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ABSTRACT

This report from the 1997 Aspen Institute seminar concerns how demographic changes in American will affect Hispanic Americans' role in the business community. Section 1, "Lashes: Back, Front, and Sideways" (Harold Hodgkinson), describes pervasive national pessimism over demographic change and documents universal backlash to that change among all groups. Section 2, "The Demographic Realities," provides background data on change, emphasizing the increase of the Hispanic populations. Section 3, "A Summary of Participant Discussion," summarizes the deliberations and conclusions of the participants regarding the roles advertising, the news media, and entertainment play in accurately representing America to Americans. This section also notes challenges that business faces in managing growing workforce diversity. Section 4, "Looking Ahead: Aspen 1998," is about action that seminar participants agreed to in order to promote a widespread business commitment to inclusion. Participants committed to four initiatives: developing a marketing and consumer data package; organizing a meeting with top national advisors; discussing the feasibility of establishing awards for the depiction of diversity; and creating a list of indicators beyond numbers that can measure how successfully an institution has achieved harmonious inclusion of racial and ethnic minorities. (Contains 20 references.) (SM)



The Aspen Institute

THE CHALLENGES OF CHANGE



A REPORT FROM

THE 1997
ASPEN INSTITUTE SEMINAR

HISPANIC AMERICANS
AND THE
BUSINESS COMMUNITY

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THE CHALLENGES
OF CHANGE



The Aspen Institute

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A REPORT FROM
THE 1997
ASPEN INSTITUTE SEMINAR
HISPANIC AMERICANS
AND THE
BUSINESS COMMUNITY



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In 1981, business leaders began meeting annually under the auspices of the Aspen Institute to discuss issues involving Hispanic Americans and the larger society. These leaders sought the opportunity to hold informal seminars because they were concerned that the rapidly increasing Hispanic populations were losing out in their quest for a piece of the American dream.

It was clear to business leaders that Hispanics—despite their tradition of strong family values and a strong work ethic—were not progressing to parity with other Americans. In fact, the gap between Hispanic and Anglo incomes had steadily widened. The Aspen Seminar founders recognized that poverty, illiteracy, and high school dropout problems were heavy burdens for a struggling community to overcome in an age when familiarity with technology and computer literacy were becoming more important than the strong backs or the nimble fingers that had sustained past groups of immigrants.

The first *Aspen Seminar on Hispanic Americans and the Business Community* was convened to look at issues related to Hispanics and the media, including the fact that there was little coverage of this population, little understanding of who they were and what they needed, and few Hispanics employed in the mainstream media. In subsequent years the Seminars covered education, political participation, cultural issues, immigration, small business support, minority contracting, language, job training, progress to parity during the so-called “Decade of the Hispanic,” and Hispanics as consumers. Over the course of 14 years, the Seminars issued six reports:

- *Windows of Opportunity: How Business Invests in U.S. Hispanic Market*
- *Closing the Gap for U.S. Hispanic Youth: Public/Private Strategies*
- *A More Perfect Union: Achieving Hispanic Parity by the Year 2000*
- *Handsome Dividends: A Handbook to Demystify the U.S. Hispanic Markets*
- *Three Aspects of Diversity*
- *Equitable Access*

All Seminar sessions have been concerned with how Hispanics can and will successfully incorporate themselves into the pluralistic society of the United States and achieve parity with others. Parity implies that there is equitable access *for the group* and opportunities of advancement for *individuals within the group* based on talent, hard work and merit.

C H A I R M A N ' S M E S S A G E

"What sets worlds in motion is the interplay of differences."

Octavio Paz

□ For centuries mankind has attempted to manage "the differences among us" because the interplay of differences fundamentally affects the way we live, the way we interact with others, and the way we look at the world and form judgments about it and ourselves. From the business perspective, differences significantly affect how and to whom we market products and services.

Over the course of history, difference has been one of the major sources of conflict, controversy, and confusion. According to the volumes of reports from demographers and statisticians who track such trends, racial, ethnic and religious heterogeneity in the United States—the first nation of immigrants—will increase over the next half century. With this in mind, the organizers of the *1997 Aspen Institute Seminar on Hispanic Americans and the Business Community* commissioned the noted demographer and analyst, Harold Hodgkinson, to look beyond the data that portray a nation growing older and more diverse. They asked him to explore how Americans are coping with the prospects of change.

