuous work experience, or personal contacts.

The Women's Bureau provides funding to the National Displaced Homemakers Network (NDHN) for technical assistance and customized training for over 1,000 local displaced homemaker programs. The term "displaced homemaker" refers to a long-term homemaker "displaced" from her source of income and role in the home, usually because of marital disruption. Now, she must become emotionally and economically self-sufficient. More recently, the definition has been expanded to include a homemaker with insufficient income because of the long-term disability of a husband or the loss of eligibility for public assistance. Displaced homemaker programs activities are designed to address persistent life and employment barriers faced by displaced homemakers seeking to become self-sufficient.

Departmental projections for the workforce in the year 2000 provided the impetus for the NDHN'S "Older Women's Employment Project." This project, conducted at five sites by local program providers, has yielded information on strategies and methods for serving mid-life and older displaced homemakers. This information has been incorporated into a "how-to" manual—Successful Strategies for Serving Mid-Life and Older Displaced Homemakers.

Another aspect of getting older women into the workplace and keeping them there is the education of the employer community regarding their positive contribu-

tions as workers. Both *Partners in Change: A User's Guide*, developed under the Women's Bureau's grant to the NDHN, as well as video produced by the American Association of Retired Persons, used together, seek to debunk many of the myths and stereotypes employers may hold concerning older workers.

Eldercare. The majority of older persons in the United States are women. Evidence indicates this fact will be so into the next century. Women are both the largest group of providers of eldercare and the largest group of recipients.

In 1987, the National Center for Health Services Research and Health Care Technology Assessment published a national profile of caregivers of the frail elderly. It was based on a nationally representative sample of informal caregivers who were providing unpaid assistance in 1982 to functionally impaired elderly persons who reported problems with at least one activity of daily living. The study found that the majority of caregivers (71.5 percent) were female. Adult daughters comprised 29 percent and wives, 23 percent of all caregivers. The average age of the caregiver population was 57 years, with 25 percent of them aged 65 to 74 and 10 percent aged 75 or over. Approximately 9 percent reported they left the labor force to care for a disabled relative or friend. It is estimated that among the one million caregivers who have been employed sometimes during their caregiving experience, 20 percent cut back on hours, nearly 30 percent rearranged their schedules, and nearly another 20 percent took time off without pay to fulfill caregiver obligations.

A 1989 article on spouses and children of disabled elders, published in *The Milbank Quarterly* (Vol. 67, Nos. 3-4), used estimates based on data derived from the 1984 National Long-Term Care Survey. The study estimated that just over 1.5 million people—1.9 percent of full-time workers—were children or spouses who were active caregivers, with 37.8 percent of them assuming the primary care responsibility. Women working full time were over four times more likely to be primary caregivers than were men—1.3 percent of women employed full time were primary caregivers compared with 0.3 percent of men. Thus, female-dominated industries are more likely to be affected by work/caregiving conflicts and by policies directed at working caregivers. The estimate of over 1.5 million children or spouses who were active caregivers was much lower than other estimates that included caregivers other than spouses or children and part-time workers and used a broader definition of elderly and a much broader definition of help. The article also estimated that 900,000 women with a disabled parent had both a full-time job and children under the age of 15. About one in five of these working mothers—198,000 women—provided eldercare, although only about one-third primary responsibility. The authors did not find the relative small number of women with dual care responsibilities surprising given that almost two-thirds of daughters of disabled elderly parents were either middle-aged or elderly themselves and were more likely to be grandparents than parents of minor children.

In 1986, the Women's Bureau prepared a fact sheet on "Caring for Elderly Family Members," and the earlier-mentioned Work and Family Clearinghouse contains information on eldercare options such as respite care, information and referral systems, and adult day care.

Regional Initiatives. Women's Bureau regional offices have also undertaken and are currently undertaking initiatives directed at older women. These include:

- An initiative to address the myriad employment, economic, and career transition needs of older women in Northern New England, namely the States of Maine, New Hampshire, and Vermont;

- Co-sponsoring/speaking at conferences on older workers with representatives from the Administration of Aging of the Department of Health and Human Services, the Employment and Training Administration of the U.S. Department of Labor, the Older Women's League, and the American Association of Retired Persons;

- Co-chairing the planning committee and co-sponsoring a second annual conference in fall 1991 entitled "Workforce 2000—Count Older Workers In";

- Contributing funding for the Job Problems Hotline of 9 to 5, the National Association of Working Women which helps women receive information on such matters as training, forced retirement and age discrimination; older women receive help regarding training, forced retirement and age discrimination;

- Supplementing Women's Bureau career staff with participants from the Senior Community Service Employment Program;

- Contributing funding for staff support at a child care center in Puerto Rico where "Golden Age" workers from the community are trained to work as story tellers and oral historians, craft teachers, and "grandmothers" and "grandfathers;" and

- Co-sponsoring with the Center on Aging, University of California-Berkeley, a conference on eldercare in the workplace attended by human resource managers, public

policy makers, community agency staff, and organizations serving the elderly and their caregivers.

THE CHALLENGE FOR THE FUTURE

Between now and the year 2000, the population from which the workforce must be drawn will include fewer young people and considerably more older people. Moreover, there will be rapid and remarkable changes in the industrial and occupational structure of the workplace. Not only the workforce, but also the nature of work will change significantly, primarily because of demographic and technological changes.

Employers will have to reconsider traditional methods of recruiting, training/retraining, and managing older workers. Far more attention will have to be given to the design of jobs and working conditions that are deliberately tailored to the distinctive capabilities, limitations, needs and preferences of older workers now employed and others who, under the right circumstances, might choose to become re-employed.

We at the Department of Labor will build on what we have achieved. We will continue to help employers adapt to the changing nature of work and the workforce and to maximize the opportunity and contribution of older women workers. Mr. Chairman, I would be pleased to answer any questions you or the Members of the Committee may have.

Senator COHEN. Thank you very much, Ms. Vartanian.

According to the latest Bureau of Labor Statistics report, the median earnings of women rose some 6.4 percent, while those of men rose only 1.5 percent. If these numbers are accurate and seem to be accelerating, why do the overall earnings of women remain so far behind those of men?

Ms. VARTANIAN. I think that, traditionally, women have entered and reentered the work force in periods of time that have discriminated against them in terms of their ability to earn large sums of money. I think that we have to address that problem through skills training, through reeducation for technological changes, so that the woman entering the work force has the ability to demand the better salary.

Senator COHEN. Those are some of the recommendations that you mentioned under Ann McLaughlin's leadership during the time that she was with the Department of Labor, but what has the Department done specifically to encourage that kind of recruitment, retraining, and reeducation as such?

Ms. VARTANIAN. Through our Work Force Quality Clearinghouse, we have been working with employers to encourage and to assist them in developing options for women that make pay equity a better situation, to allow them the opportunities for flex time and for the ability to enable themselves to improve their lot in the labor market, and we have a Work and Family Clearinghouse and a Work Force Quality Clearinghouse which we encourage employers to use.

Senator COHEN. There was a recent GAO study which looked at the Job Partnership Training Act and found some significant disparities between the white males and women and blacks in the local training programs. My understanding, under the existing act, is that Title II allows the States a pretty wide discretion in terms of how it is going to use that 3-percent allotment for the training and placement of older workers.

Should we be putting greater controls in terms of the discretion that States are allowed to use?

Ms. VARTANIAN. The Administration proposes to increase that set-aside in JTPA to 5 percent, Senator, to bring the service deliv-

ery area funds spent on persons age 55 and over up to 5 percent from the 3 percent. In doing that, we will divert that to the local community.

Senator COHEN. But if you increase it even to 10 percent, it won't make much difference if you still continue to have the disparities, as to what is going to older males versus older females or blacks. What I'm asking about is the discrepancy between how those funds are allocated. Do we need more control to see how it is being allocated? We still have a major discrepancy between how women and blacks are being treated versus white males.

Ms. VARTANIAN. I certainly agree that women should not be discriminated against and that JTPA should do a strenuous outreach to be certain that women are maintained within that program.

Senator COHEN. Do we need more documentation by the Department of Labor in terms of how those funds are being allocated?

Ms. VARTANIAN. Since JTPA is administered by ETA, Senator, I would defer to ETA for that question, but I would be glad to get you information on that.

[Subsequent to the hearing, the following was received from Ms. Vartanian:]

As noted in my testimony on August 2, the Job Training Partnership Amendments proposed by the Administration would require that under the revised adult program under Title II, at least 5 percent of each service delivery area's funds be spent on persons aged 55 and over. We believe that this approach proposed in the JTPA amendments to move the responsibility for administration of all services to older individuals to the local level will result in improved services to older individuals while permitting local programs to design services to best meet the needs of the older worker.

An important feature of the proposed amendments would improve targeting by revising eligibility requirements to ensure that those who are most in need, those with particularly significant barriers to employment, are served. We believe that this will also have the effect of reducing any potential and unnecessary disparities in levels of service to women and minorities.

I would also note that the proposed legislation provides for changes in reporting requirements that will permit better analysis of services under the Act. While this reporting would be on a sample basis, it would be participant-based at the Service Delivery Area level, and enable us to look more closely at services to women and minorities.

The proposed amendments would also provide for increased oversight of local programs by both the Federal and State governments. The Department fully expects that levels of service to various groups, including minorities and women, will be included among such oversight activities.

Senator COHEN. The groups who are representing older working women point out that one of the major drawbacks in getting information about older women's numbers in the work force and their special needs is the lack of data collected on them as a separate group. Do you think we need to collect more specific data on older women workers and older unemployed women? What are the obstacles to collecting that kind of specific data?

Ms. VARTANIAN. I think that we collect data, but not necessarily on an employment basis or on a sex basis, Senator. We are able to show statistics, but not to draw them out by women.

I think that if women are statistically going to be improved in that area, then they do need to have statistics that in fact do show what we need for the background on that.

Senator COHEN. Does the Department propose taking any steps to target that kind of information-gathering, so you can then draw upon that information?

Ms. VARTANIAN. I don't know of any that we have at the moment, but I would certainly be glad to look into that for you.

Senator COHEN. Do you think we should?

Ms. VARTANIAN. Yes, I think we should. I think that if we are going to address a certain population, we certainly should be looking at that population to be certain that we are seeing the right numbers.

Senator COHEN. Is that one of the recommendations you would make to Secretary Martin?

Ms. VARTANIAN. Yes, I would, sir.

Senator COHEN. Before yielding to my colleagues, I first want to congratulate the Department of Labor and the Office of Federal Contract Compliance in their initiation under Secretary Dole of a report on the so-called glass ceilings in the workplace, the concept that women are often unable to achieve senior management positions. What group will your study focus on and when should we expect to see some of the results of that study?

Ms. VARTANIAN. The Secretary is reviewing the issue at the present moment and, as soon as she makes an announcement to that effect, I will be happy to brief the Committee on what the actual report on that review is, sir.

Senator COHEN. Are there any plans to extend that study into the private sector?

Ms. VARTANIAN. The glass ceiling study per se?

Senator COHEN. Yes.

Ms. VARTANIAN. At this point in time, sir, I do not know what the Secretary's intentions are on that.

Senator COHEN. Could you inquire and perhaps respond to me, please?

Ms. VARTANIAN. Surely.

[Subsequent to the hearing, the following information was received for the record:]

The Department of Labor will continue to aggressively enforce the law by conducting corporate management reviews as part of the department's ongoing activities to guarantee that federal contractors live up to their obligations not to discriminate and to actively recruit, provide training and advancement opportunities for all segments of society and their workforce.

(A copy of the Secretary's Report on the Glass Ceiling Initiative is attached.)¹

Senator COHEN. Senator Burns.

Senator BURNS. I have just a couple of questions. With folks nowadays living longer and staying healthier longer and getting along in years but still contributing a lot to our society, would you suggest that we look at changing the mandatory age of retirement of 65, or would you just drop that completely?

Ms. VARTANIAN. I think that the mandatory retirement age has not severely changed the entrance of elderly workers into the work force. I believe that, if anything, we should be concerned with raising the amount of money that older workers can earn in order to stay in the labor market.

¹ See appendix, p. 104.

I think that women are impacted less by that than men because they are more apt to work at lower paying jobs and to do it on a part-time basis, thereby having a longer opportunity to work in the labor force than a man does when he gets to retirement. I think that if we were able to raise the earning capacity of retired people, that would encourage them to stay in the labor market for a longer time.

Senator BURNS. In response to that then, would you suggest to us policymakers to allow older folks to earn as much money as they can, still without endangering their Social Security benefits and things like that or an outside income that might be based on income?

Ms. VARTANIAN. Well, certainly the Administration is in approval of raising that standard. There is a bill before Congress now to raise that standard, and I would support that policy.

Senator BURNS. I would also support it.

You told us how successful the Senior Community Service Employment Program has been. Where do we go from here? What is the next step? What should we be doing right now and what should we be looking at, an extension of that program, or is there another avenue of challenge out there for us?

Ms. VARTANIAN. The Administration has proposed a 3-year reauthorization of the Title V program for the Older Community Service Employment Program at levels of \$342,814,000 for fiscal year 1992, which is the President's requested level under the budget authorization, and for the same sums for 1993 and 1994. I certainly would recommend that we do reauthorize that for an additional 3-year period.

Senator BURNS. I have no more questions, Mr. Chairman. Thank you.

Senator COHEN. Senator Grassley.

STATEMENT OF SENATOR CHARLES GRASSLEY

Senator GRASSLEY. I want to apologize for the unfriendly environment. It seems like we are way up here and you are way down there. This has got to be one of the worst committee rooms on the Hill.

Ms. VARTANIAN. If you're comfortable, Senator, I am.

Senator GRASSLEY. Okay. You mentioned a number of initiatives within the Bureau that positively affect employment of older workers. You spoke about the Choices Clearinghouse and the Work and Family resource kit. My question is one about outreach.

How do you at the Bureau and the Department of Labor get the word out that these resources are available?

Ms. VARTANIAN. We have a complete database and we have an 800 toll-free number at the Department of Labor to which employers can call in for complete information on our Work and Family Clearinghouse and the Work Force Quality Clearinghouse. They are utilized considerably. We face thousands of calls a year from employers who call in looking for alternatives, how they fund them, how they set them up, for advice or technical assistance on how to produce new programs, on flex time, job sharing, and elder care.

We also have a resource kit that goes out on elder care to companies that need some assistance in developing some elder care projects for their older employees. Those are available and we make certain that they are disseminated.

Senator GRASSLEY. The 800 number is the main method of contact, and it is very well used?

Ms. VARTANIAN. It is the main method of contact and it is very well used. However, we have in mind a marketing program to expand that to do all that we can to disseminate information that it is available so that employers will know that it is there through publications and the like.

Senator GRASSLEY. So it is through publications that people learn about the 800 number. What is your analysis of how—well, I guess that is the necessary first step. People have to know about the 800 number. Do you have an adequate outreach program on that point?

Ms. VARTANIAN. Yes, we have, because we have 10 regional offices, Senator. Our regional administrators in each of the 10 regional offices work with employers and are certain that employers get information on this. So we disseminate that information right out through the grassroots through the system to be certain that it is well utilized.

Senator GRASSLEY. I have a couple of questions on JTPA. I hope you can answer them even though they are not your main responsibility.

Ms. VARTANIAN. I hope I can, too, Senator. I'll try.

Senator GRASSLEY. As I understand it, the Department no longer permits a family-of-one designation to be used to determine eligibility for the JTPA program. A number of organizations that work with older women have been concerned about this. Is this correct, and can you tell us why the Department did this?

Ms. VARTANIAN. I'm sorry, but I don't know the answer to that, Senator. I will go back to get it and get it to you in writing.

Senator GRASSLEY. Okay.

[Subsequent to the hearing, the following information was received for the record:]

The Department does not preclude States from adopting definitions of "family-of-one" for JTPA programs. The issue of "family-of-one" was raised in the context of eligibility for services for older individuals under the JTPA Title II-A, 3-percent program. The statutory JTPA eligibility criteria for services to older individuals under the 3-percent program are that an individual must be age 55 years or older and economically disadvantaged. The definition of "economically disadvantaged" in the Act contains repeated references to the term "family" for various aspects of JTPA income eligibility determination. The purpose is to establish the concept of family income in relation to family size as the basis for individual eligibility.

It came to the Department's attention that a substantial number of States had adopted broad provisions for "family-of-one" status in their definitions of "family," in many instances aimed especially at older individuals. These States permitted eligibility for certain individuals to be determined based on their personal income without taking into account the income of a spouse or other family members. For example, because of age alone, a person over 55 would be determined eligible on the basis of his/her own income without considering the income of a spouse.

We believe that these actions unduly expanded the pool of individuals eligible for JTPA and worked counter to our efforts to better target JTPA services to those most in need. These definitions had the effect of circumventing the economically disadvantaged eligibility criteria for participation in JTPA programs.

The Department issued Training and Employment Guidance Letter (TEGL) No. 5-89 to all States in order to inform them of the Department's interpretation in this matter and to establish a basic definition of "family" consistent with the most com-

monly accepted meaning of that term. This was followed by the issuance of TEGL No. 5-89, Change 1, which provided additional general clarification for the States' consideration in developing their policies.

The basic definition of the term "family" in the Department's interpretation consists of a "husband, a wife and their dependent children living under the same roof." While State definitions must conform to this basic definition, the regulations still provide the Governor with considerable latitude in defining the term "family." For example, the Department's basic definition set forth in TEGL No. 5-89 does not preclude a State from treating persons 55 years of age or older, possibly living with their family or relatives, as a "family-of-one," provided that person is single, divorced, or widowed.

I hope that this information clarifies the Department's position with regard to the "family-of-one" policy interpretation.

Senator GRASSLEY. I understand that the Labor Department opposes State set-asides particularly for older workers. Could you please elaborate on this position, especially in light of the fact that many aging organizations support the set-asides and feel that older workers should not be a part of JTPA's mainstream?

Ms. VARTANIAN. We proposed, Senator, a minimum of 5 percent of each service delivery area's funds to be spent on persons age 55 or over. This requirement would replace the current 3 percent set-aside for older workers at the State level.

We believe that decisions on services to a specific target group should be made at the local rather than the State level. Since we are substituting a local level requirement for a State requirement that would result in approximately the same level of resources going to the client group, we don't believe that older workers will be adversely affected by this; that in fact, older workers will likely be better served because in some areas, the existence of the State set-aside may have served as an excuse for service delivery areas not to serve older workers under the regular Title II(a) program.

Senator GRASSLEY. Mr. Chairman, that's all the questions I have of this witness.

Senator COHEN. Ms. Vartanian, in your testimony there are several references made to the findings of the Commonwealth Fund's 1989 annual report. Does the Department of Labor have comparable data on these findings?

Ms. VARTANIAN. I'm sorry?

Senator COHEN. Do you have similar information as that provided in the annual report of the Commonwealth Fund?

Ms. VARTANIAN. Yes. We have looked at the Commonwealth Fund report, and I certainly favor including older workers in the training programs and in the various recommendations that come out of the Commonwealth Fund.

Senator COHEN. You basically endorse the findings?

Ms. VARTANIAN. Yes, sir.

Senator COHEN. When Senator Burns left, he said: Gee, we're spending a lot of money, or some money trying to educate the older work force, but perhaps we ought to spend more money in educating the employers. They are the ones who are not getting the message of what tremendous talent is out there, as well as the special needs of the older worker. I think we have to do a lot more in that category. We will have more testimony on that shortly.

There is one area in your own statistics, that you state that over 55 percent of the women between the ages of 55 and 59 are in the

work force. These are the same women who are the largest group of providers of elder care.

They are now caught in that popular phrase, the sandwich generation. Women caring not only for their parents, or grandparents, but for children and grandchildren as well. I know that this committee has placed a great focus on this segment of the population and the terrific burdens that they face in giving care, and trying to be a breadwinner.

They have special needs in terms of flexible work hours and possible retraining. Have business and government really done enough to take the kinds of steps necessary to include those women into the work force?

Ms. VARTANIAN. I think that it is very important that we explore as much as we can the elder care options. As an overview, we have a packet that comes out of our clearinghouse that we send to requesting employers. This overview describes options for elder care, including counseling and referral services, financial assistance, easing time constraints, donating to existing community resources, and accommodating major transitions.

I think that it is incumbent upon us to get our message out. At the Women's Bureau, we are concerned with getting these options out to employers, apprising them of what the options are, and encouraging them to take steps to provide these elder care options. I think that is a very important part of what we do through our clearinghouse and through our efforts at the Women's Bureau.

Senator COHEN. I am going to yield now to my colleague from Wyoming. I have more questions, but perhaps I could submit them to you for the record.

Ms. VARTANIAN. Yes, sir.

[The questions and the answers thereto follow:]

Senator COHEN. Do you think we need to collect more specific data on older women workers and older unemployed women? Does the Department propose taking any steps to target that kind of information-gathering so you can then draw upon that information?

RESPONSE. The Bureau of Labor Statistics (within the Department of Labor) and the Bureau of the Census have detailed information concerning both older women workers and older unemployed women. However, persons who may have requested these statistics may want special or more attention paid to their analysis.

In June, 1988, the Department established a task force of eleven departmental agencies with a wide range of responsibility for and interest in programs and policies affecting older workers. As a result of that agency-wide effort, the Department published "Older Workers Task Force: Key Policy Issues for the Future," and the Bureau of Labor Statistics issued a separate compilation of statistics.

At this time, I am not aware of any plans the Department has to produce another separate publication or document specifically targeting the above mentioned groups. At present, the public is free to request any current statistical information from any of the producing agencies.

Senator COHEN. Senator Simpson.

STATEMENT OF SENATOR ALAN K. SIMPSON

Senator SIMPSON. Mr. Chairman, I thank you. It is very good of you to fill in for our fine colleague, Dave Pryor, who is making good progress. I understand that he made a little appearance yesterday by video and he looked healthy and well-rested, which is certainly what the rest of us don't look like these last 2 weeks. [Laughter.]

Anyway, we all have him in our prayers.

It is good for you to have this hearing. This is an issue of central importance to seniors and financial and social support systems on every level.

I think that these opportunities and obstacles confronting older individuals in the labor market are going to determine in large measure their ability to support themselves. These things are self-evident.

I have taken interest in this Committee with the difficult senior issues. I have a 93-year-old father and a 91-year-old mother and a mother-in-law who is 91, so they keep me alert and check on my welfare and my comments, my mother particularly.

Senator COHEN. Especially your votes.

Senator SIMPSON. That's true—and my language. [Laughter.]

Every mother should continue that with a son, and she does.

But this issue of retirement policy is one that confounds us all; that anyone over the age of 65 is over the hill. I always remember that phrase where a guy said: I don't know how I got over the hill; I never remember being on top. Seniority equated with inability—those things, or being a proxy for dependency—those things are not true and I know that personally.

I will shorten up my remarks because we have a roll call vote coming. But we spend billions encouraging early retirement at precisely the time when we should be finding ways to keep productive older people in the work force, especially women. Fewer young people are entering the job market and employers are going to have to rely more on older, experienced workers. We are going to have to begin to institute programs to encourage older workers to stay on the job.

I commend Lynn Martin. I think our Secretary of Labor has some new initiatives there. I look forward to working with her and with you and with this fine panel and look forward to hearing the testimony today.

I thank you, Mr. Chairman.

Senator COHEN. Thank you, Senator Simpson.

Senator GRASSLEY.

Senator GRASSLEY. Mr. Chairman, I want to put an opening statement in the record, but in addition to that, I would like to refer to just one point that I was going to make for the benefit of my colleagues, but more importantly, for the people in the audience who are interested in this issue. This is in reference to when the Senate debated the JTPA amendments last fall.

Senator Pryor and I developed a number of amendments that aimed to assist the older workers. I know that we hope to remain in this issue as the Senate again debates the JTPA amendments.

So, particularly people that are interested in this, I would be happy to hear from them because I want to make sure that we preserve what programs we have now for senior workers.

[Senator Grassley's prepared statement follows:]

PREPARED STATEMENT OF SENATOR GRASSLEY

I want to thank the panelists for coming here this morning to discuss the variety of issues facing older women as members of the work force. You bring to us your knowledge and personal experiences about this often misunderstood issue.

Recently, there has been growing attention to the importance of a competent work force. As we move into a more competitive market, it becomes increasingly evident that we need to have a strong and competent labor force. However, the contributions of one segment of the working population is often overlooked in this discussion. And that is the contribution of the older worker. Later this morning, a number of witnesses will tell us of the significant contributions that older workers make as members of the labor force. However, older women, in particular, face unique challenges and problems as members of this labor force.

One of the most difficult challenges they face are the difficulties of re-entering the job market. For many, this is already a difficult period because many women are re-entering after a long break in employment, a divorce or because of widowhood. Like many women, older women face limited job opportunities, obstacles to advancement and lower salaries.

You may be aware that Iowa has one of the largest elderly populations in the country. When the Senate debated the JTPA amendments last fall, Senator Pryor and I developed a number of amendments that aimed to assist the older worker. I hope to remain involved in this issue as the Senate again debates the JTPA amendments. The JTPA and private organizations, such as Greenthumb, have strived to utilize the unique talents of older workers. However, problems persist and we must address them.

We recognize the contributions of older women to the labor market, but if we are to utilize their talents we must bring down the barriers to their employment and erase the challenges they face. I look forward to hearing today's testimony and learning of some of the possible things we can do to better capitalize on the potential of older women.

Senator COHEN. Thank you, Senator.

Senator Specter.

STATEMENT OF SENATOR ARLEN SPECTER

Senator SPECTER. Thank you, Mr. Chairman. I commend you for scheduling these important hearings. The role of women in the workplace is one of enormous importance, with a special emphasis on the role of older women in the workplace.

We have seen an advance in numbers and we have also seen women, once their families are raised, come into the workplace in a variety of positions. Many are going to law school. Many are becoming Federal judges. The list of applicants on those lines are very, very impressive.

My wife has become a city councilwoman in Philadelphia and has been a real activist in trying to expand opportunities for women in the workplace. There are many complex issues to be addressed including comparable pay, fair treatment, and equal protection. I think these are matters which require a good deal of congressional attention and I am delighted to see these hearings take place. I look forward to playing an active role.

Thank you, Mr. Chairman.

Senator COHEN. Thank you very much, Senator Specter.

I think we have concluded with this testimony, Ms. Vartanian, and we appreciate very much your being here.

Rather than begin with the next witness, there is a 5-minute video that we will run during the interim period because of the pending vote. It will be part of the record and entertain some of the people who are in the audience waiting for our return.

The staff informs us that we do not have to recess for the vote as yet, so let me introduce our next witness, Saadia Greenberg, Acting Deputy Associate Commissioner for Program Development with the Administration on Aging.

Dr. Greenberg, why don't you proceed and perhaps we will have enough time to have your statement for the record.

STATEMENT OF MR. SAADIA GREENBERG, ACTING DEPUTY ASSOCIATE COMMISSIONER FOR PROGRAM DEVELOPMENT, ADMINISTRATION ON AGING

Mr. GREENBERG. Thank you, Mr. Chairman and members of the Committee. I am very pleased to be here today to participate in this important hearing. The Commissioner on Aging, Dr. Joyce T. Berry, regrets that she was not able to be here due to a prior commitment. She has asked me to express her appreciation to the Committee for convening this hearing as well as her best wishes for Senator Pryor's speedy recovery.

The issues related to employment of older women are issues with which we in the Administration on Aging are extremely concerned. You have asked me to discuss the extent to which stereotypes about productivity and usefulness of older workers impede their progress, the training necessary to integrate older women into the work force, and relevant initiatives of the Administration on Aging.