Change is irrefutable. The white population is not replacing itself and the non-white groups are growing at rates greater than replacement both through natural increase and immigration. It is estimated that by 2020 Asians, African Americans and Hispanics will account for 6.5 percent, 13 percent and 16 percent respectively of the total U. S. population. Furthermore, the middle class in all these groups is growing rapidly. For example, based on U. S. Census data, Hispanic purchasing power today is estimated between \$223 billion to \$350 billion and it is expected to exceed \$965 billion by 2010. Forty-three percent of Hispanic households now fall in the middle class, a strong indication that Hispanic purchasing power is not limited to the acquisition of "demand" goods.

The Seminar participants, who represent a broad cross section of American business, met in Aspen, Colorado on July 27-30, 1997 to discuss what business can or should do to influence how this nation copes with the challenges of change. How can business facilitate the fair and equitable inclusion of all groups? The major challenges of inclusion relate to equitable access to education and to business and employment opportunities, but they also include the creation of new ways of managing diversity in the workplace and addressing change in the marketplace.

This report follows the flow of the Seminar discussion.

In Section I, *Lashes, Back, Front and Sideways*, Harold Hodgkinson describes pervasive national pessimism and documents universal backlash.

Section II, *The Demographic Realities*, provides background data on change with emphasis on the increase of the Hispanic populations.

Section III, *The Aspen Discussion*, summarizes the deliberations and conclusions of the participants regarding the roles advertising, the news media and entertainment play in accurately representing America to Americans, and the challenge business faces in managing growing workforce diversity.

Section IV, *Looking Forward to Aspen 1998*, is about action. To promote a widespread business commitment to inclusion, the seminar participants committed themselves to the following initiatives:

- Development of a marketing and consumer data package — to better educate U.S. businesses about Hispanic and other minority consumers
- Organization of a meeting with top national advertisers — to make the case for balanced portrayals of diversity in mainstream advertising
- Discussion of the feasibility of establishing awards for the depiction of diversity — with key award committees associated with the media and the advertising and entertainment industries (e.g. the Clio Awards in advertising)
- Creation of a list of indicators — beyond numbers that can measure how successfully an institution has achieved harmonious inclusion of racial and ethnic minorities

The goal of the *Aspen Institute Seminar on Hispanic Americans and the Business Community* is to encourage the common good; to recognize the value of individual excellence independent of ethnicity, race, creed, gender or sexual orientation; to spark a movement to bind us together as a nation of immigrants, and to commit ourselves to the harmonious adjustment to change that will support social stability and a healthy economy. In the end, it is about successfully engaging the challenges of change.

Solomon Trujillo
Seminar Chair
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THE CHALLENGES OF CHANGE

- By 2000, half of the net new entrants in the workforce will be women and a third—men and women—will be “minority”.
- By 2015, the number of Hispanics in the U. S. will equal or slightly exceed the number of African Americans.
- By 2050, Hispanics will represent the second largest racial/ethnic group—96 million—in the nation.
- By 2050 at the latest, the majority of U. S. citizens will no longer be white. The non-Hispanic white population in all but one of the 50 states is in gradual decline. The U. S. white population is aging and the white birthrate is below replacement.

Fundamental demographic change is forcing the nation and its diverse publics to focus on what pluralism will mean in real terms in the 21st Century. The dawning realization of the magnitude of the population shifts is sparking debate in the public and private sectors on a wide range of policies and practices related to the stability of U. S. society and the health and growth of its economy and its economic competitiveness in the global markets. It is changing the nature of the discourse on subjects as diverse as the responsibility of advertising, media and entertainment to represent and depict the diversity of U. S. society, the effectiveness of affirmative action in achieving equal opportunity and equitable access in employment, the danger inherent in an emerging two-tiered workforce when lack of skills continues to isolate large numbers of nonwhites at the bottom of the economic ladder, the advantages and disadvantages of segmented marketing, the relative benefits of on-going versus restricted immigration, and the proper roles of family, school, religion, and business in the maintenance and transmission of a common core of national values.

In the paper that follows, Dr. Hodgkinson finds that as diversity grows so do the numbers of U.S. citizens from all walks of life and all racial and ethnic groups who feel threatened and blame each other for what they perceive to be the downsides of change. Despite empirical evidence that the economy is sound, that the non-white middle class is growing, and that Whites are not being pushed out of the workforce, pessimism about the future is widespread. In anger and fear, U.S. citizens are lashing out—back, front and sideways.

Denial of change or anger at change will not make it go away. Therefore, the 1997 Seminar was devoted to exploring how the level of the debate can be raised above “we” against “them,” and how rumor and stereotype can be replaced with accurate information on the present and potential impact of increasing diversity. The seminar participants worked to position change so more people, as the old song says, “eliminate the negative” and “latch on to the affirmative.”

As a nation of immigrants, one of our strengths historically has been our ability to separate our public role as “U. S. citizens”— with all the benefits, protections, obligations and loyalties that citizenship entails — from our private identification with our cultural and religious backgrounds. In fact, this is what we celebrate in the highly touted melting pot wherein the *pluribus* became a “citizenship unum,” but never, as evidenced by the persistence of organized heritage displays such as St. Patrick’s Day Parades, Greek Festivals, Steuben Day Parades, Mardi Gras and The Daughters of the American Revolution, a “cultural unum.” One hears a great deal today about the danger inherent in a new movement to glorify racial and ethnic differences. We forget that all groups—including White Anglo-Saxon Protestants—historically maintained an identity with their ethnic backgrounds and many still do. Ask almost any white American about his or her “background” and you will receive a hyphenated answer: “I am Italian-American”, or “I am Irish-Polish.” That’s what happens in a nation of immigrants. The growing importance of celebrations such as Chinese New Year, Japanese Rice Harvest, Cinco de Mayo, Puerto Rican Day and Kwanzaa represent a threat only when and if Asians, Hispanics and African Americans are excluded from equitable and full participation at all levels in U. S. society.

The *1997 Aspen Seminar on Hispanic Americans and the Business Community* was dedicated to meeting the challenges of inclusion — inclusion not at the expense of any group, but inclusion to the benefit of all.

THE CHALLENGES OF CHANGE

SECTION I

"LASHES: BACK, FRONT AND SIDeways"

BY HAROLD HODGKINSON

WHAT DO AMERICANS BELIEVE
IS CHANGING?

HOW ARE THEY REACTING TO
THOSE CHANGES?

" L A S H E S : B A C K , F R O N T A N D S I D E W A Y S "

ASPEN INSTITUTE JUNE 1997

BY HAROLD HODGKINSON

□ INTRODUCTION

This paper was supposed to be about the "white backlash." What the author discovered, however, is a broader and much more pervasive phenomenon that involves virtually every identifiable group in the nation.

The term "backlash" was coined more than two decades ago and defined largely in the black/white terms of the early civil rights movement. It was used to describe negative reactions on the part of white Americans to African-American progress, particularly in voting rights and educational, housing and employment opportunities as mandated by law. Many white Americans were deeply concerned and some outraged by the changes that resulted from those laws, changes that they believed resulted in "reverse discrimination" against Whites. School busing, non-Whites moving into what had been "white neighborhoods," the dismantling of safe political fiefdoms, competing for and not getting jobs and promotions, and being rejected by law, medical, and other professional schools — all were perceived as the result of new laws that unfairly took from one group and gave to another group, for reasons of race rather than merit. White anger was further exacerbated as corporations began to "downsize," affecting large numbers of jobs that Whites had traditionally filled. In some instances, Whites "lashed" back by filing law suits, demonstrating, or resorting to violence. In other instances they opted for separation by fleeing the

inner cities, supporting redlining, establishing private schools, and retreating into walled communities.