Research has documented that many employers hold negative stereotypes about older workers, especially older female workers. For example, many believe that older workers are not flexible, cannot learn new skills, and that they will develop health problems which will impact on their effectiveness.

In fact, studies by the Department of Labor and the Department of Health and Human Services have indicated that older workers, including women, have the skills, experience, attitudes, and characteristics that make them valuable employees. Research suggests that mature employees are highly motivated, tend to be more satisfied with their work, and put in a full day's work for a day's pay.

In 1984, the National Alliance of Business, as part of an AOA-sponsored demonstration project, compiled information about the most commonly held myths regarding older workers as well as the facts which refute these myths. Some of these myths are: older workers are less productive than the average worker; in fact, research shows that productivity does not decline with age. Another myth is that it costs more to prepare an older worker for the job. In fact, there is little evidence to suggest that job training for older workers is more costly.

Another myth is that older workers are prone to frequent absences because of age-related infirmities and sickness. The data show that workers over 65 have attendance records which are equal or better than those of other age groups. There may be, of course, some self-selection at work here.

Finally, another myth is that the costs of employee benefits outweigh any possible gain for hiring older workers. In fact, while the costs of some benefits do increase with age, others are more tied to a level of salary and length of service, and in most companies, the benefit costs for older and younger workers are virtually the same.

In the area of older women and employment, a majority of older women work in low-wage jobs, such as sales, clerical, or service

work. For minority women, this tendency is even greater. They are much more likely to work in low-paying service occupations.

Of course, it does not follow that this is solely the result of discrimination. Reentry problems, for example, may result from lack of education, skills, experience, or other factors. However, training opportunities for older women are often limited.

Various studies have documented a bias against hiring older women. Discrimination in hiring is a reality for many women who are older and even those in their middle years. As we try to address this problem, we need to also focus on approaches which can influence stereotypes and lessen their consequences.

Training programs can be very helpful, and I would like to mention just a little bit about those. A major finding in industrial settings is that employers are reluctant to offer training and to hire persons over 40 or to retrain those already employed.

Most mature women have limited opportunities for skilled job training within business and industry, educational institutions, and even formal training programs. However, there are local training programs for mid-life and older women seeking reentry at many community colleges, continuing education projects, and other community settings. The effectiveness of these programs is limited unless professional placement services are included.

The older adult training and retraining literature has documented a number of considerations which must be addressed in order to conduct successful training programs. These factors include such areas as motivation, structure, familiarity, organization, and use of time. All of these provide a sound basis for training programs for older women workers, and this has been shown in many projects over the years.

Turning my attention to AOA initiatives—earlier this year, the Commissioner on Aging, Dr. Joyce T. Berry, announced the launching of AOA's National Eldercare Campaign to focus on at-risk elderly to help older people maintain themselves and preserve their self-sufficiency in the community. As part of this national eldercare campaign, AOA has solicited applications for the establishment of 13 National Eldercare Institutes. Several of the Institutes are relevant to today's hearing. These are the Institutes on Older Women, Income Security, Employment and Voluntarism, Business and Aging. Each of these, when they are funded between now and the end of this fiscal year, will be working with State and community eldercare coalitions composed of aging agencies, voluntary organizations, the business sector, and others to develop programs to improve the wellbeing of our Nation's elderly. The issues of older women and their employment opportunities will be an important concern of these institutes.

The Administration on Aging has taken many actions which we believe will be helpful to increasing public recognition of the problems facing older women. We will continue to vigorously carry on our advocacy role to assure that the Nation is aware of the special needs of older women and that appropriate services and resources are directed to resolving this issue.

Thank you, and I will be happy to answer any questions you might have.

[The prepared statement of Mr. Greenberg follows:]

STATEMENT BY SAADIA GREENBERG, PH.D., ACTING DEPUTY ASSOCIATE COMMISSIONER
FOR PROGRAM DEVELOPMENT, ADMINISTRATION ON AGING

INTRODUCTION

Mr. Chairman and Members of the Special Committee on Aging: I am pleased to be here with you today to participate in this hearing on "Older Women and Employment: Facts and Myths", exploring an extremely important issue which faces increasingly large numbers of the nation's older women. The Commissioner on Aging, Dr. Joyce T. Berry, regrets that she was not able to be with you today due to a prior commitment and has asked that I express her appreciation for your convening this important hearing. The issues related to employment and the older woman are issues in which we in the Administration on Aging (AoA) are extremely interested.

In my testimony today, you have asked me to discuss: the extent to which stereotypes about the productivity and usefulness of older workers impede their progress; the training necessary to integrate older women into the work force; and relevant initiatives of the Administration on Aging.

STEREOTYPES ABOUT OLDER WORKERS AND EMPLOYMENT

Research has documented that many employers hold negative stereotypes about older workers, especially older female workers. For example, many believe that older employees are not flexible, cannot learn new skills, and that they will develop health problems which will impact on job effectiveness.

In fact, Department of Labor and Department of Health and Human Services studies have indicated that older workers, including women, have the skills, experience, attitudes, and characteristics that make them valuable employees. Research suggests that, in general, mature employees are highly motivated, tend to be more satisfied with their work, and put in full day's work for a full day's pay.

In 1984, the National Alliance of Business, as part of an AoA-supported demonstration project, compiled information about the most commonly held myths regarding older workers as well as pertinent facts which provide a more accurate view of the costs and benefits that older workers actually bring to an organization. An overview of this material will serve as a convenient framework for purposes of discussion.

Some of these stereotypes, and the evidence to the contrary are:

Stereotype: Older workers are less productive than the average worker.

Fact: Research shows that productivity does not decline with a worker's age.

Stereotype: It costs more to prepare the older worker for the job.

Fact: There is little evidence to suggest that job training and orientation of older workers is more costly.

Stereotype: Older workers do not get on well with others.

Fact: Actually, studies show that older workers have records as good as or better than younger workers in terms of interpersonal relationships. They bring stability to the workplace and can serve as role models for younger workers in terms of dependability and job commitment.

Stereotype: Older workers are prone to frequent absences because of age-related infirmities and above-average rates of sickness.

Fact: Data show that workers over age 65 have attendance records which are equal to or better than those of most other age groups. Older people who are not working may have dropped out of the work force because of their health. Those who stay in the labor force may well represent a self-selected healthier group of older people.

Stereotype: Older workers have an unacceptably high rate of accidents at work.

Fact: This is not true. Data collected during the 1980s show that older workers accounted for about 10 percent of injuries in the workplace while composing about 14 percent of the labor force.

Stereotype: The costs of employee benefits outweigh any possible gain from hiring older workers.

Fact: Although the costs of some benefits (such as health, disability, and life insurance) do increase with age, other fringe benefits are more closely tied to level of salary and length of service. In most companies, benefit costs for older and younger workers are virtually the same. In small organizations, higher benefit costs are usually offset by the lower turnover and higher productivity of older women. Older female workers also have fewer days absent from the job than younger workers.

OLDER WOMEN AND EMPLOYMENT

A majority of the employed women over age 45 work in low wage jobs such as sales, clerical, or service workers. For minority women this situation is even more severe. They are much more likely to work in service occupations and significant numbers of older minority women workers are employed as private household help.

It does not necessarily follow, of course, this is simply a result of discrimination based on age, sex, or race. Re-entry problems, for example, may result from lack of education, skills, experience, or from other factors. However, training opportunities for older women are often limited and may reflect inequity. For example, one study of older employees found considerable age bias in corporations, particularly against older women.

Also, various studies have documented a bias against hiring older women. Entry-level age discrimination, especially, seems to be a woman's problem and women face age discrimination earlier than men do. Discrimination in hiring is a reality for many women who are older and even those in their middle years. (Far fewer women than men bring legal action under the Age Discrimination in Employment Act, however.)

Age discrimination remains a problem. Negative stereotypes about older workers do impede their progress. This does not occur in a vacuum, of course, but in concert with other factors. As we try to address this problem, we need also to focus on approaches which can influence stereotypes and strengthen or lessen their consequences. Training programs can be very helpful and I would like to turn my attention to them at this point.

TRAINING NEEDED TO INTEGRATE OLDER WOMEN INTO THE WORK FORCE

A major finding in industrial settings is that employers remain reluctant to offer to train and hire persons over 45 (or to train or retrain those already employed). Most mature women have limited opportunities for skilled job training within business and industry, educational institutions, and Federal training programs. Local training programs for mid-life women seeking re-entry do exist at many community colleges and continuing education programs; there are also a variety of community training and support programs. The effectiveness of these programs is very limited, however, if professional placement services are not included. In general, women with the most previous education are most likely to undertake further education and training. Women with inadequate incomes are not able to take part in non-subsidized programs.

THE DESIGN OF TRAINING PROGRAMS

The older adult training and retraining literature has documented a number of considerations which must be addressed in order to conduct successful training programs for older workers. These are:

Motivation—For the older trainee, the desire to learn may be compromised by a fear of failure or of an inability to compete against younger/better-educated trainees. Encouragement is needed to alleviate fears that may have developed in previous educational experiences. For those out of school for many years and/or with little formal education, lack of a positive self image may reduce program participation rates and success.

Structure—The training situation should be structured to give positive feedback, to encourage self-confidence for the trainee, and so that the material appears relevant. The actual training material should be based on a job analysis.

Familiarity—The use of familiar elements, whenever possible, is helpful. For example, in industrial training, elements from former skills are used when possible. The program should build on past skills, knowledge, and abilities, using meaningful material from the perspective of the older trainee.

Organization—Research on memory has examined organizational processes in depth and found that older adults could improve performance by the use of appropriate strategies and organization of materials for memory tasks. The older adult needs training in the use of organized information and in the use of memory techniques.

Time—Older workers often take longer than younger workers to learn a new task; however, when given sufficient time, older adults perform as well as younger adults. Older adults may need: a slower presentation rate; longer periods of study; and instruction on the efficient use of this time. The longer training time may be tied to the need for organization and memory strategy training. At a physical level, the older adults may also show slower reaction time for new tasks, although well

practiced tasks may not show this change. Longer training times are not effective if the older worker has not been trained in efficient use of that time. Strategies for retention, recall, and application of information are an important part of any training program for the older worker.

RELEVANT AOA INITIATIVES

Earlier this year, the Commissioner Joyce D. Berry announced the launching of AoA's National Eldercare Campaign to focus on at-risk elderly—to help older people maintain themselves with dignity and maximum self-sufficiency in the community. As part of this National Eldercare Campaign AoA has solicited applications for the establishment of 13 National Eldercare Institutes. Several of the Institutes are relevant to today's hearing. They are: Institute on Older Women; Institute on Income Security; Institute on Employment and Volunteerism; and the Institute on Business and Aging. Each of these Institutes will be working with State and community eldercare coalitions composed of aging agencies, voluntary organizations, the business sector and others to develop programs to improve the well being of our nation's elderly. The issues of older women and their employment opportunities will be addressed and we look forward to their progress over the next three years.

CONCLUSION

In summary, the Administration on Aging has taken a number of actions which we believe will be helpful to increasing public recognition of the problems facing older women. I assure you that we will continue to vigorously carry out our advocacy role to assure that the nation is aware of the special needs of older women and that appropriate services and resources are directed to resolving the related issues.

Mr. Chairman, this concludes my prepared remarks. I will be happy to respond to any questions which you and the other Committee members may have.

Thank you.

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Senator COHEN. Thank you very much, Dr. Greenberg. I am not sure how many of my colleagues will be able to come back after this vote, so I will yield to Senator Simpson at this time.

Senator SIMPSON. Mr. Chairman, I have no questions at this point and will return the floor. Thank you very much.

Senator COHEN. Senator Grassley.

Senator GRASSLEY. Mr. Chairman, I don't have any questions of this witness.

Senator COHEN. Senator Specter.

Senator SPECTER. Thank you very much, Mr. Chairman, but I have no questions.

Senator COHEN. I will ask a couple of questions now so that we can dismiss you at the end of that time, Dr. Greenberg.

One of the problems cited by the AARP, the Older Women's League, and other groups is that older women often don't recognize that they are being discriminated against on the basis of age. Do you have any ideas that you might communicate about any programs underway to educate older female workers on what is involved with age discrimination?

One of the basic problems we are finding, as was brought out in a hearing last week, is that benefits are available, but not being received by the public. HCFA, for example, has not done an adequate job of informing potential recipients of the benefits that are available under the Medicare program. People qualify for it, but they are not getting the benefit.

How does the Department of Labor and the Administration on Aging communicate this? How do we get more information out on discrimination issues? How do we tell them what is available? What is being done within the Administration itself?

Mr. GREENBERG. There are currently considerable communication activities being conducted on the general issues of aging by a variety of sources such as the various aging organizations. They maintain very active communications with their members as well as attempting to impact through the media by discussing aging issues.

The Administration on Aging, as part of its national elder care campaign, will be endeavoring to increase public awareness of the issues of aging as one component of this issue. We have also been providing support in a variety of ways to our State and area agencies on aging in their efforts to get the word out on a variety of issues. Of course, our Eldercare Institutes will be working with a variety of other groups to inform them and to increase their capacity on a variety of issues including the specific issue that you mentioned earlier.

Senator COHEN. Discrimination?

Mr. GREENBERG. I meant on the Medicare benefits.

Senator COHEN. We addressed that last week. This week I want to know what proactive measures we are doing in terms of educating older women about age discrimination and retraining possibilities?

Mr. GREENBERG. Our Institutes will be working to better inform agencies, State and local coalitions, State and area agencies on aging, professional organizations, and others about the issues in the area of employment as well as the various issues related to older women.

Senator COHEN. You still haven't used the word discrimination. I'm trying to get you to use that word.

Mr. GREENBERG. Including discrimination.

Senator COHEN. A recent study on the enforcement of the Age Discrimination Employment Act by the EEOC found that women were more successful in prosecuting claims of discrimination, although men filed a greater number of claims. Therefore, we want to encourage as much dissemination of information as possible, to include not only retraining but also discrimination practices on the part of some employers.

Mr. GREENBERG. I assure you that that is a strong concern of ours.

Senator COHEN. Thank you very much. I have no more questions at this time.

The Committee will stand in recess for about 15 minutes, and during that time, we will play the video tape. [Recess and video presentation.]

Senator COHEN. The Committee will come to order.

Our next panel of witnesses will represent the perspective of older women workers. The panel consists of Lou Glasse, the President of the Older Women's League; Norma Wisor, who we are especially pleased to have representing the chairman's State of Arkansas from the Arkansas ABLE program; and Betty Friberg from my home State of Maine, who has been a recipient of the services of the Portland, ME, Displaced Homemakers Program. She is accompanied by Kathy Patrick, the Field Director of the National Displaced Homemakers Network.

Ladies, welcome. Let us begin with Ms. Glasse.

STATEMENT OF MS. LOU GLASSE, PRESIDENT, OLDER WOMEN'S LEAGUE

Ms. GLASSE. Thank you, Mr. Chairman. I wish to thank you very much for this opportunity to present testimony and commend you for calling this hearing on older women and employment. And I ask that my full statement might be entered into the record. I am going to summarize and add a few other comments.

Senator COHEN. It will be included in full.

Ms. GLASSE. Thank you.

The influx of women into the labor force and the multitude of first women in high profile jobs has created a widespread perception that the Nation is moving rapidly toward economic equity for women. Sadly, for employed mid-life and older women, that perception is wrong. Greater work force participation is not translating into high level jobs, better pay, more benefits, or less poverty in old age for American women.

As you have said, nearly 14 million American women age 45 and older hold paying jobs. By the year 2000, that number will grow to 22 million, and approximately 1 in 3 employed women will be mid-life and older. However, women of all ages, and particularly women 45 and over, are still paid significantly less than men.

In 1989, the median earnings of mid-life and older women who work full-time, year-round, were less than two-thirds those of men. This wage disparity increases with advancing age. Mid-life and older women continue to be segregated into a limited number of jobs at the low end of the wage scale, including secretaries, sales clerks, waitresses, nurses, teachers, or librarians, and nearly 2 in 3 employed women over age 45 work in those areas.

Why is there such a disparity? First, the wage-setting practices of the past continue to curtail women's wages today. Women's work was undervalued many years ago, and wage patterns were established in those areas that I just listed, such as sales, clerical, service, and so forth. Regrettably, this has not changed .

Second, with the decline in manufacturing, especially in the apparel industry, women have been hurt very badly. Workers displaced by the loss of manufacturing have found it difficult to find other employment.

Next, women in unions tend to have somewhat higher wages, and there is a smaller gap between the wages of men and women. This is particularly true of black and other minority women, but only a small percentage of women are covered by unions.

We are troubled by reports that some unions are urging older workers to retire early to make way for younger workers. This is especially true when facing company cutbacks and the resulting shortage of jobs. Though this practice has provided companies with a "humane" way to handle personnel cutbacks, many older workers may not be able to afford to retire.

Women in the low end of the wage scale don't get the golden parachute that a great deal of CEOs get. Instead, such women may receive a small pension that must last over a 30-year period. Unfortunately, few pensions have a cost-of-living adjustment that rises with inflation and thus protects such women.

Even in female-dominated jobs, including the ones that I listed before, men's median weekly earnings greatly exceed those of women. In 1990, the median weekly earnings of male sales supervisors and proprietors were 56 percent higher than that of female counterparts. The disparity is even higher in sales, where men earn 72 percent more than women. Furthermore, even within those occupations that are dominated by women, men are more likely to be promoted and to achieve supervisory positions.

Now I would like to get to the subject that you have raised that one of the causes of low wages of women is discrimination in the work force.

This discrimination is often subtle and hard to quantify, but we know it exists. Employers will view older workers as slower, chained to the past, inflexible, unwilling to learn technologies, and having costlier health needs.

Though studies have shown this not to be the case, few businesses are willing to employ older workers. Even when employers do, older workers are usually only offered part-time positions and work at low or minimal wages.

Because women tend to be viewed as old earlier in life than men, they suffer age discrimination oftentimes at a point of hiring. Recession and unemployment are harsher for older women because they tend to receive less assistance than younger women in seeking reemployment and suffer a greater wage reduction upon finding a new job. Our files are filled with painful and angry letters from women who have experienced job segregation and discrimination.

For example, a 62-year-old woman from New Jersey was discharged from her position on the same day that a 23-year-old woman was hired to fill the newly created position of assistant property manager. The local EEOC Commission found that the elimination of the rental agent position and the creation of the new position was a pretext for age discrimination. Education alone does not resolve the problem. In 1984, college-educated women age 45 to 64 earned only 92 percent as much as male high school graduates of the same age.

Mr. Chairman, because of our alarm at the discrimination in the work force, OWL believes that it is critical that we have a forceful advocate to enforce the age discrimination and employment provisions of the Civil Rights Act. Therefore, the Older Women's League has reluctantly taken the position of opposing Judge Thomas' nomination to the Supreme Court. We need someone who will aggressively enforce the laws and protect the rights of women. We do not believe that Judge Thomas, in his chairmanship, provided that kind of leadership.

A trend in our country is a greater dependency on part-time, temporary, and contract work. This is changing the nature of the tie between the employers and their employees. Employers are increasingly utilizing reliance upon part-time work to hold down personnel costs—I understand the motivation from the point of view of business. From the point of view of protecting the workers, this is a terrible trend.

Under these kinds of conditions there are no or few benefits; no pension, no sick leave, or vacation time. The majority of part-time workers are women. Many would prefer to work full-time. Forty percent of women over 55 work part-time.

We do know that many women find it necessary to reduce their work schedule and take part-time work or to drop out of the labor force entirely in order to care for children or aged relatives. Some may say this is their choice. For many, it may be. Since 1972, with a stagnation of family income, family financial health has become more and more dependent on working wives in low- and middle-income families. It is only with the wives' income that those incomes have been able to become stabilized even though at a flat level. Consequently, we have not seen the great growth of income among middle-income people.

Single parents seldom have a choice between paid work and staying at home. Caregiving for the elderly becomes a necessity for almost all American families. Our public policy expects that. In this country, we do not provide any kind of respite and very little in-home care to enable elderly people to remain independent. Families must provide the caregiving. This means that for many people, particularly women—72 percent of the caregivers are women—that they must drop out of the work force or rearrange their work schedule to reduce their time in the work force.

Because of family responsibilities, millions of women particularly the women in the sandwich generation, have reduced their hours of paid labor. It is no surprise that women average 11½ years away from the labor force while men average only 1⅓ years. These prolonged absences from the work force have a devastating impact on women's wages and ultimately on their retirement income.

It is remarkable that any women continue to try to do both. Yet, we do see that many women do try to carry this double burden of paid employment and caregiving but they pay for it with reduced income in their older years.

At the other end of the economic scale are women who work as managers or professionals. At first glance, it appears that women are successfully integrating into managerial and professional occupations. Women's representation in these relatively high-paying jobs rose from 30 percent in 1980 to 40 percent in 1990. However,

this apparent increase masks important realities. In fact, the increase in women managerial and professional results primarily from growth within traditionally women's occupations, such as health assessment, treatment occupations, and teaching. You can't win unless you're in that female-dominated profession.

In fact, women have barely entered the corporate boardroom. Over the past 10 years, the number of women at the senior management level of the country's major corporations increased by less than 2 percent. White men still continue to hold 95 percent of all top management positions.

What can be done? I would like to very briefly cite a few things.

Senator COHEN. You would save me from asking those questions, so tell me what should be done.

Ms. GLASSE. First, we do urge the passage of the Civil Rights Act of 1991. We believe it is crucial to assure equal employment opportunities for mid-life and older women.

You know, Mr. Chairman, this would insure that mid-life and older women would be able to sue for damages as well as for lost wages. We want to point out that victims of discrimination now have few remedies.

I won't go into detail, but I do want to say to you that there has been increasing media attention, within the last 2 weeks, of the growing problem for people who want to file for discrimination. They have grave difficulty in getting legal representation. The lack of damages means that very few lawyers will take their cases. Furthermore, judges have learned that they don't have to rigorously enforce affirmative action. Many times the person who is complaining goes into court representing themselves.

Senator COHEN. Yet the record would indicate that women are becoming much more successful in applying those discrimination claims than men.

Ms. GLASSE. I'd like to know, sir, where this data comes from?

Senator COHEN. The study was conducted by researchers at Syracuse University's School of Management. The study looked at the enforcement of the Age Discrimination in Employment Act by the EEOC and found that although more claims have been filed by men, women have been more successful by percentage.

Ms. GLASSE. Do we know what the percentages are, sir, of the numbers who actually filed?

Senator COHEN. I do not have the exact percentages here at this time, but I will get them to you. I think it is important, because if this is the case, then what we need to do is get more women to become aware of this opportunity to file these kinds of discrimination claims. I take your point that going into any kind of formal or semi-formal type of adjudicatory process without the benefit of a lawyer puts you at an even greater handicap, a much greater disadvantage. So that point is well taken.

My point is that, given that disadvantage, if they are still becoming successful, that must be proof of the discrimination itself.

Ms. GLASSE. Yes. I was told this past week by an attorney that approximately 80 percent who suffer discrimination will not file for it. Of those who do file, only 2 percent are probably accepted by a lawyer, so the rest would have to represent themselves. Sir, I don't think we know in this country how many people are discriminated

against and how many of them try to file. If that could be found out, that would be such an important piece of information for us to know.

Senator COHEN. Many people don't even know that they're being discriminated against. That is one of the problems in getting this kind of information.

Ms. GLASSE. That's true.

Senator COHEN. Go to point number two.

Ms. GLASSE. Passage of the Family and Medical Leave Act, which would provide protection for caregivers for a limited period of time who must take time away from the work force to care for sick children or for chronically ill parents or spouses—as you know, it's unpaid leave. Small businesses have said that it wouldn't be that costly for them and that it would be a bearable cost. It is terribly important to provide protection for caregivers who would be able to return to their jobs rather than losing their income, retirement benefits, and their employment.

We support the Pay Equity Technical Assistance Act, which would be a part of the Civil Rights Act of 1991 and would begin to address this issue of pay equity. And certainly there are some corrections in Social Security and pension reform that we think would be good steps toward protecting the caregiver in her retirement income.

We would like to commend to you Congressman Bill Hughes' bill, the Social Security Caregiver Act. This legislation would be a first step in providing increased protection for employed caregivers. It would increase the number of dropout years used in determining the Social Security benefit. We would certainly encourage maintenance of data about discrimination both in EEOC and in the Department of Labor. We need that data available.

Finally, let me just say that employers receiving tax advantages for pension plans should be required to cover 100 percent of their workers. We would hope that you would consider that.

In conclusion, we believe that, as more and more women have entered the labor force, major barriers do confront them. These barriers discourage the young working woman, but they are usually disastrous for the mid-life and older woman. It results in low income and impoverishment in older age. If we want to stop this problem for future generations of older women we must attack this discrimination and wage inequities.

Senator COHEN. Thank you very much, Ms. Glasse.

[The prepared statement of Ms. Glasse follows:]

STATEMENT OF LOU GLASSE, PRESIDENT OF THE OLDER WOMEN'S LEAGUE

Chairman Cohen, and distinguished members of the committee: The Older Women's League (OWL) commends the Chairman for calling this hearing on older women and employment. The influx of women into the labor force and the multitude of 'first women' in high profile jobs have created a widespread perception that the nation is moving rapidly toward economic equity for women. Sadly, for employed midlife and older women, that perception is wrong. Greater work force participation is not translating into high level jobs, better pay, more benefits, or less poverty in old age for American women.

Founded in 1980, OWL is the first national grassroots organization to focus exclusively on issues of concern to midlife and older women. From its inception, OWL has led the debate over how these women can combat discrimination and achieve greater equity in the work place.

THE PROBLEM

As the Chairman knows, OWL recently released its annual Mother's Day report, *Paying for Prejudice*, which dealt with the inequities faced by midlife and older women in the work place. A copy of the report was distributed to each Member of Congress.

Women devote their lives to working, both at home and in the work place. Nearly 14 million American women age 45 and over hold paying jobs. By the year 2000, that number will grow to 22 million and approximately one in three employed women will be midlife or older. However, the result of years spent in the work place will only be low wages for millions of women during working years and inadequate income during retirement.

Women age 45 and over are still paid significantly less than men. In 1989, the median earnings of midlife and older women who worked full time, year round were less than two thirds those of men. On average, women age 45 to 54 were paid 59% of the wages paid to men during the same year.

This wage disparity increases with advancing age. Midlife and older women continued to be segregated into a limited number of jobs at the low end of the wage scale. They remain confined to the traditional and lower paying "women's" professions, working as secretaries, sales clerks, waitresses, nurses, teachers, or librarians.

Past wage setting practices that permitted employers to pay women less than men doing the same work now curtail women's wages. Comparatively few are able to climb career ladders leading to supervisory jobs with greater responsibilities and better pay. Many are hurt by the continuing decline in manufacturing, especially the apparel industry. Relatively few are represented by unions.

The age disparity does not completely explain the wage gap, however. Older women who seek to enter or remain in the work force are still subject to discrimination. This discrimination, often subtle and hard to quantify, nevertheless exists. Employers still view older workers as slower, wedded to the past, inflexible, and unwilling to learn new technologies. Because many reenter the work force when they are older, they frequently face age discrimination at the point of hiring. Recession and unemployment harm older women because they tend to receive less assistance than younger women in securing reemployment, and they suffer greater wage reduction upon finding a new job. And education alone does not resolve the problem. College educated women age 45 to 64 earn only 92% as much as male high school graduates of the same age.

Our files are full of painful and angry letters from women who have experienced job segregation and discrimination. For example, a 62 year old woman from New Jersey was discharged from her position as a rental agent on the same day that a 23 year old woman was hired to fill the newly created position of Assistant Property Manager. The local Equal Employment Opportunity Commission found that the elimination of the rental agent position and the creation of the new position was a pretext for age discrimination.

Importantly, women continue to suffer the effects of occupational segregation pulling down their earnings. Most older women in the work force perform jobs historically done by women that offer low pay and few opportunities for advancement. The work as secretaries, sales workers, bookkeepers, and accounting clerks, and in professions such as schoolteaching and nursing. Although women in these occupations perform valuable services, their pay shows that the value of the job is determined by the gender of the person occupying it, rather than the intrinsic worth of the job itself.

Older black women suffer especially pronounced job segregation. Black women over the age of 55 are three times more likely than white women to work in service occupations, while nearly one-third of those over 65 work as private household workers. Although more younger black women are working in traditionally white female clerical occupations, only 13% of older black women work as clerical staff, compared to one-third of older white women.

Even within these female-dominated occupations, women earn less than men. Although sales, clerical, and service jobs are predominantly female, men's median weekly earnings greatly exceed those of women. In 1990, the median weekly earnings of male sales supervisors and proprietors were 56% more than female sales supervisors' and proprietors' wages. The median weekly earnings of men in sales work were 72% more than those of women in sales work. And male service workers earned 39% more than female workers.

Finally, within occupations dominated by women, disproportionate numbers of men move up to supervisory and higher graded positions. In the sales field, midlife and older men are more likely to become supervisors than women the same age.

Only 22% of all women sales workers over age 45 work as supervisors, compared to 37.6% of the men. In administrative support and clerical work, only 3% of the women are supervisors, compared to 12% of the men.

CAREGIVING

Many women suffer the consequences of leaving the labor force to care for children or ailing elderly relatives. For many such women, there is no real choice. Public health policies depend on families, particularly women, to provide the bulk of informal care for young and old.

Although by no means the sole reason, caregiving responsibilities are one reason women are likely to receive lower wages and retirement income. Women continue to provide more informal child care than men. Average earnings for a working woman drop \$3,000 the year a child is born and about \$5,000 to \$6,000 annually during the next two years.

After years out of the paid labor force looking after children, many midlife and older women must then assume the care of an elderly relative. Indeed, three out of every four caregivers to the elderly are women, and many of them are midlife or older. Nearly 1.8 million of these women belong to the so-called "sandwich" generation who must cope simultaneously with child care and parent care responsibilities.

It therefore comes as no surprise that women average 11.5 years away from the labor force, while men average only 1.3 years. These prolonged absences from the work place have a devastating impact on women's wages and ultimately on their retirement income.

Remarkably, many caregivers do continue working, including over half of the women in the "sandwich generation." However, many of them must make some type of work place adjustment to accommodate their caregiving duties, including cutting back on hours, taking part time work, or declining promotions, extra hours, or training opportunities. These "adjustments" result in lowered wages and retirement income.

Part time work is another reason for midlife and older women's poverty. They must often settle for part time and temporary employment reluctantly. Nearly 40% of all women workers over 55 work part time, while 60% of those over 65 do. Today, one in seven women aged 55 to 64 who work part time do so because they have settled for part time in lieu of full time work. With employers increasing their contingent work force to cut costs, this trend appears likely to continue.

The consequences of occupational segregation, part time work, family care giving responsibilities, part time work, and lengthy unemployment for midlife and older women are low earnings while they are working and poverty in retirement.

A LIFETIME OF LOW WAGES MEANS POVERTY IN RETIREMENT

Because Social Security benefits are wage-based, women's lower earnings translate into lower retirement benefits. Individuals with fewer years of covered earnings than the Social Security computation period of 35 years will have a "zero" averaged into their earnings records for each missing year. By the year 2010, it is estimated that only 21.7% of women will have worked in paid employment for 35 years or more. Thus, many of them can expect to receive a low benefit upon retirement.

Lower wages cause single and divorced women to draw their benefits early and thus to have those benefits reduced. In addition, 72% of retired women workers must draw their benefits early, therefore reducing their benefits to only 80% of the full benefit.

Older women are also less likely to have retirement income from private pensions. Today, one in five women over age 65 receive pension income, compared to almost half of men the same age. Women's job mobility penalizes them heavily in pension coverage. Most plans require five years on the job before pension rights vest; women are likely to have fewer years of service and are more likely to work part time than men.

MIDLIFE AND OLDER WOMEN NEED JOB TRAINING

Because of their lower incomes, less marketable paid work experience, and lower retirement income, older women have special job training and employment needs. They particularly need supports to enable them to enter or reenter the work force. These include:

(a) Education and basic skills—Many mature women lack the basic skills required to take advantage of entry level or advanced skills training. Older women have rela-

tively low rates of high school completion, compared to men the same age or younger women. The problem is particularly acute among older minority women.

(b) Occupational skills training—Women who participate in training programs continue to be trained and placed in predominantly female occupations which pay less and which have fewer benefits than traditionally male occupations. Older women need occupational skills training that will upgrade and refine their skills and prepare them for better jobs.

(c) Accurate career information—Midlife and older women need an understanding of the economics of various career choices, and the encouragement and support to choose nontraditional, technical, and other higher paid careers.

(d) Support services—Transportation assistance, health care, counseling, and other services are also necessary for many midlife and older women seeking to reenter the work force. Also, because many of these women lack the confidence needed to reenter the work world or upgrade their skills, counseling and other esteem-building services are essential.

(e) Follow-up assistance—Many women returning to the labor market after a long absence need support services for the early months on the job. Dealing with new work situations, managing dependent care, juggling finances to pay work-related expenses, can threaten new-found self-sufficiency. Continued access to counseling and other services can improve job retention rates.

THE GLASS CEILING

At the other end of the economic scale are women who work as managers or professionals. At first glance it appears that women are successfully integrating into managerial and professional occupations. Women's representation in these relatively high paying jobs rose from 30% in 1980 to 40% in 1990.

However, this apparent increase masks important realities. In fact, the increase in women managers and professionals resulted primarily from growth within traditional women's occupations, such as health assessment and treatment occupations and teaching.

In fact, women have barely entered the corporate boardroom. Over the past ten years, the number of women at the senior management level of the country's major corporations increased by less than 2%. White men still continue to hold 95% of all top management positions.

Another kind of "ceiling" exists for those women who work in the traditional women's professions. This ceiling is the consistent undervaluing of these professions, as reflected in their status and pay.

Despite minor gains made by a small segment of the "baby boom" generation, the future does not hold great promise for younger women as they age. Unless women's occupations change, higher educational attainment and more time in the labor force will not help younger women achieve economic security as older women tomorrow.

SOME POSSIBLE SOLUTIONS

We believe that Congress has both the responsibility and ability to take leadership in remedying these problems.

1. CIVIL RIGHTS ACT OF 1991

Passage of the Civil Rights Act of 1991 (H.R.1) is also crucial to assuring equal employment opportunities for midlife and older women. Several recent U.S. Supreme Court decisions have presented additional barriers to women and minorities challenging employment discrimination in court. This bill would amend Title VII of the Civil Rights Act of 1964 to provide equal remedies for women victims of discrimination.

The importance of this bill to midlife and older women cannot be overestimated. The damages remedy is particularly important. Under Title VII, women victims of discrimination have few remedies: reinstatement to a job where a firing or a failure to hire or promote has occurred; court orders prohibiting future discrimination; and back pay awards. They cannot obtain monetary compensation for other losses which often accompany instances of employment discrimination, including ill health, emotional distress, or financial injury other than lost wages. And because punitive damages are not available, employers are free to discriminate on the basis of sex and age. Therefore, midlife and older women still find themselves without meaningful relief in the face of the most blatant discrimination.

Nor should the damages remedy be limited in any way. Proposed amendments to the Civil Rights bill would place caps on monetary damage awards, require discrimi-

nation victims to meet a heightened evidentiary standard when proving injury, and prevent them from recovering attorneys fees or expert witness fees. Moreover, punitive damages would not be available. These remedies, it must be stressed, have available to victims of race discrimination and certain religious and national origin minority groups for over a century.

Important as the damages remedy is, other remedies included in the bill are equally important for older women. A major purpose of the bill is to restore the landmark decision in *Griggs* which required employers to replace practices which unnecessarily screened out women and minorities with nondiscriminatory practices that accurately measure job qualifications. Restoration of the *Griggs* standard should not be diluted in any way.

2. THE FAMILY AND MEDICAL LEAVE ACT OF 1991

The Family and Medical Leave Act (FMLA) of 1991 (H.R. 2/S. 5) is critical for midlife and older women in the work force who are also caregivers. If enacted, the bill would guarantee job security, seniority, and continued health insurance coverage for workers who need to take leave to care for a child or a seriously ill parent or spouse. It would also make medical leave available when a worker is unable to work due to his or her serious health condition. Importantly, it would mean that women would be less likely to experience those breaks in service which lead to loss of pension coverage.

3. ENFORCEMENT OF ANTI-DISCRIMINATION LAWS

Vigorous enforcement of anti-discrimination laws is key to promoting fair work place treatment for midlife and older women. The Equal Employment Opportunity Commission should be encouraged to improve data collection on dual age and sex discrimination claims. The Commission should receive adequate funding to carry out this mission.

The judiciary must also be prepared to uphold anti-discrimination laws. For this reason, OWL opposes the nomination of Judge Clarence Thomas to the U.S. Supreme Court. We believe that, based on his record as Chairman of the EEOC, he will not be sensitive to the needs of midlife and older women struggling for equity in the work place.

4. JOB TRAINING PARTNERSHIP ACT

OWL supports reforming the Job Training Partnership Act (JTPA) to better address the needs of midlife and older women. The program serves more women than men, but midlife and older women could derive more benefit from the program. Specifically, OWL recommends the following reforms: (1) statutory language targeting midlife and older women. With the exception of the JTPA older worker set-aside, individuals over age 45 make up a small percentage of program participants. Clear statutory language could identify midlife and older women as populations to be served; (2) improve basic skills training, literacy, counseling, dependent care, and transportation services to allow these women to take advantage of job training programs; (3) train JTPA staff to work with older persons; (4) make sure that older workers are represented on state job training coordination councils (SJTCCs) and local private industry councils (PICs).

5. NONTRADITIONAL EMPLOYMENT FOR WOMEN ACT

The Nontraditional Employment for Women Act (NEW) (H.R. 906 and S. 367) is designed to reduce occupational segregation under the JTPA. It would require development of local and state plans for placing women in nontraditional occupations; data collection at the state and local level on traditional and nontraditional training for women; and reporting by private industry councils and the states on their progress in training and placing women in nontraditional jobs. The bill would also provide limited national funding for state-based programs to demonstrate or institutionalize nontraditional training for women. Because so many midlife and older women remain confined in traditional women's occupations and need JTPA sponsored services, this bill deserves support.

6. PAY EQUITY

OWL supports efforts to implement pay equity for women, including midlife and older women. Pay equity reform is particularly important for those women working in traditional women's occupations, who do work comparable to that of men in simi-

lar occupations, but who earn lower wages because their jobs are stereotyped as women's jobs.

We support the Pay Equity Technical Assistance Act of 1991 (H.R. 386), introduced by Congresswoman Mary Rose Oakar, and now incorporated into the Civil Rights Act of 1991. This bill, if enacted, would require the Secretary of Labor to disseminate information, perform research, and provide technical assistance on efforts being made by both private and public employers to reduce or eliminate wage disparities based on the sex, race, or national origin of the employee, rather than on the work performed or other appropriate factors.

We also support the creation of a 19-member, four-year commission to study the glass ceiling phenomenon, now also part of the Civil Rights Act.

7. SOCIAL SECURITY AND PENSION REFORM

The Social Security Act should be amended so that workers who leave the work force for a year or more to care for a child or dependent relative do not suffer a significant penalty upon retirement. Up to 10 years in which the worker had a child under age 7 living with him or her and had no or minimal covered earnings should be excluded from the computation of the Social Security benefit.

The Social Security Caregiver Act of 1991 (H.R. 865), sponsored by Congressman Bill Hughes, is an important first step toward this goal. The bill would exclude from the computation up to five years in which a worker had a child under twelve in care or was providing care for a chronically dependent relative.

Alternatively, a worker's Social Security record should be credited with a base amount for each year that the worker had a child under age 7 living with him or her or the worker was caring for a severely disabled spouse or parent.

Pensions should be made more portable. Because women tend to change jobs more often than men due to caregiving responsibilities, often they are not on a job long enough to vest and become eligible for benefits. Pensions are a part of employee benefits and should go with an employee when the employee changes jobs. Alternatively, the five year vesting rule should be reduced to three.

Finally, employers receiving tax advantages for pension plans should be required to cover 100% of their workers. Part time workers would receive pro rata benefits. Employers should not be allowed to exclude lower-paid and part time workers.

Senator COHEN. Ms. Wisor, I hope you will do the same for us—make us a bit wiser.

STATEMENT OF MS. NORMA WISOR, REPRESENTING ARKANSAS ABLE

Ms. WISOR. Thank you, Senator Cohen.

It is really a privilege for me to have this opportunity to talk with you. You may be opening up Pandora's box as I've been known to get on a soapbox about older Americans and, particularly older workers.

Senator COHEN. Let me tell you what will make you stop. The bells are going to go off in about 5 minutes and I will promise to come back, but I will probably have to interrupt you for that purpose only.

Ms. WISOR. I understand that you saw our junior Senator from Arkansas yesterday. He is our favorite advocate for older people, and I would say that those of us in Arkansas are glad to share our national treasure with you all. He is a super person.

Senator COHEN. He certainly is. I must tell you that he looked shamefully healthy yesterday, looking tanned and relaxed, while we have been suffering from prison pallor here for the past week or so. He looks just fine, and we are looking forward to getting him back in September. I suspect, however, that he may even delay returning here a few more months beyond that, but I hope not. I hope he comes back in September.

Ms. WISOR. I wouldn't be surprised if he is, but please be kind to him when he gets back.

Senator COHEN. He is going to recommend that we all slow down.

Ms. WISOR. I bet he is. Since 1964, I really have been on a soap-box about the value and virtues of older workers. I have been involved in MDTA, CETA, the Work Experience Training Program, Mainstream, Green Thumb, OJT, Title V, the Job Service, and experienced the ups and downs and the successes and failures of all of them.

I am currently Chairman Emeritus of Arkansas ABLE and Vice Chairman of the Arkansas Job Training Coordinating Council, having served on the Council since its inception. I share these facts to let you know that I've been working with employment programs at the local, State and Federal level, for more than 25 years.

It is important to note that throughout the evolution of Federal Manpower Programs, women have been often forgotten and certainly underserved. For most of those years, the needs of older women have not even been recognized by institutional employment programs.

Prior to the mandated JTPA 3-percent set-aside, the Federal Government's response to providing employment for older workers, women and men, centered on the subsidized job program now known as Title V. Title V just scratches the surface of the older job market and the needs of older workers.

The JTPA legislation which established the 3-percent set-aside funds for older workers was a major change in policy, which for the first time recognized the special talents and needs of older job seekers. At long last, it was possible to establish programs specifically designed to reach mature workers and potential employers providing entry into unsubsidized employment for older Americans.

The Arkansas ABLE (Ability Based on-Long Experience) employment concept was initiated in Chicago in 1977 and on a statewide basis in Arkansas in 1982. ABLE-type programs have since been established in Vermont, Boston, New York City, Michigan, Los Angeles, and Nebraska.

All of the ABLEs receive JTPA 3-percent set-aside funds. Because of the tightened eligibility requirements that have been established by the Labor Department, ABLEs also aggressively seek funds from other sources to be able to serve ineligible clients . . . (Those determined to have more than \$524 per month total income.) Each ABLE is unique, but all are highly successful. During the past year 54 percent of ABLE network placements nationwide have been women. More than 80,000 older people have found employment through the ABLE programs, which are designed to meet local needs and which each operate independently.

I'm not going to go into detail about the ABLE concept because there are some things about the pending JTPA legislation which may adversely affect older workers. I would be happy to answer any questions you may have about ABLE . . . time permitting.

I am really concerned about the current legislation that is pending before the House and Senate and feel it is important that your Committee understand that the proposed JTPA amendments to the Job Training Partnership Act seriously jeopardize employment opportunities for older men and women across the country.

Senator COHEN. Did you say that the proposed amendments jeopardize it? Can you tell me in what ways, please?

Ms. WISOR. The 3-percent set-aside for older workers, which gives Governors the right to determine its use, will be mainstreamed. The highly specialized services that are now provided mature workers will be transferred into the milieu of SDA programs which prioritize services to younger clients. I know, from experience, in the employment, training and aging fields that when older job seekers, men and women, are "mainstreamed," they simply do not get served.

By eliminating the set-aside for older workers under JTPA, services for older job seekers would be jeopardized in several ways. It will force older men and women to accept services designed for a much younger population. Activities such as long-term training, which many of our people 55 years of age and over do not want or need. It will encourage service delivery areas to bypass part-time opportunities for older workers because these jobs do not raise SDA "bench marks," yet many mature job seekers want and need part-time work. It can put older job seekers on the back burner because regular JTPA programs have so much emphasis on youth.

Historically, Labor Department-funded manpower programs such as MDTA and CETA and now JTPA have not served older workers. There is no reason to expect that the psychological indifference to older workers will change should the JTPAs and SDAs assume operations of the 3-percent set-aside programs.

Senator COHEN. You would say that even the current program is not working with the 3-percent set-asides?

Ms. WISOR. What we don't know about the current program, Senator, is how much of that money is going to SDAs currently and how effectively it is being used. I'll have to share a story with you. I slept with a Labor Department person for a long time. [Laughter.] My husband retired from the Labor Department, Chicago Regional Office. Three years ago I was attempting to gather information about 3-percent set-aside programs across the country. It occurred to me that regional offices should have that information, making collection of the data fairly easy . . . Our old friends in Chicago said, "Sorry, we don't have specific information about each State's 3-percent program."

As you may remember, JTPA was launched as a "State operated program." We were told it was going to be the responsibility of the State to establish priorities, set the tone, establish regulations and reporting procedures. During the ensuing years more and more Federal regulations have been placed on the States and local service areas.

We still don't have valid information about the effectiveness of JTPA programs nationwide.

Senator COHEN. Do you have some specific recommendations that you or the ABLE program, can put together to submit to the appropriate committee, in terms of what needs to be done to JTPA?

Ms. WISOR. We would be happy to.

Senator COHEN. That would be very helpful to us.

Ms. WISOR. For example, in Arkansas we have a network of 13 sites across the State where the program operates in cooperation with 8 area agencies on aging. We also have some 30 other agencies

involved because we are a networking organization which maximizes coordination with public and private organizations and employers.

Under the proposed amendments, ABLE would have to contract with 10 SDA's. There would be greatly increased costs related to dealing with 10 sets of proposals, reports, monitor requirements, etc. Everything related to administering the program will be multiplied by 10.

The way the program currently operates, ABLE contracts with the State and carries out administrative responsibilities.

Seventy-four percent of our staff is over 55 years of age. While working to encourage businesses to hire older workers we feel it is important to set an example to employers. The concept of employing older people as job developers would be jeopardized if SDAs assume operation of the 3-percent set-aside.

I understand the intent of the amendments is to clean up fraud, waste, and abuse—or at least that is what I read based on the recent GAO report. I think that is a laudable goal. Serving on the JTPA Council, I don't believe SDA have as many problems as the "Reader's Digest" and the recent GAO report indicates. I believe the SDA does a great job.

But it is frightening to me that the by product of the effort to "improve management of public dollars" can result in curtailed services for older job seekers. It is almost as if the old folks are a nonentity again. They finally found their place in the sun and now they are going to be forgotten, not seen as a priority in the labor market.

I just want to make one point and we can pick up when you come back. We need older people in the marketplace. They've got skills, seasoned judgment and valuable experience. They believe in doing a good job. They are faithful and a whole range of other virtues I don't have to repeat. But, I do think that, over the remainder of this century, instead of waiting for the baby boomers to turn into the baby bust, we should be testing, retooling, retraining, and renewing older workers' job skills; Supporting training for necessary career changes; Testing shared time and flex time—contracting rare skills—developing education programs which provide credit for life experience, and looking with creative minds at paid and unpaid professional jobs. We need to be defining new dimensions for the meaning of job banks and how they function, initiating training modules for older workers' participation in community leadership roles, and exploring the contribution experienced retirees can make to fledgling small businesses. My recommendation is that we take a creative look at the future world of work for the elders of our tribe. Instead of throwing the baby out with the bath water, we should spend the 1992-93 fiscal year taking a good look at what is currently going on with JTPA Federal dollar, and exploring the kinds of things we should be doing over the next decade to meet future needs of older workers.

[The prepared statement of Ms. Wisor follows:]

TESTIMONY GIVEN BY MRS. NORMA WISOR, CHAIRMAN EMERITUS, ARKANSAS ABLE,
VICE CHAIRMAN, ARKANSAS JOB TRAINING COORDINATING COUNCIL

OLDER WOMEN AND EMPLOYMENT: FACTS AND MYTHS

Senator Cohen, members of the Special Committee on Aging, and staff, it is truly a privilege to have this opportunity to share the Arkansas ABLE (Abilities Based on Long Experience) success story with you.

We Arkansans are proud of our Senator, David Pryor, who I know wishes he could be here with us today. Senator Pryor has been a strong supporter of Older Arkansans and his constituents hold him in very high esteem—in fact, we believe he is a National treasure.

I am Norma Wisor, Chairperson Emeritus of Arkansas ABLE and founder of the Chicago and Arkansas ABLE employment programs. I am Vice Chairman of the State Job Training Coordinating Council, the statewide policy making body for the Job Training Partnership Act. I have served on the Council since the inception of JTPA and was Chairman of the Council's Coordinating Committee until I was named Vice Chairman last year. I am also Editor of "Active Years", a news magazine which emphasizes the positive aspects of aging and is geared to the 50-plus population in Arkansas. Since 1964 I have been heavily involved in a wide variety of activities within the field of aging. Through that experience I came to the realization that special programs needed to be developed to help older people secure unsubsidized employment.

It is important to note that older women have historically been underserved and that prior to JTPA the Federal Government's response to all older workers concentrated on subsidized employment. The JTPA Legislation, which established the Governor's 3% Set Aside funds for older workers, was a major change in policy which recognized for the first time, the special talents and needs of this underserved age group. As a result of this significant Congressional action, it was possible to establish programs specifically designed to reach mature workers and potential employers—providing entry into unsubsidized employment for older Americans.

Older women have long been left out of the job finding market. Twenty-six years ago I worked in West Virginia as founding director of the Cabell County Community Action Program, funded by the Federal Office of Economic Opportunity, anti-poverty program. I met my first age-related road block while trying to establish an employment program for thirty-percent of the county population that was not only poor, but also old. OEO funds finally did become available for an older workers subsidized employment program—there was only one catch—the Mainstream program was for men only. The second employment program we established was in cooperation with the West Virginia AFL-CIO. We were able to place our clients in OJT apprenticeship positions. Major problem: We couldn't place mature workers, whether women or men. After all, they were "too old to learn."

Slowly OEO established additional employment opportunities for older workers. The big breakthrough came when the subsidized job program we now know as Title V became a reality. This was the first almost-real employment program which recognized the tremendous contribution that older people, both women and men, can make to our country. I say "almost-real" because Title Five remains a subsidized employment program with "employees" working for minimum wage, in positions with nonprofit organizations and units of local and state government. What the older people do is really worthwhile, and they do a great job. The fact remains that until 1983 there seemed to be a feeling in Congress that because Title V was in place all work requirements of older people were being met.

One more quick bit of history. My husband's career took us to Cleveland, Ohio. I became director of older persons' programs for the Cleveland Council for Economic Opportunity. We administered an AARP Title V program, and by chance "hired" a Title V retired person to work in our office. He had extensive personnel experience, and became our job counselor. Singlehandedly, working twenty hours a week, he placed more than five hundred women and men who had come into our office, seeking subsidized employment, in unsubsidized private sector jobs. What I had concluded was true. The services I felt were needed for older workers could become a reality. It was clear that: older people wanted to work; they had skills and experience of value in the workplace; employers recognized quality employees when they saw them; and that you did not have to pay someone to hire a mature worker.

The success of that small project led to the development of the ABLE (Abilities Based on Long Experience) employment concept and to the establishment of Operation ABLE in Chicago (1977) and the statewide program, Arkansas ABLE, in 1981,

ABLE programs have since been established in Vermont, Boston, New York City, Michigan, Los Angeles and Lincoln, Nebraska.

All of the ABLE programs receive funds from the Job Training Partnership Act, Governor's Three Percent Set-Aside for older workers. Because of the eligibility limitations on JTPA 3% funds, ABLE is also aggressively seeking funds from other sources, such as businesses, industry, foundations, United Ways, fees for service, and others.

Since the early eighties, the ABLE programs have placed more than 49,000 women and men over 55 years of age. Fifty-four percent of total placements were women.

All older job seekers have special service needs, but for women the problems are multiplied. Both genders have lost self confidence, but many women may never have worked outside of their homes; while older men have been gainfully employed. Many women are widows in their late fifties who do not qualify for Social Security or Medicare. Those who have recently lost their jobs because of downsizing, or the crunch on small businesses, are depressed, frightened, and have developed a low self esteem.

The ABLE Job Developers, who are mostly in the age group to be served, receive training tailored to working with apprehensive older people needing employment. They are positive about the potential ability of the applicant. They have good counseling skills and can help applicants decide which job would be appropriate for them.

Assessment materials used have been developed to be effective with mature adults. The older job seeker's skills are assessed so they may get into the job market quickly and then be encouraged to go back to school and get more training. The job developers also cultivate and know employers and do a good job of matching potential employees to best meet their need.

ABLE does not mass produce. For example: OJT and training contracting is done one person at a time. ABLE does not contract for twenty or thirty slots and then go out and try to find the bodies to fill them. The applicant's individual needs receive priority.

It is these special services and this special attention which make the ABLE program successful.

I'm sure other people testifying today will provide background and statistics regarding the problems and needs of mature women seeking employment. The ABLE programs have encountered serious roadblocks to serving this age group. Last year the Labor Department established regulations which no longer allow the designation of a "family of one" to determine JTPA eligibility of a client. This has caused hardships because the former regulation was particularly helpful to women who had never worked. Many of the women who come to ABLE have encountered catastrophic changes in their lives. They have been deserted, divorced, have a husband who is seriously ill (no longer able to work), or encountered circumstances which have forced them to move in with their children. If the woman is under 62 years of age, she most often has no income. If she is receiving Social Security, it is usually the minimum amount.

JTPA restricts the amount of income a woman and all significant others in the household can have to \$524 per month. If she lives with her son-in-law who makes \$525 or more a month she would not qualify for job placement and training.

Both women and men are adversely affected by the change in the family-of-one and other JTPA rules. According to Arkansas ABLE statistics forty percent of the clients that come to us for services are JTPA ineligible. Nationally the figure is 73%.

Older women have unique needs when it comes to securing employment. According to ABLE program staff across the nation, the following items represent some of the obstacles older women face:

They are typically paid less and have contributed far fewer quarters to Social Security.

They tend to have inadequate pensions.

They are trapped in "pink ghetto" occupations.

They are perceived as needing more health care than men.

They need a variety of training and skills development.

They are trapped by sexist, ageist and often racist stereotypes.

They have less formal education.

They don't have access to "old boy" networks.

The 54% of ABLE placements nationally are older women. The programs are reaching a group never before served by the Service Delivery Areas or their predecessors.

ARKANSAS ABLE (ABILITIES BASED ON LONG EXPERIENCE)—THE PROGRAM

Arkansas ABLE is a statewide award winning, nonprofit organization that prepares and links mature job seekers (50 years of age and over) with business and industry, by matching skills, ability, knowledge, long experience, and seasoned judgment with the needs of employers.