The tactics and responses employed by both Blacks and Whites in the 60s and 70s are now being copied by groups as diverse as gays, AIDS victims, Citadel students, African-American, Hispanic and Asian business owners, the 400 communities in the United States that have declared children "illegal" as full time residents, the "English only" movement and the "Ebonics" and bilingual education proponents, as well as those who are hostile to all immigrants — legal and undocumented. We could go on. . . .

Meanwhile, as various groups are lashing out at each other, the overall population of the United States is getting older, getting more diverse—less European and more Latino/Hispanic/Asian/African-American—moving to warmer and more suburban locations, becoming more educated and having fewer children. These trends provide yet another context for this paper.

THE TERRAIN

HOW DO PEOPLE AROUND THE WORLD FEEL ABOUT THE FUTURE?

Let's start with the broadest view possible, and work in toward our topic.

As a demographer, I seldom pay much attention to attitude surveys, which rank next to Ouija Boards and Tarot Cards in scientific objectivity, but a 1996 Gallup Poll conducted in 17 countries got me interested. It indicated the following:

Most Americans—regardless of race and ethnicity—now feel that their children *will not* live a better life than they did, for reasons they believe are unique to this country. For Americans, this conclusion represents a major reversal, yet it is actually shared with many other nations. More than half the adults of Venezuela (78 percent), Germany (70 percent), Canada and Costa Rica (64 percent), Britain, Dominican Republic and the U. S. (60 percent), Mexico, Japan, France and Chile, (50 to 59 percent) feel that the next generation of children will be worse off than they are today. As of 1996, only Taiwan, Iceland, and India were optimistic about youth's future. (See Chart A.) Most of these beliefs defy the economic realities in each nation. According to much evidence, the optimistic ones shouldn't be optimistic; the same applies to the pessimists.

The pessimists had very few facts behind their attitudes; rather, a general sense of malaise, of changes in family, religion, values, work and community *that had not yet happened but were on the horizon* and would affect the lives of today's kids. Because attitudes are so frequently not based on empirical evidence, they are notoriously hard to predict. For example, when more people in the

United States have jobs, when more companies are making more money, when the value of our currency improves and the deficit is lowered — the stock market may go down. Because of our paranoia about inflation? Probably. The point: there are forces larger than any nation to which many nations will respond in the same way, although nations will usually look inward to interpret them. (How to understand Canadian and Costa Rican pessimism, both at 64 percent?)

FRAMING THE ISSUE FOR THE UNITED STATES

Diversity and pluralism is a fact of life in a nation of immigrants. Adjustment to newcomers and to a society unfolding in terms of expanding borders, and evolving industrialization and technology has been our constant and on-going reality. We ought to be good at coping with change. Yet, the changes we now see upon us are promoting pessimism. To frame the issue for the U. S., let's look at how we have approached change.

The changes we adjusted to from 1800 to 1960 took place largely in our "middle" comfort zone. They may have been annoying and sometimes unsettling, but they didn't seriously rock the optimistic boat or challenge our perception of "who we are." The changes that we have been addressing since 1960 are at the very margin of our historical comfort zone and, in some cases, they represent fundamental departures from how we managed to characterize our society in the past *even when all the ideals and values we espoused did not apply to everyone in the society.*

Changes in The "Middle" (1800-1960)	Changes at the "Margin" (1960-1997)
Focused On:	Focused On:
White Europeans <input type="checkbox"/>	Asians, Blacks, Hispanics, American Indians
Good Jobs <input type="checkbox"/>	High-paying and Low-paying Jobs
Stable Families with Kids <input type="checkbox"/>	Single Parents, Non-traditional, Families, Gays, Disabled
Middle Class <input type="checkbox"/>	Rich and Poor
Youth <input type="checkbox"/>	Elderly
Melting Pot <input type="checkbox"/>	"Mosaic"
Small Towns/Stable Communities <input type="checkbox"/>	Anonymous Suburbs/Transiency
Catholic/Protestant/Jew <input type="checkbox"/>	Catholic /Protestant /Jew/Moslem/Buddhist

Part of what is *seen* today as backlash is an unwillingness to accept these new pluralistic/adjustment tasks, and to yearn for the simpler society described in the left list. Denial is, of course, the easiest short-term way of dealing with such issues. Our perceptions have two functions: (1) to *explain* the world insofar as possible, and (2) to *protect* us from the world insofar as necessary.