Since 1982 more than 10,000 older Arkansans have been served; an additional 6,279 women and men have found training and jobs through ABLE's network of 13 employment centers. The Centers are operated in coordination with the Area Agencies on Aging located across the state. I would point out that ABLE practices what it preaches: 74 percent of the ABLE staff and network professionals are themselves older workers.

ABLE's operating philosophy is based on working closely with existing organizations and institutions, plus business and industry, to promote the value of mature workers. Networking is an over-used word, but it is the key tenet of the ABLE concept. Coordination, collaboration, and working arrangements with some thirty-five programs and agencies—is what makes ABLE successful in serving a broad spectrum of employers and a diverse group of older Arkansans.

Arkansas ABLE is unique in that it is a statewide organization operating an unsubsidized employment program for mature workers in a very rural state. The program has been phenomenally successful, far exceeding most operational goals since its inception. That excellence has been recognized nationally. In 1988, ABLE received an award from President Ronald Reagan for Outstanding Service to Individuals through the Job Training Partnership Act. Of the ten national award winners, ABLE was the only one recognized for service to older Americans. In 1989, the National Alliance of Business recognized ABLE as one of ten outstanding employment programs in the country. (Operation ABLE Chicago and Boston ABLE were also recognized.) Having three ABLE programs chosen as outstanding employment programs for the 1989 NAB awards underscores the dramatic success of the ABLE concept.

Arkansas ABLE has also received the Dallas Regional Department of Labor Award for Outstanding Performance in 1987, 1988, and 1989.

Arkansas ABLE and the other ABLEs across the country have made positive commitments to maximizing the full potential of older adults. The programs are based on a belief that older persons must be provided opportunities to participate as workers, students, contributors. Simply stated . . . the option to be involved, which is the automatic right of other age groups . . . but, because of obsolete stereotypes all too often denied older Americans.

Arkansas ABLE was established to stay the notion that people cease to be people, cease to be the same people, or become people of a distinct and inferior kind, by virtue of having lived a specified number of years. Reaching 65 years of age does not make one a "non-person".

LEGISLATION PENDING BEFORE THE HOUSE COMMITTEE ON EDUCATION AND LABOR

Senator Paul Simon sponsored amendments to the Job Training Partnership Act (JTPA) and House Bill (H.R. 2496), which would destroy a very effective and highly recognized vehicle for helping mature Arkansas get jobs. The changes would be equally as devastating to the other outstanding ABLE programs across the country.

The amendments propose to eliminate the Three-Percent Set-Aside for Older Workers. Instead they will "mainstream" the highly specialized service now provided mature workers into the milieu of JTPA/SDA programs which prioritize services to younger clients. I know from twenty seven years experience in the employment, training, and aging fields that when older job seekers are "mainstreamed" they simply are not served.

Elimination of the JTPA Set Aside for Older Workers jeopardizes older job seekers in several ways:

(1) It forces older job seekers to accept services designed for a much younger population, such as long term training which many of our 60+ age citizens do not want or need.

(2) It encourages Service Delivery Areas (SDA) to bypass part-time job opportunities for older workers because these jobs do not raise agency benchmarks; yet, many mature job seekers want and need these part-time jobs.

(3) It puts older job seekers on the "back burner" because regular JTPA programs put so much emphasis on serving youth.

(4) Previous labor department funded programs such as the Manpower Development and Training Act (MDTA) and the Concentrated Employment and Training Act (CETA) did not serve older workers. There is no reason to expect this well docu-

mented philosophical indifference to older workers to change should the JTPA/SDAs assume operation of the Three-Percent Set-Aside funds.

(5) It eliminates the flexibility to design programs (such as short-term training or pre-employment training) which are more appropriate for experienced older job seekers.

(6) The dollar amount available for older job seekers (5 percent at the local level) will actually be a reduction from the 3 percent currently available state wide.

(7) The bill encourages "every effort to be made to provide services to older job seekers" but does not insure that those services be provided. Based on past experience there is no evidence that would lead one to believe older people would suddenly become a SDA priority.

(8) Finally, effective use of federal dollars will be jeopardized because currently successful statewide programs (such as Arkansas ABLE) will have to subcontract with several different Service Delivery Areas (in Arkansas' case—ten SDAs) which will greatly increase the amount of administrative cost required to deal with multiple sets of proposals, reports, monitoring, fiscal responses and other paperwork.

It is my understanding that the intent of the amendments is to clean up the waste, fraud, and abuse identified by a study of Service Delivery Areas (SDAs) in the North Eastern/Eastern states. This is indeed a laudable goal and one which I agree with totally. However, the frightening by-product of this effort to improve management of public dollars is the omission of any reason for curtailing services to older job seekers; almost as if the elders-of-the-tribe were a non-entity, unworthy of recognition. In the bill's effort to clean up the program, I would urge Congress not to throw services to the rapidly growing older population out the window. It does not make sense to jeopardize programs with proven success records!

Now is the time to plan for the future and expand employment programs for older adults, not retreat. All of the experts tell us that in a few short years older employees are going to be vital to the workforce. There won't be enough young people available to fill all the available jobs. Over the remainder of this century we should be testing, retooling, retraining, renewing older workers' job skills, supporting training for necessary career changes, testing shared time, flex-time, and contracting rare skills. We should be looking with creative minds to paid (professional volunteer) jobs; defining new dimensions for the meaning of job banks and how they function; initiating training modules for older workers' participation in community leadership roles; exploring the contribution experienced retirees can make to fledgling small business; as mentors and partners (based on sweat equity and experience).

The variety of things to be tested need to be undertaken now, not in a few years when the "baby boom" turns into the "baby bust". Without a drastic change in conventional views of our older population, negative perceptions and myths will continue to grow and restrict the future alternatives of older Americans. New Republic magazine has characterized older people as "greedy geezers" while a recent Fortune magazine article indicated that old folks' brains shrink and they are not capable of carrying out "simple tasks" let alone participating in the workforce.

Arkansas ABLE and the ABLE programs from Vermont to California have put the lie to such stereotypical views of older Americans. A magic date on a calendar does not make a person unemployable. You don't retire from life when you are 55 and get caught in a corporate "downsizing", or as they call it now "rightsizing". America needs the experience, ability, and wisdom of older workers—men and women who can make a difference.

RECOMMENDATIONS

The following recommendations are respectfully made for consideration by the Senate Special Committee on Aging, other relevant House and Senate committees and the Secretary of Labor.

(1) That Congress and the Department of Labor work with the ABLE national network to expand ABLE programs across the nation. The success of ABLE warrants replication to assure that older workers have optimal access to unsubsidized employment.

(2) That the JTPA Governor's Three-Percent Set-Aside funds for Older Workers aren't eliminated for fiscal year 1992-1993. During that period a comprehensive, futurist study should be made to determine how older people are currently served, what the needs really are, and what the optimal service mix should be.

(3) That JTPA legislation is amended to include two separate titles. One for workers age 39 and under and one for workers age 40 and over to be consistent with the Age Discrimination and Employment Act (ADEA) and the needs of all job seekers.

The 55-year old experienced worker does not need the same services as the 19-year old high school drop out, and vice versa.

(4) That the ABLE programs are used as research sites for separate studies to prepare the nation for the changing labor force demographics, focusing on the role of the older female worker.

I want to thank the members of this Committee for allowing me to participate in this hearing and for their interest in the problems facing the older women in employment.

Senator COHEN. Thank you very much, Ms. Wisor.

Ms. Betty Friberg, would you want to proceed? I am going to stay another 10 minutes.

**STATEMENT OF MS. BETTY FRIBERG, REPRESENTING PORTLAND
DISPLACED HOMEMAKERS, ACCOMPANIED BY MS. KATHY PAT-
RICK, DEPUTY DIRECTOR OF THE NATIONAL DISPLACED
HOMEMAKERS NETWORK**

Ms. FRIBERG. Thank you, Mr. Chairman. I appreciate the opportunity to testify on the subject of older women and employment. I hope that my story will help people understand some of the problems that older women face as they struggle to get into the labor force and make a living wage.

I am 63 years old, hate to admit it, and I live in South Portland, ME. For the past 40 years, I have been a homemaker and business owner. In the last 2 years, I have lost both my husband and my cash flow.

After many years in an abusive marriage, my husband is an alcoholic, my spouse decided to divorce me, taking most of what I had acquired in financial gain from my business in legal and court fees and through the division of property. I can no longer support myself in my business due to the development of allergies acquired from years of working with chemicals.

Because this is difficult for me to talk about, I have tried to file my personal story in my subconscious, hoping never to pull it up again. I was shocked that my husband of 40 years wanted to divorce me and take all that we had worked so hard for. Suddenly, I was displaced, devastated, and had no idea what to do.

I had no money available to me but I had a new home started on land that I had owned for over 30 years. This is my only asset.

Of course, it is a liability because it makes me ineligible for many assistance programs. For example, it was extremely embarrassing for me to apply for food stamps, just to get myself to the office only to find that I was ineligible due to the owning of my home.

I was not able to get a loan on the house because I lacked employment and everything was tied up legally so I couldn't get any kind of a loan. Even the lawyers I approached were not able to help me unless they attached my house and put a lien on it for their services at a later date.

In my search for resources, I was told by one agency person that I was not eligible because I just did not know how to access the programs in order to get benefits, but she did not offer to help me learn how.

There is one program for which I was eligible, the Maine Displaced Homemakers Program, the Portland office. I was inter-

viewed and provided with some information and was encouraged to participate in a special older women's project.

A woman by the name of Evelyn Brown called me. I was never so impressed by anyone in my life. She was informative, compassionate, and willing to listen, and asked me if I was okay. It was wonderful.

I couldn't wait to join the group. I am used to being independent and in charge, so it was not easy to join a group and need help, but I loved the courses.

The first was a women's financial series covering individual assessment, organization, goalsetting, identifying and designing personal cash flow, insurance, Social Security, investments, and legal matters. A career life planning course followed and a personal assessment with career exploration and job skills development. I also attended an assertiveness/self-esteem course.

These programs, the information shared, and the support and encouragement of the facilitator and co-participants really did a wonderful thing for me. I was able to see all the avenues to take to help myself. My attitude really shifted. My knowledge of options expanded.

But some options still are not available to me. When I inquired about different health insurance, I found that I could not afford any. Health insurance costs \$120 a month for someone my age, so I am not covered by health insurance.

I have tried to find help in getting a home equity loan through the State housing authority—again, not a good arrangement unless you are really elderly, at least 90 years old. However, I am not desperate today. I have completed my home enough to take in student boarders so that I can pay for my taxes.

After the older women's project, I entered an exploratory nontraditional training program through Displaced Homemakers and took a few welding courses. I loved it and I did well enough to use some of the skills that I had learned in combination with an adult education jewelry making class to create a few pieces of jewelry.

I pursued apprenticeship information for jewelry making and discovered that I am not willing at my age to have a 5-year apprenticeship. I will continue to pursue my creativity in that area on a personal basis. I am still exploring my options for work and feel confident in doing so.

I have gained confidence through much support. The Displaced Homemakers Program has really helped me through this process by offering stimulating and challenging information.

Senator COHEN. My apologies, but we have a vote on the Floor. We have another panel to follow, and they have been very patient. We will try to complete that when I come back. Hopefully, we will have at least half an hour to complete things before the next vote.

The Committee will stand in recess for about 10 minutes.
[Recess.]

Senator COHEN. The Committee will come to order. Ms. Friberg, would you complete your statement?

Ms. FRIBERG. I really believe that my ability to move through these difficult transitions is due to the continuing of services that the Displaced Homemakers Program provided and the tremendous

support and encouragement I received from other participants and staff.

Some people might think that my situation is unusual; that only a few women in this day and age could find themselves facing these kinds of problems when they reach their fifties and sixties. In fact, there are 15.6 million displaced homemakers in the United States. Four out of five of them are age 45 and older. It may surprise you to learn that the number of displaced homemakers grew substantially between 1980 and 1989.

Like me, these women face special challenges to entering or re-entering the work force late in life. Our needs are different from those of younger women or older men.

Mid-life and older displaced homemakers frequently need special services including: remedial education and reintroduction to the educational environment that has changed greatly in the past 40 years; adult day care, respite, and other assistance with adult caregiving responsibilities; help with emotional and financial concerns of widowhood; special outreaches targeting those who are physically and socially isolated; health insurance and pension benefits; and access to job development efforts that overcome employer stereotypes about older women workers.

Without these kinds of services, it is often impossible for mid-life and older women to successfully participate in education or training. Yet, these services receive only minimal support from the country's largest sources of employment and training funds. While there are over 1,000 displaced homemaker programs around the country whose mission is to provide these specialized services, they are struggling with limited resources to serve a growing number of mid-life and older displaced homemakers.

Last year we were all thrilled when Congress passed a new law, the Displaced Homemakers Self-Sufficiency Assistance Act, which created the possibility of new funds to support pre-vocational services for displaced homemakers. Unfortunately, no funds were appropriated during this most recent budget process.

As the many witnesses here today have shown, the problems faced by mid-life and older women in employment are numerous and complex. While money won't solve all these problems, I firmly believe that more resources are needed to support the vital services that displaced homemaker programs provide to women like myself to help them get back on their feet and into the labor force with the confidence to succeed.

I urge this Committee to support full funding for the Displaced Homemaker Self-Sufficiency Assistance Act in the next fiscal year. Thank you again for the opportunity to testify today.

Senator COHEN. Ms. Friberg, thank you very much for sharing a very personal story. I know that must have been difficult for you to share with us, but I think it's important because we can all cite statistics and you can drown in statistics and never really understand what's going on. It takes the kind of personal message and personal experience that you have had in being the beneficiary of one of these programs to give you what I take to be a renewed self-confidence and some hope in looking to the future to survive and hopefully prosper in different opportunities. I thank you for that.

I would like to return to Ms. Wisor. Let me explain the fact that this is probably the worst day we could have a hearing, because it's the last day of the session and everything is being stacked with votes every 30 minutes. It becomes very disruptive to your testimony, and I apologize on behalf of the Committee for that.

Second, we have other Members who are rushing around to other committees to put their appearance and participation in those particular hearings. It is always very chaotic on the last day before a recess break. So, my apologies to all of the panelists today. It does not in any way reflect a diminution of concern. I can assure you that the record is going to be very complete. It is one that, when Chairman Pryor comes back, he is going to want to follow up with a great deal of vigor.

Ms. Wisor, why don't you complete what you wish?

Ms. WISOR. I understand the chaos, but I don't know that it's just when you go home. It seemed to me when I worked in DC, there was chaos around here all the time. [Laughter.]

There were a couple of recommendations that I would like to emphasize. Number one, I believe consideration should be given to letting the Governors 3-percent set-aside funds remain the way they are for the next fiscal year. It seems to me it would be prudent to not make changes while the SDAs are under GAO fire.

Senator COHEN. In addition to that, you are going to supply me with some recommendation concerning how we can make the 3-percent allocation work better.

Ms. WISOR. Yes, sir, I will be happy to. My second recommendation relates to changes in the JTPA legislation. I believe the amendments should be divided into two Titles. Title A for the 16-through 39-year-old population. Title B for the 40 and over age group. This division would be more in line with Labor Department and EEOC definitions of older worker/workers. More specialized services would improve the program for job seekers of all ages.

Thank you for giving me the opportunity to express my concerns about proposed changes in JTPA. I have great respect for all the SDAs in the country * * * but, experience tells that historically they have not successfully served older workers.

Senator COHEN. Do you have any recommendations pertaining to the success of the Arkansas ABLE program in dealing with rural problems and women who live in rural areas? That is another dimension to the difficulty that I'm sure women face.

Ms. WISOR. I talked with the job developers as I was preparing to come to Washington who are working in rural areas, and they have been fairly successful in placing women. Many of the placements are with small businesses, a number as health aides, most I'm sorry to say at just slightly above minimum wage.

One of the problems, of course, is transportation. We have to try to deal with that as best we can. Because Arkansas is a retirement State, we have more small businesses and things going on in the rural areas than a lot of other States. Many of our retirement areas have rapidly expanding service economies—18.5 percent of our population is over 60 years of age. Retirees have a significant positive impact on our economy. Hence more job opportunities. Thank you for allowing me to express my concerns about the older workers programs.

You have benefited immensely from that in a very personal way. Do you talk to a lot of other women? Do you speak to groups? Do you try on your own to alert people to what is available to women who might have the same experience, fall in the same age category, and find themselves suddenly divorced, without assets, without anyone to turn to? Do you find yourself spreading the word?

Ms. FRIBERG. I have. I am very enthusiastic about it because it filled my need at that particular time. There are also many people out there that are just like me, I found. Everywhere I go, even to church, I tell people how wonderful it is. I do believe that it is one of the greatest things in Portland for people my age.

Senator COHEN. I thank you for that. I think this is the benefit we have of a public hearing. Most people are not aware of it. Most people are simply not aware. They think it is an isolated problem, a domestic problem, or it is something that is solely unique to them. As a result, we are not dealing with it effectively.

The purpose of this hearing is to at least provide some ventilation of the issues. We can then look at what the Administration is proposing with respect to that increase to 5 percent with greater flexibility of discretion. We need to know what that impact is going to be upon older women, and get the recommendations.

Ms. Glasse, I appreciate your giving me your recommendations and we will take them under serious consideration. The purpose is to see if we can expose a lot more people to the nature and the gravity of the problem. All of you made a very substantial contribution to that.

I thank you on behalf of Chairman Pryor and the other members of the Committee.

We will now have our final panel which includes: Linda Chavez-Thompson, International Vice President of the American Federation of State, County, and Municipal Employees; Richard Smith, who is the Senior Vice President of Administration at Days Inns of America; and William McNaught, the Project Manager of ICF, Inc., the consulting firm which conducted the recently released study for the Commonwealth Fund focusing on companies employing workers over 50.

I thank all of you for being here and for your patience. I will forewarn you that the bells will go off in 15 minutes. I will try to squeeze another 10 on the other side, but I hope that we can complete this panel's presentation within the next 20 minutes or so.

Ms. Thompson.

STATEMENT OF MS. LINDA CHAVEZ-THOMPSON, INTERNATIONAL VICE PRESIDENT FOR THE SOUTHWEST REGION, AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES

Ms. CHAVEZ-THOMPSON. Good morning, Mr. Chairman. My name is Linda Chavez-Thompson. I am an International Vice President of the American Federation of State, County, and Municipal Employees. I am also the executive director of the local union in San Antonio, TX.

You have heard quite a bit about the problems facing older women workers today—discrimination, inequitable pay, inadequate leave, and lack of pension coverage. The preceding testimony

presents a distressing but accurate view of the plight of older women workers.

As you can tell from the testimony that I have presented in written form, we go into quite an extensive detail of facts and myths about older women workers and, of course, the experience that our union has had in representing older women workers and some of the successes that we've had, especially dealing with the pay equity issue. Unionism is an important element in solving these problems.

I also want to share with you perhaps some personal observations on my part, because I represent not just only a woman's viewpoint, but also that of a minority woman. We face many more problems than some other working women.

We are slotted into traditional positions, such as clerical and/or service positions. But Hispanic women and/or black women are facing ever harder problems throughout the work force in this country. I can speak from a personal perspective on San Antonio, TX, because the majority of the minority in San Antonio happen to be Hispanic, so I speak more from that area than anything else.

Older women in service jobs face a job without upward mobility. They are mostly in traditional positions having to do with either clerical or service work. We have been faced ourselves in San Antonio with a situation where we actually put an apprenticeship program together and had 10 women electricians that graduated out of the journeyman program, but the problem is that, out of those 10, there were only 3 that were over the age of 45.

We have not had that program reactivated again because, as you know, the cities across this country are facing economic problems and they have to cut back someplace. Many, many times, it comes in the educational programs, and many of those are programs that many women find themselves disenfranchised to get.

Oftentimes we are faced, for instance, in San Antonio and in the Hispanic community with an attitude against women and sometimes the cultural problems that are faced by Hispanic women that they are to provide a home for the male of the marriage. They oftentimes find themselves in positions, because they are Hispanic women, that they should not be bosses or supervisors because the culture that they were raised in presents a problem.

They have often been reared by parents who have said: you are to abide and obey your husband and, therefore, you shouldn't want to strive for more. I was never taught that and I haven't taught that to my 26 year old daughter, but unfortunately, many women in the work force today are under that cultural aspect. They feel that because that is what they were taught by their parents, they shouldn't strive for more.

There have been comments here today by some of the people providing testimony regarding JTPA legislation. I will tell you that AFSCME has taken a very strong position on the pay equity issue. We have fought for it for many years and have been the union that has been in the forefront of pay equity for women. We are in support of the Civil Rights Act that we feel will address some of the issues of older working women—the family medical leave legislation, of course, is one of our primary targets in this legislative year and, of course, pension reform.

That is why our union has taken such a strong position against the nomination of Clarence Thomas for the Supreme Court. We feel that, certainly, his record in regard to older workers, and many of those were older women workers, is not in the best interest of our country.

Let me just say to you that my testimony will be very brief. I speak from the heart when I say to you that whatever this Committee does, whatever you intend to put forth as far as results and/or efforts toward resolving the issue of older women workers, will help some of those women who are in the work force today and some of the older women who will get into the work force tomorrow. But when women of my age become older workers or when my 26 year old daughter gets to the point of being an older worker, we hope that the conditions that will be benefitted by what this Committee does will not be what the conditions are right now that women are working under. We feel that the efforts of this Committee, the efforts of the people who are supporting legislation to help the older working women of today, will certainly make the workplace much better for me, for my daughter, and for others that are coming up into that area at this point in time.

Mr. Chairman, I thank you for the time. I also would like our testimony that has been submitted by my international union to be taken into full consideration as you deliberate your results.

Senator COHEN. It will be taken into the record in full and will be read by all the Members before we recommend any legislation to our colleagues.

Ms. CHAVEZ-THOMPSON. Thank you.

[The prepared statement of Ms. Chavez-Thompson follows:]

TESTIMONY OF LINDA CHAVEZ-THOMPSON, INTERNATIONAL VICE PRESIDENT, AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES

Good morning Mr. Chairman and distinguished members of the Committee. My name is Linda Chavez-Thompson. I am an International Vice President of the American Federation of State, County and Municipal Employees (AFSCME). I am also the Executive Director of AFSCME Local 2399 representing public employees in San Antonio, Texas. I appreciate the opportunity to participate in this hearing on issues facing older women workers.

You have already heard about many of the problems facing older women workers today—discrimination, inequitable pay, inadequate leave and lack of pension coverage. The preceding testimony paints a distressing but accurate view of the plight of older women workers, I want to spend my time this morning however, offering a solution to this unfortunate situation. Unionism is an important element in solving these problems. I also want to share with you my personal perspective relating to these issues as a union officer but also as a woman and an Hispanic living in San Antonio, Texas.

Unionism as a solution to the problems facing older women workers is an inescapable fact of life in America. Belonging to a union means among other things, higher wages. In 1990 the Bureau of Labor Statistics reports that median weekly earnings for union women were \$448 compared with \$326 per week for non-union women workers. Belonging to a union means an average increase in weekly income of \$122.

The evidence suggests that the benefits of higher union wages are especially significant for older women workers. Pensions and social security are based on earnings. Therefore, the higher pay union women receive during their working years ultimately translates into more secure retirement years.

Moreover, unions have played a major role in virtually every successful effort to eradicate sex-based wage discrimination. AFSCME has made pay equity a priority issue. AFSCME locals negotiated hundreds of thousands of dollars in pay equity adjustments for undervalued female dominated jobs in state and local governments all across the country.

The City of San Jose, California, where AFSCME Local 101 waged the first strike over pay equity resulting in a \$1.5 million pay equity fund for 60 job classifications;

The State of Minnesota, where through a combination of legislation and collective bargaining, AFSCME Council 6 won over \$33 million in a four year plan raising the pay for female dominated jobs to the level of comparable male-dominated jobs; and

The State of Connecticut, where since 1982 AFSCME Council 4 has been negotiating pay equity adjustments totalling in excess of \$10 million. Most recently the 1988-91 contract includes about \$900,000 annually for pay equity upgrades affecting over 2,000 workers in 70 job classes.

AFSCME also achieved over \$100 million in pay equity upgrades as settlement of a pay discrimination lawsuit against the State of Washington.

For older women pay equity is an especially important issue. Findings by the Institute for Women's Policy Research, based on 1989 census data, show that the pay gap between men and women increases with age. From age 30 to 50 women's wages increase much less rapidly than men's. As a result women aged 40 to 44 years earn on average about \$22,000, the same amount earned by men aged 25 to 29.

Higher, more equitable pay is not the only way union membership helps older women. A few examples from AFSCME affiliates around the country illustrate the point.

The Harvard Union of Clerical and Technical Workers, AFSCME Local 3650 more than doubled the minimum retirement benefit for Harvard employees in their first contract.

The Civil Service Employees Association, Local 1000 representing New York State employees negotiated a union administered tuition reimbursement program which allows state employees to take one college course free each semester. The program is primarily aimed at helping them do better on civil service exams. This is a most important program for older workers who often have not dealt with pencil and paper tests for many years.

AFSCME and the State of Illinois have negotiated up to a year's leave to meet "family responsibilities". Indeed the vast majority of AFSCME contracts provide generous unpaid leave. This is so important for older women who may have to take time to care for an ailing spouse or parent. I am pleased that the Senate will address this issue of family and medical leave when you return in September.

Increased retirement benefits, tuition reimbursement, Civil Service exam training and family and medical leave benefits are only a few examples of what unions are doing every day to make the workplace better for older women workers.

Unfortunately, unions must continue to fight for the very right to exist. The posture of employer organizations toward unions is hypocritical. Employers oppose a raise in the federal minimum wage. They also oppose the Family and Medical Leave Act now before Congress and pay equity bills that come before a state legislature. Supposedly, their opposition to government intervention is based solely on their belief that such matters should be negotiated between the employers and unions without government interference in the collective bargaining process. However, when the unions sit down to bargain on these issues, employers continue to voice their strong opposition. We therefore believe that government intervention is vitally important to improving working conditions. Employers do not always act fairly. This is why we have child labor laws and safety and health laws. The government must step in to ensure that all employees are ensured at least some minimum standards.

In addition, it is not uncommon for employers and employer organizations to not only oppose the issues which we believe are essential, but they also consistently attempt to block union organizing efforts.

Employer opposition to labor law reform, opposition to the striker replacement bill and opposition to worker notification legislation are but examples of employer hostility towards unions.

In my state of Texas, public employees do not even have the right to bargain collectively. This is true for public employees in about half the states in the nation. What this means for us in San Antonio is that it is very difficult for us to make a difference, but we try and are very proud of the success we have achieved.

In San Antonio most older women workers never had the opportunity to work in non-traditional jobs. Many work in clerical positions without upward mobility. They never joined a union or learned a different trade other than the jobs traditionally held by women. There are few, if any, women electricians, mechanics or sewage plant operators over the age of fifty. AFSCME Local 2399 put an apprenticeship program together for the City of San Antonio in 1982. After four years we had ten women graduate as electricians and four women actually became automotive me-

chanics. Their wages literally doubled and among these journey persons were three women over the age of 45. Without a union this program would not have happened.

We have pushed for upgrades and reclassifications for positions held by women and had a few successful results, but more needs to be done and we are pushing against heavy odds.

There are many retired women in San Antonio who earn less than \$300 a month in pension benefits, who have had to give up their homes and live with relatives. This is the direct result of lack of unionism. No one was there to fight for better wages, job security, benefits and working conditions. In San Antonio, the majority of older women workers who are disadvantaged and disenfranchised are minority women—Hispanic and Black. Unfortunately their ethnic background compounds the problems they share with Caucasian women. As studies have indicated time and time again women generally earn far less than men, and minority women earn much less than that. In San Antonio there are few if any minority women, (Hispanics being the largest minority group) serving in highly paid positions in the private sector or public employment. While this is not uncommon across the country, the disproportionate numbers of minority women who are disadvantaged and disenfranchised in San Antonio goes beyond the norm. A solid commitment of the part of unions, employers and the general public is needed to change this situation.

That is why our union keeps on fighting. I hope when I am an older woman worker I will see the results of these efforts. I hope that when my 26 year old daughter reaches middle age she will enjoy the benefits of a strong union like AFSCME, committed to achieving dignity and improving her working conditions through collective bargaining.

I appreciate the opportunity to elaborate on AFSCME's position on older women workers and my own personal observations, which I hope will show you the frustrations we face in San Antonio, Texas and in other parts of the country outside of Washington, D.C.

If America is serious about helping women and minorities achieve equality, if America is serious about ending ageism, it must be willing to allow workers an opportunity to have a real voice in determining their terms and conditions of employment.

I don't believe that the current Administration has a commitment to ensuring such fundamental rights to older women workers.

It distresses me that the President has nominated to the highest court in the land, a man who has demonstrated, through his efforts at the Equal Employment Opportunity Commission (EEOC), a blatant disregard for the plight of older women workers.

I should mention briefly that AFSCME has opposed Judge Clarence Thomas' nomination to the Supreme Court, and this opposition is based in part on his lax enforcement of the Age Discrimination in Employment Act (ADEA) while serving as chair of the EEOC. He allowed 13,000 age discrimination complaints to lapse. He considered disparate impact analysis not applicable to age discrimination claims. Moreover, after admitting that EEOC's rule allowing employers to refuse to make pension contributions for employees over normal retirement age was incorrect, he refused to rescind the rule until ordered to do so by a federal judge.

Again, I appreciate the opportunity to elaborate on the progress we are making in San Antonio despite our many obstacles, as well as the progress unions are making nationwide to improve the lives of older women workers.

That old saying "united we stand, divided we fall," is indeed true, and I stand strong in support of older women workers unionizing as a means of gaining the benefits and respect we deserve in the workplace.

Thank you.

Senator COHEN. Thank you very much, Ms. Chavez-Thompson.
Mr. Smith.

**STATEMENT OF MR. RICHARD SMITH, SENIOR VICE PRESIDENT
OF ADMINISTRATION, DAYS INNS OF AMERICA, INC.**

Mr. SMITH. Thank you, Mr. Chairman and members of the committee. We are very pleased to have the opportunity to testify before you today.

Days Inns of America, as I hope you know, is the third largest hotel chain in the United States. We currently employ better than 60,000 people through our franchised hotels located at 1,200 differ-

ent sites throughout the Continental United States, and generate annual revenues in excess of \$1.2 billion.

As senior vice president of Days Inns of America, I am responsible for staffing the company's needs. Over the past several years, we have found it increasingly difficult to fill our entry level service positions and some management positions. A shrinking labor market has become apparent to us and became obviously apparent in 1985.

Our business solution at the time was to seek out new labor markets. We found what we believe is the most efficient business solution to an otherwise perplexing problem. The solution is special sector employment.

We have actively recruited special sector or nontraditional workers, such as senior citizens, the homeless, and people with disabilities since 1985. These individuals, especially the older workers, have proven to be some of the best employees on staff. In fact, over 25 percent of the workers in our two national reservations centers and almost 10 percent of our corporate staff are over the age of 50. Hundreds more work in various positions throughout our 1,200 franchised hotels throughout the United States.

Within this category, many of these workers are women over the age of 50. Approximately 6 percent of the employees at our corporate office are older women workers. They represent 9 percent of the labor force at our national reservations centers which are located in Knoxville, TN and Atlanta, GA, and the numbers are steadily increasing.

Whether they are displaced homemakers holding their first job or seasoned professionals coming out of retirement to work again, older women have proven to be excellent workers at Days Inns. We are pleased to report that the value of our entire older worker base was recently reaffirmed by a major study released in May by ICF, Incorporated. As they are scheduled to speak today, I am sure you will learn a great deal about their findings.

As it pertains to Days Inns, the report found that older workers can be trained to operate sophisticated computer software in the same time as younger workers—2 weeks. Older workers stay in a job much longer than younger workers, an average of 3 years compared to 1 year. This results in average training and recruiting costs per hire of \$618 for older workers compared to \$1,742 for younger workers.

Older workers are better sales people than younger workers. They generate additional revenue by booking more reservations than younger workers, although they do tend to take a little longer to handle each telephone call.

Older workers are extremely valuable to our business. Through our experience at Days Inns, we have found that older workers have many reasons for seeking employment after normal retirement age.

They want to feel wanted and needed. They desire a social outlet. They need the income. The bottom line is that they want to work, which is refreshingly different to American business. That positive attitude makes them better employees.

I would like to read a few remarks made by a supervisor in our reservations center, Ms. June McGinty. As a manager of older

workers and as an older employee herself at age 56, she represents a unique perspective.

"Older workers make a difference at Days Inns. In my department, they are more dependable than the younger ones. They try hard, listen, and are just happy to have a job."

She goes on to say, "Personally, I have worked for the company for 12 years in reservations, the past 3 as a supervisor on the night shift. Though I worked as an actress and model in New York before my marriage, I primarily focused on volunteer work before coming to Days Inns. After I lost two family members in 1979, I decided to seek a job to occupy my time.

"Luckily I saw an ad for reservationists at Days Inns, applied, and got the job. Our company has created a great working environment, and I have been very happy here. The people make the job great. I especially enjoy working with guests to solve problems or complaints."

June's story is not at all unique. Take, for example, Christine Shelley, a reservations sales agent. At age 73, she has worked for Days Inns for 5 years, coming out of retirement from a job as a secretary for the U.S. Government.

Margaret Cronin, age 62, is a wife of a retired Coca-Cola executive. She works 20 hours each week as a social outlet, to have something to do. The names and the faces go on and on. We have retired engineers, retired professionals, retired business people, and displaced homemakers.

I assure you as a business person that companies across the Nation are interested in hiring older women. Just this past May, over 1,300 businesses, companies like Wal-Mart, American Express, Walt Disney World, Spiegel, et cetera, came together in a unique national effort sponsored by Days Inns to find senior employees. They met, interviewed, and in some cases, hired on the spot over 12,000 older job seekers.

This event is called Senior Power. Created by Days Inns in 1979, it is a series of nonprofit job fairs hosted annually in May by Days Inns hotels. It has touched the lives of thousands of mature job seekers and businesses.

Our special sector hiring program is not charitable or borne from a sense of responsibility for our communities. It is a program based on sound business principles. An efficient, stable, and reliable work force makes for a fundamentally sound company. Older workers and older women in particular certainly fit the bill.

The famous actor John Barrymore once said, "A man is not old until regrets take the place of his dreams." Well, at Days Inns, I can assure that I work with many people who are age 65, 73, 69, and the list goes on, and I assure you that they still have their dreams.

The dream of older women is to become financially and socially independent through a job which offers a decent wage and chance for equal advancement. Today's older woman worker is maturing. She wants more than a job; she wants a career and the promotions that go with it. My company is very proud to have the opportunity to help her realize that dream.

Thank you.

[The prepared statement of Mr. Smith follows:]

OLDER WOMEN AND EMPLOYMENT: A SUCCESSFUL COMBINATION AT DAYS INNS

As Senior Vice President of Administration at Days Inns of America, I am charged with supervising the staffing and management needs of my company. In an effort to seek dedicated, capable workers for our national reservations system, we have actively recruited non-traditional workers—senior citizens, the homeless and people with disabilities. These individuals, especially the older workers, have proven to be some of the best employees on staff. In fact, over 25% of the workers in our two national reservations centers and almost 10% of our corporate staff are over the age of 50. Hundreds more work in various positions at our 1200 franchised hotels across the country.

Within this category, many of these workers are women over the age of 50. Approximately 6% of the employees at our corporate office are older women. They also compose 9% of the labor force at our National Reservations Centers located in Atlanta and Knoxville. Whether they are displaced homemakers holding their first job or seasoned professionals coming out of retirement to work again, older women have proven to be excellent workers at Days Inns.

The value of our entire older worker base has just been reaffirmed by a major study released in May by ICF Incorporated. As they are scheduled to testify also today, I am sure you will learn a great deal about their findings. In the specific case of Days Inns, their report found that:

Older workers can be trained to operate sophisticated computer software in the same time as younger workers: two weeks.

Older workers stay on the job much longer than younger workers—an average of three years compared to one year. This results in average training and recruiting costs per hire of \$618 for older workers, compared to \$1,742 for younger workers.

Older workers are better sales people than younger workers. They generate additional revenue by booking more reservations than younger workers, although they take longer to handle each call than the reservations center.

As you can see, older workers are extremely valuable to our business. And through our experience at Days Inns, we have found that older workers have many reasons for seeking employment after normal retirement age. They want to feel wanted and needed. They desire a social outlet. They need the extra income. But the bottom-line is—they want to work. And that positive attitude makes them better employees.

I would like to read a few remarks made by a Supervisor in our Reservations Center, Ms. June McGinty. As a manager of older workers and as an older employee herself at age 56, she presents a unique perspective.

"Older workers make a difference at Days Inns. In my department, they are more dependable than the younger ones. They try hard, listen, and are just happy to have a job.

"Personally, I have worked for the company for 12 years in Reservations, the past three as a Supervisor on the night-shift. Though I worked as an actress and a model in New York before my marriage, I primarily focused on volunteer work before coming to Days Inns. After I lost two family members in 1979, I decided to seek a job to occupy my time.

"Luckily I saw an ad for reservationists at Days Inns, applied, and got the job. Our company has created a great working environment, and I have been very happy here. The people make the job great; I especially enjoy working with guests to solve any problems or complaints."

June's story is not unique. Take for example, Christine Shelley, a reservations sales agent. At age 73, she has worked for Days Inns for five years, coming out of retirement from a job as a secretary for the U.S. government. Margaret Cronin, age 62, is the wife of a retired Coca-Cola executive. She works 20 hours each week as a social outlet, to have something to do. The names and faces go on and on...

I assure you as a business person that companies across the nation would like to hire seniors, especially older woman. Just this past May, over 1,300 businesses—companies like Wal-Mart, American Express, Walt Disney World, Spiegel Catalog, etc.—came together in a unique national effort to find senior employees. They met, interviewed, and in some cases hired on the spot—over 12,000 older job seekers. This event is called Senior Power. Created by Days Inns of America in 1989, it is a series of non-profit job fairs hosted annually in May by Days Inn hotels. And as you can see, it has touched the lives of thousands of mature job seekers and businesses.

The famous actor John Barrymore once said, "A man is not old until regrets take the place of his dreams." Well, at Days Inns, I have personally met many people age 65 and 73 and 69, and they still have their dreams. One of the dreams of older women is to become financially and socially independent through a job which offers

a decent wage and the chance for equal advancement. My company is proud to help them realize that dream.

Thank you.



NEWS RELEASE

2751 Buford Highway, NE, Atlanta, GA 30324

DAYS INNS RECRUITS OLDER WORKERS

Days Inns of America, in an effort to curb the effects of a shrinking traditional labor force, began actively recruiting senior citizens for work at its Atlanta corporate office in 1985. Currently, 25% of the staff in the company's Atlanta and Knoxville Reservations Centers are seniors.

What began as a local recruitment effort at corporate headquarters has grown into a national job fair to recruit senior citizens -- SENIOR POWER. Each May, Days Inn franchised hotels invite community employers to join them in interviewing older workers. During the first job fair in 1989, 64 Days Inn hotels matched over 5,000 seniors with 600 companies. Senior Power 1990, hosted by 75 properties in every region of the country, attracted 10,000 seniors and 1,000 employers. Attracting over 12,000 older job seekers and 1,300 businesses, Senior Power 1991 was held at 85 Days Inn hotels nationwide.

Older workers have proven to be excellent employees at Days Inns. ICF Incorporated, a consulting firm with expertise in labor market studies, was recently commissioned by The Commonwealth Fund, a private national philanthropy, to analyze the impact of senior employees at the company. Because of low turnover (less than 1% among the group) and absenteeism, they found that the average training and recruiting costs per hire were \$618 for older workers, compared to \$1,742 for younger employees. Seniors have also proven to be better salespeople, booking more reservations than their younger counterparts. In addition, health costs have not increased as older employees tend to have less dependents than younger workers.

In return for the dependability, experience and loyalty seniors offer, Days Inns provides a work environment to meet their unique needs. Highlights of the benefits package at the corporate office include:

- * *Complete on-the-job training, with smaller classes for one-on-one communication with older workers.*
- * *Flexible work schedule; seniors may work as few or as many hours as they wish. Many older workers appreciate this, as a full-time job may render them ineligible for Social Security or other retirement benefits they may already receive.*
- * *Opportunity for advancement within the Reservations Center and throughout the corporate office.*
- * *A scholarship program, which also includes children and grandchildren.*
- * *A discount rate of \$15 at any Days Inn brand hotel.*
- * *Incentives and bonuses such as commissions, trips, luggage and other prizes.*

Many Days Inn franchised hotels across the country also actively recruit older workers. They hold positions ranging from Front Desk Clerk, Sales Representative and General Manager to Maintenance Engineer, Housekeeper, and Food & Beverage Worker.

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A10

New Study of Older Workers Finds They Can Become Good Investments

By KATHLEEN TELTSCH

Dan Young of Atlanta came out of an unwanted retirement four years ago, took a job booking hotel rooms and now at the age of 74 helps supervise hundreds of reservation agents.

Christine Shelley, a widow who was retired, became restless and went back to work. She learned to use a computer and earned six annual pay increases. Now 73 years old, she advises other older workers, "Never be afraid to accept a challenge."

Their experiences illustrate the findings of a new study of two American corporations and a British retail chain. It concluded that older workers can be retained in new technologies, have lower absenteeism and are often better salespeople than younger workers.

"The biggest single barrier for employers to hire older workers was the lack of any verifiable evidence that it made good sense economically to do so," said Thomas W. Moloney, senior vice president of the Commonwealth Fund, which commissioned the study.

'Hard-nosed Economic Analysis'

"We have here the first systematic, hard-nosed economic analysis showing older workers are good investments," he said of the study made by ICF, a Washington consulting concern specializing in labor market studies.

Earlier studies made for the Commonwealth Fund, a private foundation based in New York, estimate that six million unemployed Americans over the age of 55 are ready and able to work. They would join 13.5 million others over 55 who are already in the work force.

'Never be afraid to accept a challenge,' an retiree advises.

The Census Bureau said nearly 50.5 million Americans, or 20.3 percent of the nation's population, were over 55 in 1989, the latest such figures available.

"With each passing year there will be more and more upper-age Americans interested, able and desirous of working," said Dr. Eli Ginzberg, director of the Eisenhower Center for the Conservation of Human Resources at Columbia University. "Unless the country wants to pay additional taxes to support a lot of elderly people, it makes more sense to offer them the opportunity to work and earn an income."

The Recession as an Excuse

Dr. Ginzberg, who is 80 and completing his 56th year of teaching, added, "One can always find an excuse, such as the current recession, to justify a prejudice about hiring policies."

The studies were conducted at the Atlanta headquarters of Days Inns of America Inc., the hotel chain; the Travelers Corporation of Hartford, a holding company and subsidiary of the Travelers Companies, and B&Q, Britain's largest chain of do-it-yourself hardware stores.

All three concerns were chosen for the study because of their long-term

experience in hiring workers 50 and over and their willingness to permit analysts to examine their business records. Days Inns, in particular, had been experiencing high staff turnover and was looking for workers more likely to stay on the job.

"Three years ago we were out there beating the bushes to get other companies to learn from our experience," said Carol Bivins, a vice president at Days Inns who began in 1986 to organize job fairs where business representatives and older people could meet.

Some Changing Demographics

The first event attracted 50 businesses. Last Saturday, 85 Days Inns hotels in 31 states threw open their conference rooms for job-seekers, attracting more than 1,700 concerns.

At the Atlanta job fair, which drew 200 job-seekers and representatives of 30 companies, Jerry Mabe, vice president of a temporary personnel service in Atlanta, said the demographics of the older work force were changing. Older men laid off or forced into early retirement by the recession now represent a larger portion of the older work force, he said.

Virtually all of the employers at the job fair said older workers were more reliable. "Older workers have a better work ethic, a lower rate of absenteeism and more dedication to the job," said Janice L. Moran of Spiegel Inc.

The Travelers, which employs 10,000 workers, adopted hiring practices that include affirmative action for older workers because demographic projections showed a diminishing number of young people applying for jobs.

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Alan S. Weimer for The New York Times

Last Saturday, 85 Days Inns hotels in 31 states opened their conference rooms for job-seekers over the age of 55. About 200 job-seekers showed up in Atlanta to meet with representatives of 30 companies.

"We had to find a labor source other than college and high school graduates," said Peter Libassi, the company's senior vice president.

So Travelers started a job bank project, recruiting its retired employees to return to part-time or, in some cases, full-time employment. When

Travelers had more job opportunities than workers, it opened the program up to former employees of other companies in Hartford.

"On any day, there are 250 former retirees showing up for work," said Mr. Libassi. "We didn't do it just to make our retirees happy. We did it first and foremost because it was in the best interests of the company to hire, train or retrain older workers."

At Days Inns, both Mr. Young and Mrs. Shelley are part of a work force that operates a nationwide computerized reservation service from the concern's Atlanta headquarters.

Mr. Young, a former Air Force captain, said he was stunned when, at the age of 69, he was told he no longer had a job. He said he heard about Days Inns seeking older workers, applied for a job and, after three days' training, joined the pool of agents who make hotel reservations.

A Higher Success Rate

The analysis of employees' productivity, made by ICF, measured how quickly agents worked, their success rate in making reservations, absenteeism and job-turnover rates, said Michael C. Barth, senior vice president of ICF and director of the Commonwealth Fund's study.

Analysts found, for example, that at Days Inns older workers might take a minute longer talking with callers, but they had a higher rate of success in making reservations. And older workers tended to stay on the job longer.

In Britain, the B&Q company found an additional benefit: older workers tended to be homeowners and were therefore more familiar than younger workers with the houseware and construction products sold by the chain.

To prove the capabilities of older workers to their skeptical store managers, the company staffed a new store entirely with workers over 50. The study found the store was 18 percent more profitable than five other B&Q outlets. It also found that the turnover rate was six times lower and that older workers were absent 39 percent less often than in the other stores.

B&Q was so impressed that another store employing workers over 50 was opened, and the company set a goal of 10 percent employment of older workers by the end of the year.

Senator COHEN. Thank you very much, Mr. Smith.
Mr. McNaught.

**STATEMENT OF MR. WILLIAM McNAUGHT, PROJECT MANAGER,
ICF, INC.**

Mr. McNAUGHT. Thank you, Mr. Chairman. As the last in a long series of witnesses, I would like to relieve everybody's anxiety and say that I will be brief. [Laughter.]

I have submitted a longer statement for the record which you can all read at your leisure. I would like to highlight just four points from that longer statement that summarize the major findings that those of us at ICF have made in our work for the Commonwealth Fund over the past 3 years.

First of all, most older persons are not tired, sick, or disabled. The vast majority of older people are physically robust, active, and thoroughly capable of performing most work tasks. Over 85 percent of men and over 77 percent of women over age 65 have no functional disability.

Second, today's older generation is much better educated than its predecessors. In 1940, barely 17 percent of the older population had even a high school degree. Today, more than 60 percent have graduated from high school and about 13 percent are college graduates.

Accompanying the significant increase in educational levels has been an increase in the job skills of the older population. For example, of women age 55 to 59, about 40 percent have a professional degree or license and about 29 percent have a technical skill.

Third, many older people really do want to work. Our recent surveys of the older population show that nearly 6 million persons 55 and over who are not currently working want a job. Over 3 million of these people are women.

Through these surveys we have also found over 5 million older workers who would like to stay longer on their current jobs than they believe they are going to be able to. They say they would be willing to work longer if their employer continued their pensions, if their employer offered the training, or if their employer agreed to transfer them to a less stressful job.

Those three points are just appetizers. The fourth and most important point is that older workers are productive, cost-effective employees.

Over the past year and a half, the Commonwealth Fund has sponsored a series of case studies on the use of older workers at three major corporations: Days Inns, represented here; the Travelers Corp.; and B&Q Limited, Britain's largest hardware retailer. Let me summarize briefly just a few of the findings we got from these studies.

First, at Days Inns, we found that older workers can be trained to operate sophisticated computer software in the same time as younger workers and that older workers are better sales people than younger workers. At Travelers, we found that their retiree job bank saved the company \$871,000 in 1989 alone. At B&Q, we found that a store staffed entirely by older workers was 18 percent more profitable than similar stores; that employee turnover at the store was nearly six times lower than the average of similar stores; and

that losses due to theft and damage at this store were less than half of losses at similar stores.

Collectively, these four facts and others cited in my written statement suggest that America, and particularly American businessmen, ought to take a second look at the older work force. Instead of seeing this work force as a problem to be managed through downsizing and early retirement programs, businessmen should see them as a productive resource to be tapped for a competitive edge. These facts suggest also that, increasingly, older Americans are realizing that the most satisfying retirement is one that combines the opportunity to make meaningful contributions with the flexibility to pursue recreation and leisure activities.

Before closing, and perhaps as the last witness, I should take the opportunity to offer a few suggestions. I am going to be a little bit broader than the preceding witnesses and let my mind run a little more freely.

First of all, I think we need to set up a system of organized career advisory services available to all people as they turn 55. These services would help older workers plan their transition from full-time work to full-time retirement, including considerations of changing careers along the way or moving to different levels of responsibility within their current organizations.

Second, we should develop explicit policies and incentives to encourage businesses to enable older workers to get education, skills, and training, which would replace the notion of early retirement packages with early retaining policies which obviate the need for more golden handshakes.

Third, we need employment policies that provide phased retirement on a nationwide basis. More flexible and enlightened policies in this area would enable workers to do what they really want to do, exit from the world of work on a gradual basis.

Fourth and finally, we should develop a network of community resource centers capable of matching human resource needs of all kinds of organization with the talents of older workers. Our rough estimates indicate that the existing job banks serve only about 2 percent of the 6 million people over age 55 who are ready and able to work.

That concludes my statement. Thank you.

[The prepared statement of Mr. McNaught follows:]

**PRESENTED BY
WILLIAM MCNAUGHT
PROJECT MANAGER, ICF INCORPORATED**

**AMERICA'S UNAPPRECIATED RESOURCE: FINDINGS FROM THE
COMMONWEALTH FUND'S AMERICANS OVER 55 AT WORK PROGRAM**

Good morning. My name is William McNaught. I am a Project Manager at ICF Incorporated. For the past three years under the auspices of the Commonwealth Fund of New York City I have co-directed with Michael Barth a continuing set of studies investigating the potential for increased employment of workers over age 55 in the U.S. economy.

I would like to preface my remarks by thanking the Committee for inviting me to testify today. It is a pleasure to present the major findings of our studies here at this hearing. I hope that the information we have developed will prove useful to the committee as it considers issues surrounding older women in the workforce.

At the outset I would note that our studies under the Commonwealth program have not focused specifically on older women but have included older men as well. In my remarks this morning I will frequently refer to older workers in general, but wherever possible will highlight our particular findings as they relate to older women workers. Also I should note that in our studies we have defined older to mean persons 55 years of age and above. We recognize that any choice of a cutoff age is rather arbitrary. Indeed the force of our work suggests that there is no age where productivity and effectiveness of workers decline. Thus on economic grounds there is no way to distinguish between older and younger workers.

OVERVIEW

There is never sufficient time available in any short hearing of this sort to discuss fully all the topics and issues which really should be addressed. Therefore it is probably useful for me to start by clarifying the principal message of my remarks. Those of us associated with the Commonwealth program believe that the time has come to rethink the basic principles underlying American retirement policies.

Over the past half century, American retirement policy, both public and private, has been based upon a fundamental assumption that older workers are "over the hill." That is, older workers are both more expensive and less capable than other workers. Under this assumption, it is therefore necessary to replace these older workers with younger and presumably more efficient workers. To avoid the obvious unpleasantness of pushing aside a generation of workers who have labored so hard for so many years, society has developed a system of monetary incentives, called retirement benefits and funded from both the public and private sectors, to encourage these employees to leave. This solution seemed to everyone the decent and humane way to reward persons for years of hard work and to open promotion channels for younger workers.

A corollary to this view of old age is that once standard retirement ages are reached, society set up expectations that older people would go out and enjoy themselves. Leisure and enjoyment are held out as the norm for retirees because workers, like the machines they operate, usually are considered to have a fixed

productive life. At the conclusion of their working career, their productive potential is assumed to be completely expended and the retiree is consigned to what is politely termed the golden years of retirement but which, in reality, is often a period of semi- or complete dependency.

Now perhaps this approach to retirement was reasonable in an age when most work was physically demanding and many younger workers were ready and willing to step into job vacancies. If this approach ever made sense, it certainly does not seem to us associated with the Commonwealth program that it makes any sense whatsoever in today's world where most jobs depend on skills and knowledge, not strength and stamina, and demographers and economists tell us it may be increasingly hard to find skilled workers over the next two decades.

Thus, the basic premise of the Commonwealth Fund's Americans Over 55 at Work Program is that it is time to discard the assumption that older Americans are "over the hill." Vitality and productivity are not a matter of age but of skills and attitudes of individuals. America can no longer afford to ignore the productive potential of its older workforce.

In short, my message is that America, and particularly American businessmen, ought to take a new look at their older workforce and instead of seeing this workforce as a problem to be managed through downsizing and early retirement programs, should see them as a productive resource to be tapped for a competitive edge. In parallel, employers should also take a second look at the very large number of older persons who are currently not working but possess substantial job skills and experience.

EMERGING DEMOGRAPHICS OF THE OLDER POPULATION

How have those of us associated with the Commonwealth program reached this conclusion? Let me start with a few well-known facts documented in the attached tables. First, older Americans, particularly older American men, are working less (Table 1.) Over the past twenty years, the labor force participation rates of men ages 55 to 64 have plummeted from 82 percent down to 68 percent. Over the past forty years, rates have fallen from 46 percent to a mere 16 percent among those 65 and over. I would note however that there are some indications that the decline in these rates may have ceased since there has been little change in these rates over the past five years.

The story for older women is more mixed. The participation rates of women ages 55 to 64 have actually increased slightly since 1970 and the rates for women over age 65 have remained relatively constant throughout the post war period.

A result and also a cause of this trend is that older families no longer depend heavily on earnings to make ends meet (Table 2.) Social security benefits have displaced earnings as the primary source of incomes for families with heads over age 65. I would note that this displacement has not come at the expense of the living standards of the typical elderly family. Today for the first time in our history families headed by elderly individuals have incomes which are about

equal to that of younger families. In fact, in 1989 poverty rates for elderly households were less than poverty rates for younger households (Table 3.)

The conclusion we draw from these well-known facts is that by and large America's system of retirement incentives is working well. Older people are choosing to work less and an important factor in this choice is that they are being fairly rewarded during their retirement years. Let me hasten to add a important point here. This conclusion refers to the typical older household. We are well aware that many older families still live in poverty and require and deserve assistance.

Now, consider these less well-known facts. Contrary to stereotypes, most older persons are not tired, sick or disabled. The vast majority of older people are physically robust, active people thoroughly capable of performing most work tasks. Over 85 percent of males and over 77 percent of females have no functional disabilities whatsoever (Table 4.)

Furthermore physical disabilities are no longer a major barrier preventing individuals from holding down most jobs. Nearly three-fourths of the jobs in the modern economy depend on "brains" not "brawn" (Table 5.)

The educational attainment of older persons has also soared over the past thirty years. In 1940 barely 17 percent of the older population had even a high school degree (Table 6.) As recently as 1960, only 22 percent of older persons had completed high school. Today more than 60 percent have graduated from high school and about 13 percent are college graduates.

Accompanying this significant increase in educational levels has been a significant increase in the job skills of the older population (Table 7.) Over 40 percent of men age 55 and over have some technical skill. Nearly half of men ages 55 to 64 have a professional skill. The technical and professional skills of older women are also impressive. About 40 percent of women age 55 to 59 have a professional degree or license and about 29 percent of these women have a technical skill. Among women age 65 and over the comparable percentages are 15 and 19 percent respectively.

And now for probably the most important fact of all. Contrary to the popular myth that older retirees really do not want to work, our surveys have found that a significant number would like to work and simply are not being given a chance. *Our recent surveys of the older population, done by the Louis Harris organization earlier this year and in 1989, show that nearly 6 million persons 55 and over who are not currently working would like a job (Table 8.)* Of these nearly 6 million workers over 3 million are women.

To put this number in perspective it is useful to compare the size of this population of persons ready and able to work with the population who do have jobs (Table 9.) This comparison shows that over 30 percent of the productive potential of persons over age 55 is being wasted.

The loss in productive effort is not confined to those who are already out of work. In our surveys of older workers we have also found significant numbers of workers, both men and women, who want to work longer than they expect they

will be allowed to (Table 10.) For example, over 5 million workers ages 50 to 64 say they would work longer if (1) their employer offered to train them for a new position; (2) their employer increased their pensions; or (3) their employer offered to transfer them to a less stressful job or a job with shorter working hours. Of these 5 million older workers who are willing to delay their retirements, nearly 3 million are women.

Does their inability to find a job or stay on the job as long as they would like matter? It certainly does to those caught in this trap. Our surveys suggest that if you are older and have a job you are generally quite satisfied with life—nearly two thirds of older workers say they are very satisfied with their lives (Table 11.) If you are retired and want to be retired, you are again reasonably satisfied—about 55 percent of older persons who say they do not wish to work are very satisfied with their lives. However, among those who wish to work and do not have a job, only about one in three is very satisfied with his or her life and one in ten is not at all satisfied.

Above I suggested that America's system of retirement incentives is working well. Collectively these results suggest to us that what is not working nearly as well is America's system of work incentives for older persons. At the same time that American institutions are continuing to push, or at the very least escort, older workers to the door of retirement, more and more retirees are realizing that a life consisting only of leisure and recreation is not all it is cracked up to be. We believe that increasingly older Americans are realizing that the most satisfying retirement lifestyles combine opportunities to make meaningful contributions to society with the flexibility to pursue recreation and leisure activities. It also seems to us that many of them are frustrated that they are not afforded an opportunity to make these contributions.

DEMONSTRATED PERFORMANCE OF OLDER WORKERS

Over the past year and a half the Commonwealth Fund has sponsored a series of case studies of the use of older workers at three major corporations:

- Days Inns of America, Inc, the world's third largest hotel chain with over 1000 properties and a nationwide computerized reservation system located in Atlanta, Georgia;
- the Travelers Corporation, one of the world's largest multi-line financial services corporations focusing on insurance, managed health care, and investments located in Hartford, Connecticut; and
- B&Q, plc, the United Kingdom's largest chain of Do-It-Yourself stores with 280 stores, 15,000 employees, and \$1.6 billion in revenue.

These case studies demonstrate that older workers are productive, cost effective employees—a finding that challenges the conventional wisdom. The findings of these case studies provide evidence refuting three common corporate myths about older employees: (1) that older people cannot be trained in new technologies; (2) that older people cost more to employ and cannot work as efficiently as younger people; and (3) that older workers are inflexible about the terms of their employment, especially about working full-time or overtime.

Days Inns of America

Days Inns began hiring older workers (defined in this study as persons age 50 and over) as reservations agents in 1986 because it was having difficulty recruiting younger workers in sufficient numbers and turnover among these younger workers was nearly 100 percent annually. With two locations, in Atlanta and in Knoxville, Tennessee, the company's reservations system is a sophisticated 24 hour a day telecommunications operation which handles over 23 thousand calls each day. The case study analyzed the Atlanta center and compared the costs and benefits of hiring older versus younger workers.

Major findings of this case study include (Table 12):

- Older workers can be trained to operate sophisticated computer software in the same time as younger workers—two weeks;
- Older workers stay on the job much longer than younger workers—an average of three years compared to one year. This results in average training and recruiting costs per hire of \$618 for older workers compared to \$1,742 for younger workers;
- Older workers are better sales people than younger workers. They generate additional revenue by booking more reservations than younger workers, although they take longer to handle each call received at the reservation center; and
- Older workers participate in all three shifts.

The Traveler's Corporation

Travelers established a job bank for its own retirees at its headquarters in Hartford, Connecticut in 1981. Over the years, the program has expanded to include non-Travelers retirees and younger workers. Over 700 retirees are registered with TravTemps, and in an average week 250 retirees and 150 other TravTemps fill positions ranging from unskilled production through word processor to professional. The case study compared costs of the TravTemps retiree program (including the hourly wages paid to retirees and the administration of the program) to the cost of hiring temporary employees through an outside agency.

Major findings of this case study include (Table 13):

- Setting up the job bank for retirees has meant significant savings for Travelers in agency fees and state sales taxes—\$871,000 in 1989;
- The savings per hour for job bank retirees compared to hiring temps through an independent agency ranged from approximately \$4 to \$9 in depending upon the position being filled;
- The use of retirees as temporaries gives Travelers maximum flexibility in staffing; and
- Other advantages of a retiree job bank include: (1) it expands the pool of people available for temporary assignments, (2) it capitalizes on the company/retiree relationship—retirees are familiar with the company and its jobs and the company is familiar with its retirees' abilities, and (3) it improves the morale of the entire workforce—younger employees see the company as taking care of its own and offering an opportunity to more smoothly phase into retirement.

B&Q

B&Q plc was experiencing a number of problems in staffing their stores in the U.K., including employee turnover as high as 100 percent annually in some areas and a lack of personal product experience among store employees. Top management decided that older workers had a high potential to solve these problems. To prove the capabilities of older workers to their store managers, who were initially skeptical that older workers could do the job, a new store in Macclesfield, south of Manchester, was staffed entirely with workers aged 50 and over. It opened in October 1989. The case study, conducted with Terence Hogarth of the Institute for Employment Research at the University of Warwick, compared the Macclesfield store with five B&Q stores selected from areas with similar employment levels and demographics, and similar sales levels.

Major findings of this case study include (Table 14):

- The Macclesfield store was 18 percent more profitable than the average of the five comparison stores;
- Employee turnover at Macclesfield was nearly six times lower than the average of the comparison stores;
- Management at Macclesfield views older workers as flexible and ready to fill staffing needs—they work an average of eight overtime hours per month;
- The older workers at Macclesfield were absent 39 percent less than workers at comparison stores;
- Leakage (the difference between stock expected in the store and stock actually in the store because of theft, damage and inventory not received) at Macclesfield is less than half the average of the five comparison stores; and
- Older workers at the Macclesfield store have not required any extra training.

WHAT NEEDS TO BE DONE

Before closing, I would like to offer a few suggestions which could enormously assist older persons in finding and keeping the work they desire.

First, a major part of the problem facing older persons today is that they enter retirement with virtually no preparation. If they start thinking about retirement at all, it is usually too late to start training for a new career or to locate opportunities to phase into retirement by working part-time. Individuals should not have to discover the secrets of successful retirement on their own. Instead they should be able to learn from the collective wisdom of professionals about retirement opportunities, about retirement preparation and about pitfalls.

Therefore the nation needs organized career advisory services available to all people as they turn 55 to help them make plans for the transition from full-time work to full-time retirement. These plans should include decisions about how they will alter their hours of work and levels of responsibilities at work. They should consider such possibilities as changing jobs within their current companies or changing careers.

Second, the nation should develop explicit policies and incentives to encourage businesses to enable older workers to get education and skills training. People 55 and over need to consider the process of acquiring new skills and updating their old ones as a regular facet of their working career.

This should become part of the benefits package provided to people over age 55, facilitated and encouraged by their employers. We should replace the notion of early retirement packages with early retraining policies which obviate the need for golden handshakes.

Third, we need employment policies that provide phased retirement on a nationwide basis. For many the current retirement process is rather like an electric shock treatment. The individual works conscientiously for 40 hours per week 50 weeks per year until the day he or she walks into a retirement party, goes home, then never works again. More flexible and enlightened policies would enable more workers to do what they really would like to do—exit from the world of work on a gradual basis. These types of policies would enable older workers to continue working part-time and to receive part-time pensions. Norway and Sweden provide successful models of such systems where both public and private pensions are structured so that they may be received in full or in part.

Fourth and finally, we should develop a network of community resource centers, capable of matching the human resource needs of all kinds of organizations with the talents of older workers. We need to do this on a scale and a level of organization equal to that mobilized by the armed forces to recruit young men in every community in the country. Our present capacity to assist older job searchers through community job banks is woefully undercapitalized. Our rough estimates indicate these job banks serve only about two percent of the six million people over age 55 who are ready and able to work. Furthermore these banks serve only those persons who meet strict poverty tests.

Thank you for the opportunity to speak before you this morning. I am available to answer any questions that you might have when all speakers have completed their initial statements.

Table 1			
Labor Participation Rates by Age and Sex: 1950-1990			
	1950	1970	1990
Male			
55-64	92 ^a	82	68
65+	46	26	16
Female			
55-64	33 ^a	43	45
65+	10	9	9
^a Ages 45 to 64.			
Sources: U.S. Historical Abstract 1939-1970; U.S. Bureau of Labor Statistics, <i>Employment and Earnings</i> , January 1991.			

Table 2				
Percent of Income Received by Families With A Head Age 65 and Over by Source: 1968-1987				
	1968	1976	1984	1987
Earnings	48.2	36.1	28.6	30.0
Social Security	22.9	32.3	31.6	31.7
Asset Income	14.6	15.6	23.7	20.0
Pensions	12.3	14.5	15.3	15.9
SSI/Public Assistance	1.3	1.4	0.8	0.7
Source: U.S. Senate, "Aging America," February 1990.				

Table 3			
Percent of U.S. Families Below Poverty Level by Age of Head: 1959-1989			
	Over 65	Under 65	Difference
1959	35.2	21.1	67%
1970	24.6	11.3	118%
1979	15.2	11.3	35%
1982	14.6	15.0	-3%
1989	11.4	13.0	-12%

Source: U.S. Bureau of Census, Current Population Reports, Series P-60, Number 168.

Table 4			
Persons Over 65 Without Any Functional Disabilities by Age and Sex: 1981 (thousands)			
	Total Population	Number Without Disabilities	Percent
Male			
65-69	4,097	3,769	92.0
70-74	3,359	3,050	90.8
75-79	2,167	1,831	84.5
80-84	1,175	828	70.5
85+	<u>743</u>	<u>360</u>	<u>48.5</u>
Total	11,541	9,838	85.2
Female			
65-69	5,264	4,669	88.7
70-74	4,165	3,478	83.5
75-79	3,222	2,484	77.1
80-84	2,186	1,386	63.4
85+	<u>1,531</u>	<u>623</u>	<u>40.7</u>
Total	16,368	12,640	77.2

Source: U.S. Public Health Service, National Medical Expenditure Survey, Research Findings Number 4.

Table 5					
Percentage of Employed Population by Major Industry: 1940-2000					
	1940	1960	1980	1990	2000
Brain Industries					
Services	8.7	12.4	19.1	24.9	26.9
Retail Trade	11.7	13.8	16.0	17.4	18.3
Government	2.3	14.0	17.3	16.1	15.2
Finance, Insurance, and Real Estate	3.5	4.4	5.5	6.0	6.2
Wholesale Trade	<u>4.4</u>	<u>5.3</u>	<u>5.6</u>	<u>5.6</u>	<u>5.5</u>
Total	30.6	49.9	63.5	70.0	72.1
Brawn Industries					
Manufacturing	26.2	28.2	21.6	16.8	15.2
Agriculture	22.8	9.2	3.6	2.8	2.5
Transportation and Utilities	7.2	6.7	5.5	5.1	4.9
Construction	3.1	4.9	4.6	4.6	4.7
Mining	<u>2.2</u>	<u>1.2</u>	<u>1.1</u>	<u>0.6</u>	<u>0.6</u>
Total	61.5	50.2	36.4	29.9	27.9
Source: U.S. Bureau of Labor Statistics, <u>Employment and Earnings</u> , February 1990 and January 1991.					

Table 6				
Percentage of Population Age 55 and Over Completing High School: 1940-1989				
	1940	1960	1980	1989
4 Years High School	9.4	11.8	30.3	35.9
1-3 Years College	4.5	6.5	9.8	11.7
4 or More Years of College	3.5	4.6	9.9	13.3
Total 4 Years High School or More	17.4	22.9	50.0	60.9
Source: U.S. Census Bureau, <u>Current Population Reports</u> , Series P-20.				

Table 7		
Percentage of Population Age 55 and Over With Considerable Job Skills		
	Professional Skills	Technical Skills
Male		
55-64	46	41
65+	26	43
Female		
55-64	40	29
65+	15	19
Source: Louis Harris and Associates, unpublished tabulations.		

Table 8						
Number of Persons Ready and Able to Work by Age (in thousands)						
	55-59	60-64	65-69	70-74	75+	Total 55+
Male	400	450	750	490	630	2,720
Female	480	670	800	610	610	3,170
Total	880	1,120	1,550	1,100	1,240	5,890
Source: Louis Harris and Associates, unpublished tabulations.						

Table 9			
Potential for Increased Employment in the Population Age 55 and Over (in thousands)			
	Age 55-64	Age 65+	Total
Ready and Able to Work	2,000	3,890	5,890
Employed	11,464	3,064	13,528
Total	13,464	6,954	19,418
Percent Blocked from Potential Work	14.8%	55.9%	30.3%
Source: ICF analysis.			

Table 10				
Workers Willing to Delay Retirement if Employers Changed Terms and Conditions of Work (in thousands)				
	50-54	55-59	60-64	Total
Males	-	1,467	867	2,334
Females	1,508	1,434	-	2,942
Total	-	-	-	5,276
Source: Joseph Quinn and Richard Burkhauser, "Retirement Preferences and Plans of Older American Workers," October 1990.				

	Full-Time	Part-Time	Not Working	Ready and Able
Very Satisfied	63	65	55	36
Somewhat Satisfied	36	33	38	53
Not at All Satisfied	1	2	7	10

^a Percent of men age 55 to 64, women age 50 to 59.

Source: ICF Analysis.

Characteristic	Younger Workers	Older Workers
Average Age (in years)	29	63
Percent Female	65%	62%
Percent Part-Time	29%	33%
Percent Absent	3.7%	1.4%
Average Length of Employment (in years)	1	3
Average Training/Recruitment Cost	\$1,742	\$618
Percent of Callers Making Reservations	40.1%	40.5%
Talk Time Per Call (in seconds)	175	221

Source: William McNaught and Michael Barth, "Are Older Workers 'Good Buys': A Case Study of Days Inns of America," May 1991.

Table 13		
Comparison of the Performance of Agency and Retiree Temporaries at the Travelers Corporation		
Characteristic	Agency Temps	Retiree Temps
Average Age (in years)	N/A	67
Percent Female	N/A	70%
Average Cost Per Hour	\$14.61	\$9.73
Total Cost Per Year (in millions)	\$2.2	\$3.1
Source: William McNaught and Michael Barth, "Using Retirees to Fill Temporary Labor Needs: The Travelers Experience," May 1991.		

Table 14		
Comparison of the Performance of Older and Younger Workers at B&Q plc		
Characteristic	Comparison Stores	Macclesfield Store
Average Age (in years)	28	57
Percent Female	57%	56%
Percent Part-Time	49%	68%
Days Absent ^a	165	100
Turnover Ratio ^a	562	100
Leakage ^a	242	100
Profitability ^a	85	100
^a Performance of comparison stores measured relative to Macclesfield store which is set to 100.		
Source: Terence Hogarth and Michael Barth, "Making Age Work: A Case Study of the UK Retailer B&Q's Use of Older Workers," May 1991.		

Senator COHEN. Thank you very much, Mr. McNaught. I have a few questions I would like to address to the panel.

Ms. Chavez-Thompson, do you believe that we ought to put greater emphasis in trying to achieve pay equity by improving pay in the so-called "women's work areas," or should we try instead to bring more women into the nontraditional jobs that have traditionally been seen as male jobs? Should we do both?

Ms. CHAVEZ-THOMPSON. Why not both? I feel that there has to be a lot of emphasis—to correct the wrongs of yesterday, you have to address the people who are in the traditional positions today, but you must also begin to address the younger work force or the current work force by opening up the nontraditional aspects of it.

Senator COHEN. You mentioned your own personal example that you are setting for your daughter, but are there any studies that show that younger women who are coming into the work force are entering into the "nontraditional" jobs? Are they patterning their behavior and their careers, upon their father's work or their mother's?

Ms. CHAVEZ-THOMPSON. I can tell you that, in San Antonio, the younger women are coming into positions as firefighters, police officers, mechanics. We have sewage treatment plant operators who are women, and none are over the age of 30 or 35 because those opportunities were not open to them, or many of them felt that they were not open to them before.

Certainly, our union has been one of the instruments of pushing the issue. Unfortunately, unions are not everywhere in America, but someone has to be making some inroads in pushing the issue of trying to get women into nontraditional positions. It should not just be a union having to do it.

Senator COHEN. On a matter unrelated, I would raise for your consideration what we have been going through on the Senate floor recently in dealing with opening up combat positions for women in the military. That became a fairly heated debate. It is very controversial and cuts across all sorts of social taboos that we've had in the past, but at the core of it is the fundamental issue that we're dealing with here as well. Should women be given the opportunity to pursue careers in categories that have been previously denied?

No one is arguing, for example, that we want to pit a 110-pound woman against a 250-pound Special Forces type. That is how the argument always gets placed, but the fact of the matter is that we have found evidence that women are certainly as capable of flying airplanes, or helicopters, or ships as men are. Historically, they have been denied that opportunity for a variety of reasons: one, saying that they can't perform the work; two, that it would be bad for morale; number three, that it would make others uncomfortable; four, they may get pregnant, and there are many more arguments.

The fact of the matter, is that is a result of what we've been able to do since 1981, when Senator Proxmire and I joined together to sponsor legislation that would open up more positions for women in the military, a real change in attitude has taken place. We now have women going into the academies, which we were not allowing before. These opportunities cut across the entire core of our society in terms of giving women greater opportunities.

We have got to change the mind set, and even though you can't legislate morality, you can have an impact upon how people see things.

Ms. CHAVEZ-THOMPSON. I'm glad to be living in this age and seeing some of those changes now, Senator.

Senator COHEN. So am I.

Ms. CHAVEZ-THOMPSON. And future changes, we hope.

Senator COHEN. Well, we hope that that's going to be the case as well.

Let me turn quickly to Mr. Smith. Is Days Inns unique? Were you just simply forced into this? You had a declining work force and people weren't coming in, so necessity forced you to make a real virtue of this?

Mr. SMITH. Senator, it was a typical business problem, and we had to go out and find creative solutions. We tend to be a little unorthodox in our approach on many business issues. Maybe that keeps us a little ahead of our competition, but we had a problem in 1985. We had two reservation centers employing at that time 75 to 100 people a week to get up to peak staffing levels, and we couldn't find the people. The labor market in Atlanta was particularly difficult.

We had a very small contingent of older workers. We had about six people on staff at the time because, up until that time, we had adhered to the traditional employment methods of seeking the 18- to 30-year-olds.

We asked this small contingent of older workers to help us with a problem and they developed an older workers' job fair and they managed the job fair, and as a result of that, we hired 85 older workers. They managed the process from A through Z.

We were so pleased with the results in 1985 that we realized that this is an untapped labor market that was traditionally ignored, primarily because of a lot of myths that surround the employment of the older worker. It was so successful that we expanded the program, not only on a companywide basis but also on a national basis, and today, it's developed into the employment also of people with disabilities, which we are very aggressive in, and also people who are homeless. We also hire and shelter homeless people.

So we tend to be very unorthodox in many areas of the company, but this, I think, is not something that is just in vogue. I think it's a necessity. The companies that elect to ignore this population as a labor market will be caught in a very bad position in the next few years as your charts will indicate. Probably in the next 15 to 20 years, this is not going to be an option. This is going to be something that they will have to do to maintain their competitive advantage in the marketplace. We are just going to be ahead of them.

In fact, we routinely give lectures throughout the country to companies ranging from American Express to IBM on what they believe is this sudden expertise in the employment of the older worker. And we are at a loss to explain that because we think it is just hiring people and there is nothing special about it or nothing unique.

Senator COHEN. Do you have different training programs for the older workers and the younger ones?

Mr. SMITH. Initially, we did because this was new territory for us and we didn't know how to go about training the older worker in the appropriate manner. In time, the older workers told us to back off—we're just regular people; treat us as you would anyone else.

Senator COHEN. So they didn't have to have all the experience with these video games in order to be as competent as younger people? [Laughter.]

Mr. SMITH. No, sir; they did not. In fact, we learned in very short order that people who were coming to us with no computer skills at all and were very intimidated by the process initially, in very short order, learned that it was a simple process and they were just as quick to pick it up and become experts in this field as the younger worker. In fact, in many cases, they surpassed the younger worker in performance, dependability, reliability. They are just very, very good people, and that is why we're involved in this practice.

Senator COHEN. I think I might like to enroll in your program, because I am totally intimidated by the computer.

Another thing—the staff has heard me talk about this many times—but I draw some of my observations from personal experience. I have older parents. Someone once wrote that I had elderly parents and my father and mother never let me forget that.

My father is 82 and still works 18 hours a day. My mother works with him. She works fewer hours, but not many, because she is still the homemaker and takes care of virtually everything to do with the house and the little shop that he runs.

My oldest son is 28 now and he wanted to spend a day with his grandfather. He went to work at 8:30 at night and he went through the night. I saw him the next day at 8 in the morning, and of course, my father's day was not quite complete because he has to go until 2 in the afternoon. So my son, given all that youth and vigor, bailed out about 8:30 after putting in only 12 hours whereas my father had to go another 6 hours which is a normal day for him. I think he serves as an example in a very small community as to the benefit of an older worker whose physical and mental vigor shows an older person who has a job and wants that job.

Some of the staff may not recall, the House Aging Committee staff, but back in 1975, we had a very prominent witness testify, a Mr. Will Geer. You may recall him from the TV series. He got up to the podium and said, "A person has to have a podium to pound on. If you take that podium away, you take away that person's zest for life and reason for living." It was the most powerful testimony we ever had, and he was largely responsible at that time for our lifting the mandatory retirement at the age of 65. We have found that we are the proud beneficiaries of having lifted that kind of mandatory retirement. It prevents putting people on the shelf when they reach the arbitrary age of 62 or 65. You are now on the shelf without any contribution to make to society. We found that that is wrong.

As a result of the testimony you have given today, you have added considerably to the weight of evidence that we have to change our attitudes. Especially those directed not only to the older worker, but to women and minorities in particular. We have adopted policies which have frozen them out, so this testimony will be

very, very helpful to all of us. I will make sure that your full testimony is considered.

Mr. McNaught, Mr. Smith, and Ms. Chavez-Thompson, thank you all very much for coming.

The Committee will stand adjourned.

[Whereupon, at 12:15 p.m., the Committee was adjourned, to reconvene at the call of the Chair.]

APPENDIX

THE JOB TRAINING PARTNERSHIP ACT AMENDMENTS

(AS PROPOSED BY NORMA WISOR)

TO IMPROVE THE DELIVERY OF EMPLOYMENT AND TRAINING SERVICES TO ADULTS AGE 40 AND ABOVE

1. CREATE A YOUTH TITLE (AGE 16-39) AND AN ADULT TITLE AGE (40 AND ABOVE); PROVIDING FOR A PART A SECTION OF THE YOUTH TITLE (16-21), AND A PART B SECTION FOR THE (22-39) AGE GROUP. PROVIDE A PART A SECTION OF THE ADULT TITLE (40-54) AGE GROUP. PROVIDE A PART A SECTION OF THE ADULT TITLE (40-54) AGE GROUP, AND A PART B SECTION FOR THE AGE 55 AND ABOVE.

A. Provide for eligibility for JTPA Adult Title Services at 100 percent of poverty, or; Eligible for food stamps or federally assisted housing, or; Persons age 40 or above with multiple barriers to employment, including two or more of the following;

- (1) Unemployed 15 of past 26 weeks
- (2) Unemployed 30 of the past 52 weeks
- (3) Working 20 of fewer hours
- (4) Is a displaced homemaker
- (5) Is homeless
- (6) Finished less than 10 years of school
- (7) Is deficient in basic skills
- (8) Has been notified that job will be terminated within the next 60 days, or

Is income eligible, but is a member of a household whose income does not meet such requirements, or Is eligible for services under Title V of the Older Americans Act (OAA).

B. Mandate preference and presumptive contractor status for agencies and organizations (including SDAs) with demonstrated competence in conducting older and mature worker programs in the selection of contractors for Adult Title activities by state or local agencies administrating the Adult Title.

C. Mandate that State Job Training Coordinating Councils (SJTCCs) and Private Industry Councils (PICs) include in their membership agencies and other groups who by their organization mission represent the interests of mature and older workers.

D. Provide for biannual state plans for mature and older worker employment needs and mandate the joint participation of agencies responsible for the administration of the Title V OAA program, JTPA, EDWAAA, state office on aging, the adult and vocational education program, trade adjustment assistance, literacy training, age discrimination in employment protection, and vocational rehabilitation programs, including public hearings on such plans.

E. Provide for, and publish annually, overall national and state JTPA and EDWAAA reporting data to disclose information on participants age 22-39, 40-54, 55-61, 62-64, 65-69, and 70 and above.

2. ALLOCATE 40 PERCENT OF THE ADULT TITLE AUTHORIZATION TO PART B ACTIVITIES.

A. Authorize SDAs to transfer up to 20 percent of adult title allocation between Parts A and B based on workplace and census demographics and related factor determined after public hearings and with approval of the SJTCC.

B. Adopt the EDWAAA unspent funds recapture provisions for the JTPA program.

3. PROVIDE COMPREHENSIVE TRAINING AND SUPPORT SERVICES FOR ADULT TITLE.

Services shall include any one or more of the following: outreach and recruitment; intake and assessment; job search assistance; classroom and occupational skill train-

ing; on-the-job training; work experience; short term skills updated and group counseling; basic and remedial education and literacy training; supplemental services, including day care for dependent children and adults; occupational placement assistance.

(Regulations should allow more flexibility in designation of how funds are expended. For example: Percentage currently mandated for training is high for older workers who most often need short term assistance.)

4. REQUIRE THAT NOT LESS THAN 15 PERCENT AND NOT MORE THAN 30 PERCENT OF THE TOTAL PART B STATE ALLOCATIONS BE UTILIZED BY THE STATE GOVERNMENT FOR THE FOLLOWING PURPOSES:

A. Demonstration projects addressing the needs of mature and older workers, especially supporting and refunding effective projects now utilizing 3 percent set-aside funds.

B. Other regional or statewide research and demonstration activities in the area of recruitment, counseling, assessment, training, job development and placement assistance for mature and older workers.

C. Technical assistance to SDAs, PICs, local training providers and others to meet the employability and vocational needs of mature and older workers.

D. State and local informational and advocacy programs regarding age discrimination in employment.

E. Support of on-the-job training and related services directed to at-risk mature and older worker who face termination or dislocation due to changes in skill demands, market conditions, technological change or others.

F. Programs directed to the job needs of displaced homemakers age 40 and above with little or no recent labor market experience.

G. Provide for enhanced data collection and analysis on employment trends affecting older workers.

LIFE OPTIONS FOR OLDER ADULTS

A CONCEPT AND ISSUES PAPER

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BACKGROUND

The purpose of this paper is to focus national discussion on the concept of "life options" for older adults. This paper grew out of the experiences of The Chicago Community Trust, a community foundation which has been actively engaged over the past few years in a major program development effort within the field of aging. The paper will set forth the concept of "life options", discuss various issues raised by the concept, and finally, present a brief description of the Chicago experience as a strategy for translating the life options concept into action.

THE CONCEPT OF LIFE OPTIONS

The aged are the fastest growing minority in our society. Today, there are close to 23 million Americans over age 65, and they comprise 10% of the population. Although projections vary greatly about the effects of future disease controls and breakthroughs which would decrease the rate of aging, by the year 2000 the age 65+ population will number anywhere from 27 to 35 million. If present trends toward early retirement continue (i.e. downward toward age 55), the post-retirement period for the older population is projected to double in length from the present 13 years to 25. Such an extension of post-retirement years has apparently led to a major social predicament: what to do with and for a population which has so many years ahead.

Unfortunately, an examination of the problems and issues affecting the older population leads to the conclusion that although the

quantity of years has been extended for the older population, the quality of these extended years has not been equally enhanced. Older adults suffer from some of the most pernicious stereotypes, which generally classify them as a dependent population in need of direct services. Societal role expectations for the elderly have not only remained in the conceptual realm but have been institutionalized in laws, policies and regulations which not only discourage active participation of older persons, but often actually prohibit it.

Our highly industrialized, technologically advanced age has brought significant loss of social roles for the aging. Whereas older persons enjoyed productive roles in our agrarian and early industrial society, today they are subjected to a process of role erosion. For example, there is continued argument that there is no room for the old in the labor force, educational institutions close their doors to this population, and even the elders' roles in the family have been usurped. The fragmentation of the extended family and the specialization of child care have almost abolished the care taking roles of the elderly. Such responsible, participatory roles have been replaced by a holding pattern termed "retirement", a period generally regarded as one of passivity, non-involvement or leisure-time pursuits.

And, what is the result of the erosion of productive roles for older adults? Failure to encourage new or continued active roles has a two-fold negative effect. First, on the basis of an arbitrary factor - age - a group of persons wishing participatory roles is denied access to opportunities which are provided to other adults in society, and such denial could lead to greater dependence than might otherwise occur. Second, society loses the potential contribution of a vast array of resources in terms of collective skills, knowledge and ability which could be put to task on the many problems which need to be addressed.

The concept of life options for older adults has been developed to provide a more positive approach to the needs of the older population and to turn around the loss of roles which this population face in retirement. It is a positive commitment to the potentials of older adults which has at its base the belief that older persons must be provided with opportunities to participate as citizens, workers, students, and contributors, i.e. as responsible members of society. It is a belief that aging is not, and indeed should not be considered as a burden, but rather as an opportunity.

The concept of life options is an action concept in that it both represents a recognition of a problem which older persons face and a strategy for ameliorating the problems, i.e., the development of specific programs which counter the loss of roles by providing new or continued alternatives and the use of methods to generate a greater awareness of the need for a shift in program emphases to meet the needs of a changing older population.

There is sound basis for the present development of the life options concept and for the timing of its actualization. Data indicate that the new aging population, especially the age group 55 to 75 years old or the "young-old" as termed by Bernice Neugarten,¹ are vastly different from the present negative stereotypes of old age. The young-old are relatively healthy: less than 5% are institutionalized and only about 25% suffer from limited mobility. They are increasingly more educated and are rapidly closing the present educational gap which exists between them and the younger generation: by 1990 the young-old group will have attained an average educational level of high school graduate. They are increasingly more economically secure: rises in Social Security benefits, the federalization of the welfare system and improved public and private pension systems have contributed to this condition. And,

the aged themselves have been trying to alert society to these unfounded stereotypes. For example, the Louis Harris Survey, commissioned by the National Council on the Aging and presently the most extensive survey of attitudes by and toward the aging, reflected the fact that the older population consider themselves better off than previously believed.

The above description is not meant to imply that the aged's problems are minimal, for they still represent the highest percentage of the poor; they still pay at least two times more out-of-pocket for medical expenses; and they do not have adequate health care options. Rather, this description is presented as a balance against the generally negative stereotypes of the aged upon which program and policy decisions have been based. And, it is presented to underscore the ironic fact that exclusion of the aged from responsible activity is occurring at a time in which older persons are better equipped than ever before to participate. The life options concept raises the basic question: can our society design programs which will serve to enhance the quality of life for older persons and direct this population's potentials as social contributors?

Why is there a need for life options strategies which will help develop the potentials of the older population? Affirmative programs which extend alternatives for the aged must be developed to counter what is already too long a history of ageist policies and practices which have barred older adults from work, education and contributory opportunities. Many have called for a transformation in thinking and policy toward the aged. For example, Alexander Comfort stated, "Administratively the right way to handle the old is to stop treating them as a problem when they are in fact a resource."² And, in testimony before the Senate Special Committee on Aging in 1975, Commissioner on

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Aging, Arthur Flemming, stressed the need for programs which increase the involvement of the aged. He called the elderly's non-involvement a deprivation to a nation which could continue to be served by their experience. Yet, a coordinated system of programs which stimulate meaningful involvement has not followed such calls for positive action.

LIFE OPTIONS ISSUES IN THE AREAS OF
EMPLOYMENT, EDUCATION, AND VOLUNTEER SERVICES

In developing a strategy for programs which express the life options concept, three major "opportunity areas" to which older adults are currently denied access are addressed: employment, education, and volunteer service. Each of these three opportunity areas will be analyzed in terms of the barriers which inhibit older persons' participation. Following the analysis, critical questions will be presented for debate. Response to these questions will indeed shape new policies and programs which meet the needs of older adults.

EMPLOYMENT

Probably the most blatant denial of opportunity for older persons occurs in the area of employment. There are major discrepancies in our society between attitudes and practices related to older workers. For example, the 1974 Louis Harris Survey estimated that 4.4 million persons over age 65 would work if jobs were available and that 86% of the American population believe that older persons should continue to work if willing and able. Yet, today older persons comprise more than 20% of the population, but only 3% of the labor force. In 1900 over 70% of American males over age 65 were employed; today less than 20% are so engaged. Further, although there is a continuous trend toward early retirement, the majority of older persons do not view this trend positively. In

her analysis of the Louis Harris Survey, Elizabeth Meier noted that while those under age 65 believe that earlier retirement is a positive trend in that "it gives people a chance to enjoy life", a majority of persons over 65 disagreed, stating that earlier retirement "ages people."³

The issues which shape employment alternatives for older persons have now been elevated to public debate because of the recent passage of federal legislation which alters mandatory retirement to age 70 in the private sector and removes it entirely for most federal employees. The arguments which have surrounded the legislative action underscore the complexity of social, economic and political factors which influence decisions about the development of employment options for older adults. For example, arguments which have been put forth in favor of mandatory retirement include: (1) such a system is the only way to ensure jobs for the young; (2) the costs of maintaining the old in the work force are too high in terms of additional life insurance, workmen's compensation and health insurance costs; (3) the removal of age limitations will bring chaos to the pension system; (4) mandatory retirement avoids subjective employee performance evaluations; and (5) there are not enough jobs for all who wish to work. In opposition to mandatory retirement, arguments have included: (1) the old do not jeopardize jobs for the young, rather, the young replace the young; (2) an increase in total workers will lower the per worker cost of supporting the truly dependent population; (3) methods such as functional analysis techniques have been tested and proved valid in evaluating workers' performance; and (4) the aged can be absorbed into the work force without undue stress. Clearly, contradictory ideas and statistics have been set forth to validate extremely different points of view over whether older persons can be accommodated in the employment system. With the passage of recent legislation which alters mandatory retirement laws,

the nation will now have the opportunity to put these varying arguments to test.

What do older persons want in terms of employment? Some will wish to continue in their jobs beyond the age of 65. Others will want to assume new work roles in mid-career or later. Others will opt for early retirement. At present, and even with the change of mandatory retirement laws, such options generally cannot be exercised on an individual basis since flexible work patterns remain limited. Work is presently a discontinuous period in the life cycle, located between education which socializes the young to work and retirement which signals the end of the life cycle.

There are a multitude of barriers which reduce employment options for older workers, some of which are discussed herewith. First, public policy does not favor the older worker. For example, although changes in mandatory retirement will be forthcoming, its vestiges will still remain for a period of time and adjustments, particularly in the private sector, will come slowly. Second, the earnings limitation by social security, even though it has been raised, further reduces work incentives. Finally, older workers are not adequately covered by the Age Discrimination in Employment Act (ADEA) of 1967. The Act prohibits discrimination in hiring, job retention and termination. However, it presently only covers persons between the ages of 40 and 65 and is weakly enforced by the Department of Labor due to budget limitations and lack of enforcement assistance by the states.

Second, at the local level, the components of an employment support system, which would include such services as job retraining, counseling, job preparation skills and placement assistance, are usually fragmented, uncoordinated and incomplete. Further, the older adult is poorly served by those public agencies

which are mandated to serve the under- and unemployed worker. For example, in 1975 older workers nationally comprised less than 1% of the persons receiving manpower services (e.g. training and placement) under the Manpower Development and Training Act, and using Illinois as an example, during a three-month period of that year only 17% of the State's applicants over age 45 who registered with the Illinois State Employment Service were placed in jobs. The older workers (age 45 and over) rank highest among the long-term unemployed. Yet, they receive the least community service.

Third, human resource technology has not been applied to older workers on any broad-scale basis. Experimentation with flexible work arrangements, including part-time, flexi-time, job sharing and other methods of manipulating and modifying available jobs and the testing of various economic strategies such as pension deferment, are not widespread. Further, there are minimal efforts to encourage second careers through the creation of new jobs, particularly human service and public service jobs, through such programs as paid sabbaticals and tuition-paid leave. Some industries have included such benefits in their compensation packages, but management has not generally been aggressive in encouraging the exercise of such options.

Fourth, there still exist negative stereotypes which affect the marketability of older workers despite many scientific studies which refute such myths. Unsubstantiated, but prevalent concerns about declining health status, increased accident rates and high absenteeism render older persons further disadvantaged in competition for jobs.

Finally, employers do not presently have incentives to hire and retain older workers. The technical assistance in human engineering and financing mechanisms to accommodate the older worker have not been made available to industry.

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If employment opportunities are to be enhanced for older adults, many critical questions must be answered, from the national to the local level. Some of these are raised herewith.

What will be the costs of a new public policy which would take some steps toward the abolition of age-specific retirement rules? How can industry be assisted to make the internal changes necessary to evaluate workers on a non-chronological basis and to accommodate flexible work arrangements for all workers? How can job choices be increased through the creation of new work rules, phased retirement practices and new work patterns? How can a public awareness program be designed to counter negative stereotypes about older workers? How can community supports be established in a comprehensive and coordinated system to provide broker and advocacy services for the older worker who is either seeking a new job or methods of upgrading present skills? How can public laws such as the ADEA be rendered more effective? Is the establishment of a mid-career development center or a second careers center on a national level, as proposed in Congress, a viable strategy for elevating these issues to national concern and for developing the capacity to alter the employment system to accommodate older adults?

EDUCATION

The second opportunity area within the life options concept involves the development of alternatives within the education system to attract older students. Although today older persons lag slightly behind younger persons in educational level, the gap is narrowing. By the end of the next decade there will be proportionately as many professionals, college and high school graduates among the old as among the young. Yet, educational institutions

still focus primarily on the young and have not begun to socialize students toward the concept of continued education as a lifelong process.

The older student is indeed a curiosity. A number of studies indicate that approximately only 2% of persons over age 65 and 4½% of persons age 55 to 65 enroll in educational programs. This low figure is in sharp contrast to surveys of older persons' interests in continued education, which indicate that as many as half of the 65+ population express a desire for continued educational opportunities.

Because of this vast discrepancy between expressed needs and actual practices, an examination of barriers to older adult education is needed in order to develop strategies for stimulating more relevant educational experiences for this population. An analysis of the barriers indicate the following problems: a generally unfavorable cultural attitude toward lifelong learning, learning modules which are not appropriate for older students, institutional barriers and lack of initiative, minimal community support to encourage older students, and prevailing negative stereotypes about older learners.

First, there is not a generally popular acceptance of the concept of lifelong learning and of the premise that education is an entitlement or right. At present, institutions emphasize vocational preparation and perceive education as a discontinuous process. There are few economic incentives to older students in the form of tax deductions or credits, released time or tuition payment schemes, and few incentives to encourage institutions to provide facilities and resources for older adults. Although a lifelong learning amendment to the Higher Education Act has been approved at the national level, there were no funds appropriated to activate lifelong learning concepts.

Second, the climate within educational institutions is not supportive of older students. The delivery of programs is not adapted to the lifestyles and interests of this population. For example, post-secondary institutions do not generally offer peer support groups, and there has been little experimentation with the adaptation of different learning modalities such as short credit or non-credit blocks, internships, minicourses and week-end courses, external degree programs, performance contracting and the use of independent study methods for older adults.

Further, there are many institutional barriers which make education relatively inaccessible. These include tuition costs which are prohibitively high and financial aid policies which militate against part-time and non-degree students, physical barriers such as architectural and structural deficiencies which affect the mobility-limited student, and the lack of transportation to facilities. Further, institutions have conducted minimal experimentation with modification of their procedures and policies such as special admissions and credentials programs, scheduling and support services.

Likewise, the community has not exercised much effort to cultivate a market of older students. Communities have been deficient in providing such supports as recruitment and placement services, brokering, counseling, vocational and avocational testing, and centralized information and referral services.

Finally, older students may be deterred from engaging in educational programs due to the general population's negative stereotypes about their abilities to learn and older persons' own skepticism about their capabilities. To establish better educational programs for older persons, institutions, and indeed, the general population must accept the legitimacy of education for

older persons, and develop credence about this segment's abilities to learn.

Such an analysis of the barriers leads to many questions which need addressing if educational institutions are to be encouraged to open their doors to the older population. Some of these questions are raised herewith for discussion. Can new learning modalities and educational settings be designed to accommodate and encourage older learners? Can education be made more cost affordable so that both the older student and the educational institution benefit from the older student market? How can the community advocate for the older student through broker services, counseling, peer support networks and other services? What incentives can be provided to educational institutions to encourage program development for older adults? How can our society begin to socialize persons of all ages toward involvement in education as a lifelong process?

VOLUNTEERISM

The third opportunity area under the life options rubric concerns the expansion of contributory or volunteer roles for older adults. Approximately 22% of the older population engage in volunteer service, and older adults are an increasing percentage of the total volunteer force. For example, a recent United Way Survey of Chicago area non-profit organizations indicated an 86% increase in volunteers over age 65 during the past year. However, according to the Louis Harris Survey, there still exists a wide gap between the number of older adults who express the desire to volunteer and the number who are actually involved in such services. The Louis Harris Survey indicated that an additional 10% of the 65+ population expressed an interest in volunteer service.

Although programs such as the national Retired Senior Volunteer and Foster Grandparents Program have underscored the potentials of older volunteers and the ability to develop a market of older volunteers who have had no previous volunteer history, there still exist certain constraints which limit contributory opportunities for this segment of the population. For example, many of the myths which were described in regard to the older worker militate against older volunteers as well. It is suggested that the gap between the actual numbers of older volunteers and those indicating a desire to serve may be explained by the possibility that older persons internalize these negative myths and, thus, rule themselves out as valuable social contributors.

In addition, many segments of the population, particularly feminists and strong labor advocates, reject volunteerism as valueless and claim that it is an economic threat to the labor market, especially to service jobs. Such perceptions may serve as an additional negative influence upon older persons who wish to volunteer, particularly those who have had limited or no previous volunteer experience.

Finally, the volunteer matrix, which includes the process of recruitment, placement, training and support, recognition, evaluation and planning of volunteer positions, is not sufficiently sophisticated to cultivate and accommodate the "new" resources of older volunteers. For example, it has been suggested by some that older adults may have different needs to be satisfied by the volunteer experience, and certainly they bring a greater variety of life experiences to the volunteer position. If volunteer opportunities are to be broadened to appeal to older adults, they must be structured and planned to involve this population in the genuine unmet needs of the community, i.e., in consequential activity. In addition, the planning of volunteer

positions must include the development of career ladders for both vertical mobility to positions of increased responsibility and horizontal movement among different types of jobs.

In sum, there are a variety of issues which must be considered in expanding volunteer opportunities, some of which are included here for further discussion. How can a work-oriented society reeducate and reshape cultural attitudes toward an acceptance of the satisfaction of unpaid work? Is this issue particularly relevant in attracting certain older adults, e.g. males, to volunteer roles? How can organizations provide increased variety in volunteer positions and increased mobility?

THE CHICAGO MODEL: A STRATEGY FOR ACTION

Both the concept of life options for older adults and a program strategy to actualize the concept were developed by The Chicago Community Trust (referred to herein as The Trust). The last section of this paper will set forth the Trust's methodology and provide some examples of specific life options programs. It is hoped that a national focus on life options may be developed from the Trust's work and that other communities may be able to adapt the Trust's strategies to their local conditions.

The Chicago Community Trust is a community foundation which makes grants to local non-profit health and welfare, educational, civic, and cultural organizations. The Trust also assumes program development responsibilities in those fields in which it has determined that programs are not adequately responding to the major health and welfare issues. Such program development occurred in the field of aging and led to the formation of the Trust's Life Options Program.

The initial actions which led to the formation of the program and concept included an analysis of the Trust's grantmaking history in the field of aging and the conducting of an overview of needs and existing programs in this field. The overview concluded that the majority of programs in aging were directed toward the provision of services for the dependent and semi-dependent aged, a relatively small minority of the older population, and that there were few programs which aimed toward the encouragement of older adults' potentials. The findings led the Trust toward its life options commitment and toward the belief that private philanthropy should assume a leadership role in stimulating a system which would encourage the expansion of such options.

With the completion of the overview, the Trust hired an associate to assist existing public and private organizations in the development of demonstration programs with life options components. Methods used by the foundation's staff included: the identification of local organizations which were interested in operating pilot projects compatible with the goals of the life options concept; the provision of technical assistance to these organizations in the program planning stages; and the identification of and assistance in securing funding sources for the pilot programs. By assisting organizations utilize a variety of resources, both funds and services, the Trust was able to demonstrate the potential for partnership of local and national public and private funding sources and to emphasize the value of institutional cooperation in a special program area. Examples of program results included the establishment by five private hospitals of a cooperative home health care program for the aged which had an older adult employment component and the expansion of the Chicago Board of Education's school volunteer program to involve older adults.

Having determined the Trust's Life Options Program's capability of

generating both conceptual and financial support, the foundation began to develop network organizations in each of the three life options areas of employment, education and volunteer services. These three networks have the following functions: to stimulate the development of life options projects similar to the demonstrations mentioned above, to provide technical assistance to such projects, to generate public awareness of the need to expand opportunities for older persons, and to provide the projects with common services such as research, needs assessments and marketing. Two of these networks are functioning in the areas of employment and education. The third network in the area of volunteerism is still in an initial planning stage.

The employment network, Operation ABLE (Ability Based on Long Experience) could serve as a national model in its field. Aimed at bringing about equality of employment opportunity for persons age 55 and over, this non-profit organization has the following long-range objectives: the expansion of employment options for older persons, the improvement of the delivery of services which enable older persons to obtain and maintain employment, and the conducting of a public education program concerning the productive capabilities of older workers and the economic and social benefits of employing them. The organization's policy board is comprised of a cross section of institutions which are concerned with the employment of older adults, including employers, labor unions, older persons, non-profit agencies which render employment services to older workers, and government agencies interested in the problem.

The second network, in the area of education, began as a committee of representatives of public and private colleges and universities, public and private social service organizations, and business and industry within the

Chicago metropolitan area. Some of these institutions had only peripherally been involved in older adult education, but they had the capacity to reach and influence large numbers of older adults. The committee, referred to as "The Chicago Metropolitan Older Adult Education Network", is an independent non-profit organization with a membership of over thirty institutions. The Trust, as fiscal agent for the Committee, proposed and received funding for the Network from the Fund for the Improvement of Post Secondary Education (FIPSE), a unit within the U.S. Department of Health, Education and Welfare.

Examples of some of the projects which the Network proposes to undertake include: the development of a resource bank to collect information on educational programs, workshops, services, counseling and placement services in the geographic area and the cross-reference of materials into an information storage and retrieval system; the establishment of a corps of volunteer educational counselors; the testing of education brokering services; the activation of an outreach strategy to attract older students; the experimentation with discovery workshop models (i.e., personal goal setting techniques); the provision of gerontology training for faculty; and the initiation of a public education program to enhance public awareness of educational opportunities for older adults, and to emphasize older students' potentials.

The Chicago Community Trust's long range goal is to enable a coalescing of the three networks of employment, education and volunteer services into a Life Options Center, but such a design is still in its early conceptual stages.

In concluding, Neugarten's remarks about the "young-old" serve as an appropriate end point for this paper and as a springboard for further discussion of the issues relevant to the life options concept: "Will they become major

agents of social change in building an age-irrelevant society? If they create an attractive image of aging and thus allay the fears of the young about growing old, they will play a significant role in shaping the society of the future."

A REPORT ON THE
**GLASS
CEILING
INITIATIVE**

FORWARD

In 1987, the Department of Labor published a report -- *Workforce 2000* -- that brought dramatic attention to changes taking place in our economy and in the composition of our workforce. Significant among these was the increased importance of minorities and women to the competitive status of the American economy.

Since the publication of *Workforce 2000*, ample evidence has been gathered to show that minorities and women have made significant gains in entering the workforce. But there is also significant evidence from research conducted by universities, non-profit organizations, executive recruiters, and the Department of Labor that documents a dearth of minorities and women at management levels -- the so-called "glass ceiling."

The Department of Labor found itself in a unique position. Our Office of Federal Contract Compliance (OFCCP) is responsible for ensuring that all businesses with federal government contracts do not discriminate in employment decisions on the basis of race, sex, color, religion, national origin, disability or veterans status. And our Women's Bureau is the only federal agency with a congressional mandate to promote the welfare of working women. The Bureau has extensive experience in helping women maximize opportunities with programs designed, for example, to obtain careers in non-traditional fields like aerospace and construction.

While individuals and organizations have developed various definitions of the glass ceiling, the Department of Labor has concluded that the glass ceiling is most clearly defined as those artificial barriers based on attitudinal or organizational bias that prevent qualified individuals from advancing upward in their organization into management-level positions.

The symptoms of this problem are manifest. Qualified minorities and women are all too often on the outside looking into the executive suite. What the Department set out to do beginning in the fall of 1989 was to investigate the glass ceiling in corporate America to see if there was a problem, what were the causes, and if there was a problem then how this problem could be fixed. This effort combined compliance reviews of nine different corporations, with an evaluation of independent research, and lengthy discussions with representatives from business, labor, women's and civil rights organizations.

This report is a synopsis of this effort to date. What we found gives us new insight into why the glass ceiling exists and how the Department of Labor, working with the private and public sectors, can best fulfill its mandate to identify, investigate, and ultimately eliminate, any artificial workplace barriers. My hope is that this report and the Department's ongoing focus will also act as a catalyst for a continuing dialogue among all the affected parties.

The glass ceiling, where it exists, hinders not only individuals but society as a whole. It effectively cuts our pool of potential corporate leaders by eliminating over one-half of our population. It deprives our economy of new leaders, new sources of creativity -- the "would be" pioneers of the business world. If our end game is to compete successfully in today's global market, then we have to unleash the full potential of the American work force. The time has come to tear down, to dismantle -- the "Glass Ceiling."

EXECUTIVE SUMMARY

A. The Initiative

The goals of the glass ceiling initiative are:

- To promote a quality, inclusive and diverse workforce capable of meeting the challenge of global competition;
- To promote good corporate conduct through an emphasis on corrective and cooperative problem-solving;
- To promote equal opportunity, not mandated results; and,
- To establish a blueprint of procedures to guide the Department in conducting future reviews of all management levels of the corporate workforce.

These goals speak to not only what is right and just in our society, but what makes good economic sense as the private and public sectors seek to work together to achieve an ever improving quality of life for all Americans.

The initiative has, to date, been a four-pronged effort: 1) An internal educational effort within the Department of Labor; 2) A pilot study looking at nine individual companies; 3) Public awareness to the issue and encouragement of voluntary efforts; and, 4) An effort to recognize and reward publicly those companies which are independently removing their own glass ceiling.

B. The Pilot Study

Nine *Fortune* 500 establishments were selected randomly for review. The companies represented a broad range of products and services and were located in five of the Department's 10 regions. The reviews were conducted by senior officials from the national and regional offices of the Department.

After numerous meetings with various organizations, along with an extensive research effort, a blueprint for the process was developed. The organizations included business, trade and professional associations, human resources officials and leaders and representatives from organizations representing minorities and women.

The process was designed to produce three basic results: 1) Identify systemic barriers to the career advancement of minorities and women; 2) Eliminate these barriers through corrective and cooperative problem solving; and 3) Further the Department's and the employer community's understanding of how to identify and eliminate discriminatory and artificial barriers.

In accordance with the legal requirements federal contractors are required to follow, companies were reviewed to ensure that they do not discriminate on the basis of race, sex, color, religion, national origin, disability or veteran status; and that they take affirmative action to actively recruit qualified workers from all segments of the labor force -- and to provide training and advancement opportunities for all employees.

C. The Findings

It should be pointed out that none of the nine companies in the pilot study has been cited for discrimination at the upper-levels of their workforces. That's the good news. Yet a number of the pilot companies did not live up to the good faith efforts to meet all affirmative action requirements.

This said, the Department recognizes that the results of nine pilot studies do not present a scientific sample that can describe, with any confidence, the practices and policies of corporations beyond those examined in the pilot study. Yet, we believe that attitudinal and organizational barriers, which we identified, are an indication that the progress of minorities and women in corporate America is affected by more than qualifications and career choices.

The pilot project also revealed several general findings that applied to all nine companies, despite the vast differences that existed between them in terms of organizational structure, corporate culture, business sector and personnel policies.

- If there is not a glass ceiling, there certainly is a point beyond which minorities and women have not advanced in some companies.
- Minorities have plateaued at lower-levels of the workforce than women.
- Monitoring for equal access and opportunity, especially as managers move up the corporate ladder to senior management levels where important decisions are made, was almost never considered a corporate responsibility or part of the planning for developmental programs and policies.

- Appraisal and total compensation systems that determine salary, bonuses, incentives and perquisites for employees were not monitored.
- Placement patterns were consistent with research data.
- There was a general lack of adequate records.

Among the attitudinal and organizational barriers identified were:

- Recruitment practices involving reliance on word-of-mouth and employee referral networking; the use of executive search and referral firms in which affirmative action/EEO requirements were not made known.
- Developmental practices and credential building experiences, including advanced education, as well as career enhancing assignments such as to corporate committees and task forces and special projects -- which are traditional precursors to advancement -- were often not as available to minorities and women.
- Accountability for Equal Employment Opportunity responsibilities did not reach to senior-level executives and corporate decision makers.

I. INTRODUCTION AND STATEMENT OF THE PROBLEM

During the past 25 years, shifting demographics -- coupled with a changing, more global business environment and the practice of equal employment opportunity and affirmative action -- have resulted in greater participation of minorities and women in the workforce.

Minorities and women have made significant gains at the entry- level of employment and into the first-levels of management. Yet, they have not experienced similar gains into the mid- and senior-levels of management, notwithstanding increased experience, credentials, overall qualifications, and a greater attachment to the workforce.

The Department analyzed data from a random sample consisting of 94 reviews conducted of corporate headquarters of *Fortune* 1000 sized companies over the past three years. Four major Department of Labor regions were included in the sample. Those data indicate that:

- Of 147,179 employees at these companies, women represent 37.2 percent of all employees and minorities represent 15.5 percent.
- Of the 147,179 employees, 31,184 were in all levels of management, from the supervisor of a clerical pool to the CEOs and Chairmen. Of this number, 5,278 or 16.9 percent are women and 1,885 or 6.0 percent are minorities.
- Of 4,491 managers at the executive-level (defined as assistant vice president and higher rank or their equivalent), 6.6 percent are women and 2.6 percent are minorities.

Beyond the Department's own findings, a number of surveys and studies tracked the results indicated above. The absence of minorities and women in higher corporate levels was highlighted in a 1990 survey done by the UCLA Anderson Graduate School of Management and Korn/Ferry International, an executive search firm. According to that survey, during the last 10 years there has been only a slight increase in the representation of minorities and women in the top executive positions of our Nation's 1000 largest corporations. Minorities and women now hold less than 5 percent of these managerial positions, up from less than 3 percent in 1979.¹

¹ Korn/Ferry International and UCLA's John E. Anderson Graduate School of Management, *Korn/Ferry International's Executive Profile 1990: A Survey of Corporate Leaders*, 1990.

The barriers to the upper rungs of the corporate ladder for minority women appear to be nearly impenetrable according to a report by Heidrick and Struggles, an executive search firm. Minority women make up 3.3 percent of women corporate officers who in turn make up only one to two percent of all corporate officers.²

Even where minorities and women made gains, the picture may be misleading. Titles are not consistent throughout all businesses and industries, and salary levels are not consistent with titles. Catalyst, a New York group whose specialty is women-in-business issues, did a recent study of *Women in Corporate Management* that showed larger percentages of women at all levels of management -- including senior management -- in the financial services industry than in either durable or nondurable manufacturing.³

The Department of Labor's Women's Bureau also provided research pointing to a glass ceiling problem. The preliminary findings of a study, which is being funded by the Department's Women's Bureau, show that in terms of job and career attitudes, female executives were very similar to their male peers in terms of job satisfaction, commitment to the organization, and job stress. But, when it came to expectations of being promoted the findings varied significantly between female and male executive peers -- with women having lower perceptions of their own future promotability than their male counterparts.

These findings led the Department to conclude that a greater understanding of what was affecting the career advancement of qualified minorities and women was necessary for the Department to fulfill its responsibility to ensure equal opportunity in employment among federal contractors. It was on this basis that the Department announced that it was undertaking nine corporate management reviews and that it was seeking a greater understanding of what was affecting the career advancement of qualified minorities and women.

² Heidrick & Struggles, Inc., *The Woman Corporate Officer*, 1986.

³ Catalyst, *Catalyst's Study of Women in Corporate Management*, New York, N.Y., 1990.

II. STRATEGY OF THE INITIATIVE

The Department's strategy for implementing the glass ceiling initiative has had four principal components: First, to educate its own officials in the intricacies of corporate human resource issues; Second, to conduct several pilot reviews having a glass ceiling component; Third, to serve as a catalyst to foster voluntary efforts within the corporate community to remove any barriers which may exist to the advancement of minorities and women into upper-level management positions, and Last, to give public recognition and rewards to those contractors demonstrating particularly exemplary efforts.

A. Internal Educational Effort

Before any pilot reviews were initiated, senior members of the Department met with business, trade and professional associations, human resource officials and leaders and representatives from a number of organizations representing minorities and women to establish communications and a working dialogue on the issues surrounding the glass ceiling initiative.

These meetings were especially helpful in strengthening the Department's understanding of related business practices and what might be involved to obtain a corporate commitment to revamp its policies on recruiting, hiring, developing and promoting qualified minorities and women at higher levels of the organization.

In general, the thoughts and concerns from representatives attending these meetings focused on five basic messages.

- A strong commitment of the chief executive officer and senior-level officials of the corporation would be required to ensure a diverse workforce of qualified individuals;
- The corporate information necessary to conduct such reviews would have to be kept confidential;
- To completely and thoroughly conduct such a review, the Department's reviewing officials would have to become fully aware of the culture that exists in the corporation under review;

- The reviews would have to be conducted with corporate officials at higher levels than the EEO director in order to be responsive; and,
- In spite of these cautions, addressing the glass ceiling was an issue whose time had come, and was worthy of departmental attention.

B. Corporate Management Reviews

The second phase of the initiative was to conduct pilot reviews of contractors. In the fall of 1989 the Department's Office of Federal Contract Compliance Programs (OFCCP) began investigating the glass ceiling phenomenon through these focused reviews. The agency's mandate is to ensure that federal contractors do not discriminate on the basis of race, sex, color, religion, national origin, disability, or veteran status, and that contractors actively recruit qualified workers from all segments of the labor force, and assure that training and advancement opportunities are equally afforded to all employees.

The companies were selected for review using the OFCCP Equal Employment Data System, or EEDS. The EEDS is based on the Employer Information Reports (EEO-1) submitted annually to the Joint Reporting Committee, a cooperative effort between the Department and the Equal Employment Opportunity Commission. The EEO-1 reports provide race, sex and national origin data on the incumbent employees of most employers, shown by broad categories of occupational groups.

The selection of a contractor for a compliance review is done objectively, non-arbitrarily and based on neutral standards. An effort was made to have the companies reviewed represent diverse products and services. In addition, different geographic areas of the country were chosen. Senior members of the Department, regional management staff, as well as local compliance officers conducted these reviews.

In doing so, the OFCCP worked closely with the contractors to safeguard the confidentiality of information. During the pilot reviews, only information relevant to the requirements of the inquiry were requested and, where possible, information was reviewed and analyzed on-site.

The reviews of the nine *Fortune* 500 contractors' corporate offices sought to determine if artificial barriers existed that prevented or slowed the upward mobility of certain individuals; whether these barriers were discriminatory; whether these companies had initiated voluntary action to remove such obstacles to the extent they existed; and, how best to develop guidance for conducting corporate compliance reviews in the future.

C. Encourage Voluntary Efforts

Recognizing that only a small portion of contractor facilities can be reviewed by the Department, emphasis was placed on stressing to corporate leaders that voluntary actions were in their own self interest. Realizing the importance of communication among corporate America, the workforce, the Federal government and advocacy groups, the Department began creating a broad-based public awareness effort through formal and informal meetings, conferences and roundtables; through the media; with support from coalition constituent groups; and, from academic and research organizations.

Senior members of the Department participated as speakers or panelists in conferences, conventions and seminars to explain the goals and dimensions of the initiative. During these forums, the Department stressed the importance which employers must attach to full utilization of all of its employees and potential employees in order to stay competitive, particularly given the demographics of the work force in the next decade and beyond.

D. Public Recognition and Reward

The last ingredient in the initiative consists of recognizing and rewarding those companies who have undertaken a particularly creative and effective program to assure equal opportunity. The Department annually honors outstanding federal contractors and contractor associations that have demonstrated innovative efforts to increase employment opportunities for minorities, women, individuals with disabilities and veterans. The OFCCP Exemplary Voluntary Efforts (EVE) Awards are presented for highly successful good faith efforts action programs.

In addition, the Secretary of Labor has an annual award that recognizes one U.S. firm each year that has implemented comprehensive workforce strategies to ensure equal employment opportunity and affirmative action in building a workforce for the year 2000. This award is the Secretary's Opportunity 2000 Award.

The Department uses annual awards such as the Secretary's Opportunity 2000 Award and the Exemplary Voluntary Efforts (EVE) Awards to publicly honor companies which are working to remove artificial barriers to career advancement in their workforce.

Last year, for instance, Digital Equipment Corporation of Maynard, Massachusetts was honored with this award. Digital was recognized for preparing itself for the employment challenges of the 21st century by ensuring that its workforce maintains the cultural diversity needed to serve its community, and that it is equipped with the skills needed for the changing technological demands of the marketplace. It has implemented early intervention programs, scholarships, counseling, work-study, and pre-employment programs. In addition, it has established an affirmative action committee of senior-level executives who are responsible to plan for increased representation of minorities and women at the most senior-levels of corporate management.

IV. BASIC FINDINGS

As the Department conducted its pilot studies of the nine *Fortune* 500 companies, it became very apparent how different each company was with regard to its corporate culture and corporate practices.

Each company had its own policies and procedures for developing mid- and senior-level management. Each placed different degrees of importance on tenure, educational disciplines, and forms of recruitment as well as reliance on human resource plans to obtain, identify and develop high potential employees.

As part of the review process, the Department sought to understand, as fully as possible, the particular corporate culture of the company under review and to channel inquiries and recommendations within the boundaries of that culture. The Department was not seeking to change a company's way of doing business (as long as it was non-discriminatory), but only to encourage approaches that might improve advancement opportunities for qualified minorities and women.

While each company was very different, some of the same stereotypes and misperceptions documented by researchers and authors were found. At one company, for example, a female with an MBA was identified in a non-managerial career path. When asked why she was not slated for management experience in a lower-level facility like her peers, the Department was told, "Well, she moved here for personal reasons, so we assumed...."

Even though the organizational culture of the nine companies was quite different, there were five common findings.

A. If Not A Glass Ceiling, A Plateau

All of the companies reviewed had a level beyond which few minorities and women had either advanced or been recruited, and minorities tended to be found at lower-levels of management than women.

The OFCCP initially anticipated concentrating on the executive suite and the highest levels of management. As the pilot project progressed, however, the reviewing team discovered that much of the investigative questioning and many areas of prospective analysis became irrelevant because there were no minorities and women at these levels. To put it plainly, the glass ceiling existed at a much lower level than first thought.

Because of this, the Department at times had to shift its focus from the highest levels of the corporate structure to an analysis of the pipelines to the top.

As the reviews identified management levels where minorities and women tended to cap-out, the highest placed woman generally was at a higher reporting level to the CEO than the highest placed minority in the majority of the companies. An exception was in high-tech or scientific areas where certain minorities had special training or an advanced degree.

Reporting levels, however, can be quite misleading. While employees may be only a few reporting levels from the chief executive officer, they may have little or no interaction with the CEO or senior-level executives.

B. Lack of Corporate Ownership of Equal Opportunity Principles

Most companies in the pilot study had elaborate systems to identify and develop key employees as a business necessity to ensure the continuity of their management staff and corporate culture. Such individuals were *de facto* corporate property and their careers were monitored by senior-level corporate officials. However, almost all of the companies reviewed exhibited the same lack of corporate ownership when it came to the principles of equal employment opportunity and access.

Almost none of the companies reviewed compiled centralized records on their employees with regard to internal and external training and development, participation on task forces or committees or special projects and assignments. As a result, there was no formal system of tracking or monitoring developmental opportunities and credential building experiences with high-level exposure to ensure all qualified employees were given consideration.

Companies in the pilot were reminded of their existing legal requirements as a federal contractor to ensure equal access and participation of all qualified individuals in all forms of employment, development and training, and that these obligations did not stop at a certain level in the workforce.

As a result of their review, one company's commitment to the Department was to name an individual on the management staff who "will ensure that additional corporate programs which may impact executive career progression in the future, such as training programs, developmental job rotation, committee assignments, etc., are offered on a representative basis to minorities and females."

C. Lack of Monitoring of Appraisal and Compensation Systems by Corporate Management

All of the companies had appraisal and compensation systems which determined salary, bonuses, incentives, and perquisites for employees. Some companies used a formal evaluation system as part of their management evaluation, others had several formal systems for determining forms of compensation that took place at different times in the year; while others relied less on a formal system of rating performance. For example,

- One company used a narrative performance appraisal system for employees at certain levels with no guidelines or standards to follow. This subjective appraisal system left much to the rating official's discretion. While evaluations of men were directed toward performance, female appraisals at times were stereotypical. One woman remarked she never knew how she was doing because her appraisals had such things as "happy," "friendly," and "gets along well with others." This company voluntarily changed this rating process to ensure that the appraisals were more objective.

Some corporations extensively used bonuses, stock options and other incentives to send signals to their key employees, but in other companies these were restricted only to the highest ranking officers.

While compensation decisions were well-documented by executive, by salary grade, and by title, not one of the corporations in the pilot study reviewed their total compensation packages to ensure non-discrimination. This is particularly important because evidence has been assembled through independent studies that raters evaluate job performance of blacks less favorably than the job performance of whites, especially when the raters are themselves whites.⁴ Additionally, because their numbers are limited, women at high management levels are constantly tested and scrutinized.⁵

While all companies were aware they had to monitor salary data for EEO to ensure non-discrimination, companies were cited for lack of oversight of other forms of reward and compensation, and were required to ensure that all forms of compensation were being distributed in a non-discriminatory fashion.

⁴ Greenhaus, Jeffrey; Parasuraman, Sarjob, and Wormley, Wayne, "Effects of Race on Organizational Experiences, Job Performance Evaluations, and Career Outcomes," *Academy of Management Journal*, 1990, Vol. 33, No. 1, pp. 64-86.

⁵ Catalyst, *Barriers to Women's Upward Mobility: Corporate Managers Speak Out*, New York, N.Y., 1983.

D. Placement Patterns Consistent With Research

Much of the research data and literature in print today suggests that there are fields or functions in which minorities and women are more likely to have difficulty in obtaining employment. A recent *Business Week* article noted that "some black middle managers feel they are being shunted into human resources and public relations -- jobs that often spell 'dead end' in the corporation."⁶

Statistics show that minorities and women are less likely to obtain positions in line functions -- such as sales and production -- which most directly affect the corporation's bottom line, and are considered the fast track to the executive suite. Instead, many minorities and women find it easier to obtain work (or are steered) into staff positions, such as human resources, research or administration. The findings of the pilot reviews were consistent with these assertions.

Almost all of the companies had few, if any, minorities and women at the highest levels of management. When they were present, they were almost always in staff functions.

Moreover, the preponderance of minorities and women in the feeder positions for mid- and upper-level management positions also were in staff functions. Few minorities and women were found in such line professions as defense systems, electronics, commercial lending and sales.

Advancement opportunities can also vary in staff and line functions according to corporate culture. For example, a high-tech organization might lean towards individuals with advanced and scientific degrees, while a consumer products company looks to its sales and marketing divisions for future senior executives.

Companies that were found to have an absence of minorities and women in line positions were asked to audit their placement patterns to ensure that they were non-discriminatory.

One theory often cited to explain why women are concentrated in staff positions is that they do not possess leadership qualities, but instead have more inclusive manager-style qualities. The theory goes on to state that the qualities found in leader-style managers are necessary to give direction to a large corporation and that women generally are not believed to possess these qualifications.

⁶ *Business Week*, "Race in the Workplace: Does Affirmative Action Work?," July 8, 1991.

A recent study by Russell Reynolds Associates, Inc. refutes this assertion. That study found that a majority of women in both line and staff positions had leader-style management skills and moreover, a greater proportion of women in staff positions displayed a leadership orientation than men in line positions. In contrast, male executives were pretty much as expected: leader-style in line positions and manager-style in staff positions.⁷

E. Inadequate Recordkeeping

While all of the companies held major federal government contracts, and were well-versed in their recordkeeping requirements for other government agencies, there was an inadequate assembly of records by most regarding EEO/AA responsibilities concerning recruitment, employment and developmental activities for management-type positions.

As a government contractor, a company assumes an obligation to monitor its employment activities to ensure all employees and applicants are treated in a non-discriminatory manner. Contractors are expected to compile records of applicant flow, rates of hire and other personnel actions, not only because of legal requirements, but because such records are essential to adequate monitoring of the contractor's implementation of their affirmative action programs.

⁷ Russell Reynolds Associates, Inc., *Men, Women and Leadership in the American Corporation*, New York, N.Y., November 1990.

V. BARRIERS IDENTIFIED BY THE PILOT STUDIES

While some assert that minorities and women have neither been in the workforce long enough, nor have the needed credentials, the vast majority of available research information points to artificial barriers as a significant cause for why minorities and women have not advanced further in corporate America.

Developing and retaining a diverse and qualified workforce at all levels is the challenge corporate America faces. In *The Black Manager*, Floyd and Jacqueline Dickens wrote: "...we need additional management techniques to include those different needs and motivations to reach members of minority cultures and capitalize on their potential. We cannot afford to lose these valuable resources in today's organizations." Ensuring that there were no discriminatory barriers to advancement is an integral part of that process.⁸

A case in point is a recent survey by Catalyst, a New York group whose specialty is women-in-business issues. Catalyst found that 79% of *Fortune* 500 chief executive officers conceded that there are identifiable barriers to women getting to the top.⁹

The pilot studies revealed policies and practices that can individually hinder the advancement of qualified minorities and women, and when taken together, can result in a workforce with a scarcity of minorities and women in its mid- and upper-level ranks.

While many selection procedures may be informal and subjective, and therefore more difficult to identify and analyze than other traditional processes, the Department's efforts were to ensure that any corporate practice used was not excluding qualified minorities and women either unintentionally or intentionally.

Additionally, while corporate practices for employee development, exposure and experience are generally aids to individual advancement, if such practices are not inclusive of all qualified human talent, they can serve as barriers to those overlooked.

⁸ Dickens, Jr., Floyd and Dickens, Jacqueline B., *The Black Manager*, American Management Association, New York, N.Y., 1982.

⁹ Catalyst, *Catalyst's Study of Women in Corporate Management*, New York, N.Y., 1990.

A. Recruitment Practices

It is generally understood that most larger companies fill management vacancies from within. The pilot studies confirmed this. In looking at recruitment practices used in these pilot audits, the Department understood the reality that tenure would explain why many corporations have few minorities and women at the most senior-levels of management. In these instances, the review focused on ensuring qualified minorities and women were in the pipeline (e.g., lower-level positions in the company); where present, were not passed over for discriminatory reasons; and where there was an absence, that the contractor was making good faith efforts at outreach to bring in a diverse pool of talent.

- For example, one company's senior-level executives were almost exclusively "home grown." Almost all executives had over 25 years with the company, which helped explain the absence of minorities and women in their management ranks. As a result of this review, the company initiated summer internship and scholarship programs for women and minority students. In his closing letter to the Department the CEO wrote, "Most of these actions are designed to increase the flow of qualified minority and female candidates into the 'pipeline.' This is critical to us, as you know, because of our very strong promotion from within policy."

When no internal candidate was deemed qualified for advancement, the pilot reviews found several mechanisms to fill vacancies. At times these mechanisms posed a barrier to qualified minorities and women being considered for management positions.

In general, senior-level positions were not filled by minorities or women through the recruitment practices used in the majority of the reviews. In those instances where companies that did not meet their legal obligations to make good faith efforts to consider a diverse pool of qualified candidates, they were informed of such.

Generally, candidates for management were recruited to the companies in the pilot review through three sources:

1. Reliance on Networking--Word of Mouth

In some companies mid- and upper-level positions were filled by senior executives through word of mouth referrals. In some of these instances, corporate executives had learned of individuals, interviewed them casually (luncheons/dinners), and made them an offer, outside the formal recruitment process.

The net result of these activities was a diminished opportunity for the career advancement of minorities and women. All such contractors were reminded that they are required to use good faith efforts to recruit minorities and women with the requisite skills and to consider them on an equal basis for positions at all levels and in all segments of the their workforce.

2. Reliance on Networking--Employee Referrals

In one company, an elaborate employee referral system was in place. Employees were paid for referring individuals who were subsequently hired. This company, again, did not keep records (and was cited for not doing so) on who was referred through this process.

While the review team could not establish if this system was discriminatory, there were no minorities and women hired into mid- and upper-levels of the company through this process. Moreover, there were no minorities and women in the positions doing this referring. This problem was resolved with a commitment to make good faith efforts as in example #1 above, and to internally audit their system to ensure it was non-discriminatory.

3. Corporate Use of Executive Search and Referral Firms

While all companies reviewed used such firms during the period under review, one company appeared to fill almost every upper-level management position through the use of search firms.

The majority of the companies in the review failed to make executive recruitment firms aware of their equal employment and affirmative action obligations under the law. Specifically, when a request was made by the contractor to these agencies for a candidate pool, many of the companies reviewed had not made any efforts to ensure that the search firm reached out to identify qualified minorities and women.

Additionally, in those instances where the search firm sent forward a slate with an absence of minorities and women, the contractors did not demonstrate any good faith efforts to broaden the pool of candidates. Many of the companies were cited for not making good faith efforts to ensure that qualified minorities and women were considered through external recruitment. Contractors also were reminded that their affirmative action obligations as a federal contractor were not met if the search firms used did not refer a diverse pool of qualified candidates.

It should be noted that the pilot companies are aware of their obligations as federal contractors to seek out qualified minorities and women when using employment services for lower-level positions.

In some pilot reviews, vacancies were posted up to a certain level, above which employees were not made aware of advancement opportunities. Their only hope was reliance on networking. Additionally, while the personnel director and EEO director are directly involved in the staffing of lower-level positions, in some companies above a certain level those individuals do not appear to have a very substantive role in the hiring process.

In addition to the type of recruitment used, the recruitment process itself can, at times, be a barrier for women. A Wellesley College Center for Research on Women study found that holding interviews for perspective sales representatives in hotel rooms was intimidating especially for women, and reduces the probability of finding qualified women applicants. As an alternative strategy for hiring sales representatives, managers and professionals, some corporations have developed comprehensive and sophisticated recruitment programs for attracting promising candidates to the corporations.¹⁰

B. Lack of Opportunity to Contribute and Participate in Corporate Developmental Experiences

In general, many corporations identify key employees -- often early in their careers -- and oversee their career advancement through yearly appraisals and needs assessments. Such assessment systems may include identification of such individuals as "high potentials" and include forms of internal development (including rotational assignments, mentoring and training), external development (including graduate studies, executive development programs), international assignments, and highly visible positions (such as special assistants to senior executives, and assignments to corporate task forces and committees). These serve as available means to give key contributors experiences to enhance their academic and work-related credentials.

While these practices generally benefit the corporate employee, they can serve to impede the advancement of qualified minorities and women if they are not inclusive of all human talent.

¹⁰ Fields, Jacqueline P., *Women and the Corporate Ladders - Corporate Linkage Project*, Wellesley College Center for Research on Women, Wellesley, Mass., July 31, 1984.

- For example, one company left individual managers to groom their own successor. Such a process allowed the manager to provide developmental opportunities to an identified successor. Under this system, where there were few minority and female managers at mid- and upper-levels of the corporate workforce, opportunity for advancement was reduced for minorities and women despite their presence in the feeder pipelines.
- In another company, mentoring took place in the form of upper-level managers choosing individuals from a list of those identified as high potentials to "sponsor." When an inquiry was made into what sponsoring denoted, the response was to "make it happen" for that high potential employee. Thus, at this company, even being earmarked as high potential was not enough to ensure that there is an opportunity for advancement.

A recent Russell Reynolds Associates study showed that the overwhelming majority of executives felt that mentoring contributed to career advancement.¹¹ In a study of black and white managers in one predominantly white corporation, David A. Thomas found that 82 percent of his black respondents had mentors or sponsors at some point in their career.¹²

While viewed often as a business strategy by the highest levels of the corporation in the pilot reviews, these developmental policies and procedures were not monitored to ensure equal opportunity and equal access.

As a remedy, the companies were required to internally audit their systems to ensure they were inclusive of all qualified human talent.

Additionally, as found in one pilot review, minorities and women can be found to plateau in companies that have systems to develop their employees internally, if they recruit externally for mid- and upper-level positions from a pool of candidates with an absence of minorities and women.

¹¹ Russell Reynolds Associates, Inc., *Men, Women, and Leadership in the American Corporation*, New York, N.Y., November 1990.

¹² Thomas, David A. and Alderfer, Clayton P., "The Influence of Race on Career Dynamics: Theory and Research on Minority Career Experiences," *Handbook of Career Theory*, 1989.

VI. CONCLUSION

From the very outset of the glass ceiling initiative, the Department's aim was to encourage industry that it is in its own best interest to provide equal career advancement opportunities to minorities and women so as to best develop all of their human resources -- to identify and voluntarily resolve any impediments to equal opportunity which may exist.

We know that many companies are aware of and concerned about the heightened attention to glass ceiling issues. And, while there may be many reasons behind their interest, we have been encouraged by how positive the responses from industry has been since the outset of this effort. Not only the participating companies, but many others have voluntarily advised the Department of the efforts they are undertaking to identify and correct any unfair impediments which may be keeping minorities and women from advancing in their corporations.

Importantly, chief executive officers have become personally involved. Special studies and task forces to identify glass ceiling issues are being directed by top executives to give these efforts high profile and to communicate a corporate commitment.

For instance, one large defense contractor recently briefed the Department's executive staff of their efforts. With the strong support of the CEO and other corporate officers this company has determined to aggressively recruit minorities and women through external recruitment efforts, including executive searches; make "deputy" assignments, when possible, using these positions as training grounds for developing minorities and women as "high potential" managers; executives mentoring and sponsoring high potential or high performing minority or female managers and professionals; increase executive accountability and responsibility for cultural changes at every level through a creative incentive compensation plan.

Another company, again with the CEO's personal involvement has developed monitoring programs to measure the corporation's personnel department, retention and advancement efforts. As a long-term goal, the company is committed to minority and female participation in officer ranks in the same proportion as their participation in lower management ranks. To meet this goal, assignments, educational opportunities, and evaluations are carefully monitored throughout management. High potential minorities and women are identified early in their careers and tracked to assure they are given the same opportunities for development as their peers.

These examples represent only a small portion of the voluntary, aggressive efforts on the part of industry that have come to the attention of the Department. However, they give us some indication, and some reassurance, that American businesses are beginning to understand that their bottom line success may well depend on recruiting, training, and retaining the best possible workforce. And given today's demographics, that means recruiting minorities -- including the physically handicapped -- and women. Unfortunately, not all corporations have been enlightened, either about their legal commitments or workforce realities. That is why the Department of Labor will continue to meet its mandate to ensure that minorities and women have the opportunities guaranteed under the law.

C. General Lack of Understanding That EEO Is Not One Person's Responsibility

As stated earlier, the EEO director is generally included in, and actively participates in, the filling of vacancies below the management level. However, as these pilot reviews demonstrate, and has been reaffirmed to the Department by many EEO directors in the corporate world, they are not generally included in the recruitment process for mid- and upper-level positions. Often, they do not even know who was being considered for these positions until after they have been filled.

Additionally, these reviews revealed that managers at the entry-levels are often given training and made aware and sensitive to the EEO/AA values and commitment of the company. However, as managers move up the corporate ladder to senior-level positions where key decisions are made, there was a general lack of continued awareness building or reaffirmation of corporate values regarding equal employment opportunity and equal access.

Departmental staff has worked with these pilot companies to ensure that equal employment and access issues are not solely one person or division's responsibility, but rather integrated throughout the workplace in all aspects of employment: recruitment, promotion, developmental experiences, and compensation.

One CEO's company under review voluntarily established an EEO Overview Committee to "provide ongoing review of the corporate EEO program and efforts, as well as to develop future plans and encourage their enthusiastic acceptance."

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