So, who is in denial? Almost everyone.

Among the audiences to whom I have spoken in the last six months, I have observed Blacks who deny that Hispanics will equal their numbers before 2010, young adults who refuse to accept that there are 46,000 Americans over 100 years of age, Catholics who deny the existence of 1,000 mosques in the U.S., suburbanites who deny that their core city is dying, Blacks and Whites who deny that most pregnant teenagers are white, business leaders who deny that the largest number of new jobs in America are for retail salesclerks, registered nurses, cashiers, office clerks, truck drivers, and that for every new job created for a computer programmer in 1996 we created eight new jobs for janitors. The reason we deny is to reduce the dissonance between what we

believe and the realities we see. Many people actively *dislike* the right hand list, and wish that the people it represents could be punished for making life so difficult. That is the essence of backlash, and everyone can play, and *does*. The game is actually "us" versus "them."

WHAT DO THE "LASHES" LOOK LIKE?

Today, in 1997, we are seeing the consequences of the "affirmative action backlash." *Black Enterprise* magazine reported in May that the growth rate of black-owned businesses is slowing as a result of the cutbacks in minority set-aside programs (the 8-A program among them). The *Chronicle of Higher Education* (March 7, 1997) reported a striking decline in minority applications to both California and Texas public university "flagships," particularly after the passage of Proposition 209 in California—which banned use of racial preferences in all state agencies—and the Hopwood decision, which effectively eliminates the use of race in any University of Texas admissions. The latest numbers show a decline of 80 percent in African-American and Hispanic applications to the Berkeley law school and a 9 percent minority decline for the

entire University of California system. African—American and Hispanic applications for fall 1997 at the University of Texas Law School, Austin, declined *85 percent* and minority applications for undergraduate admission at Austin declined *20 percent*. Even if Proposition 209 were to be overturned by the courts, the signal has been sent to both aspiring minority students and minority business owners that they should lower their aspirations. (It is interesting to note that colleges like Spelman are taking advantage of the backlash by “raiding” high-quality minority students from Texas and California.)

This is also the year in which we are experiencing an increase in opposition to immigrants, both legal and “illegal”, even though most of the research shows that over time, immigrants pay more into the system than they take out in benefits. The “English only” movement seems to have strong but sporadic support in Florida and some in California and Texas as well. It is also ironic that just when research is establishing that bilingual education is a real winner, public support for *any* instruction in a language other than English is drying up.

On the surface, there seems to be a major white backlash. However, it is not clear that most Whites agree with these actions, nor that all non-Whites are against them. What is clear is that **those Californians who favored both Propositions 187 and 209 were not white Anglos only**. Several studies have indicated that the people who are most against immigration are those immigrants who have just arrived. Not only do they object to immigrants that come from countries other than their own—Asians objecting to Latinos and vice versa—but they also often oppose additional immigration from their home lands. (“Now that I’m here, there is no need for anyone else to be admitted.”)

In truth, there is solid reason to admit others.

Without immigration, the U. S. population would decline by 2020. The current U. S. birth rate is 1.7 children per white female, 3.4 per Hispanic female, and 2.8 per black female. A fertility rate of 2.1 children per female is required to maintain a population over time.

The strongest immigration backlash has been directed at “illegals” who are widely perceived to be indigent Mexican rural workers who are taking jobs away from “real Americans,” not paying U.S. taxes, using American services and overcrowding American school rooms. These stereotypes about “illegals” are about as far off the mark as any we have. Only 31 percent of the undocumented are from Mexico; of the 1.9 million undocumented workers who applied for citizenship in 1987 under amnesty provisions, only 4 percent were in farming, fishing or forestry, while 4 percent were executives, managers or professionals, 21 percent held service jobs, and 24 percent were operators, fabricators or laborers. Undocumented immigrants cost about \$3 billion for education in the seven states (Arizona, California, Florida, Illinois, New Jersey, New York and Texas) with the largest immigrant populations. In 1993, illegal immigrants in prison cost \$471 million a year and another \$445 million in Medicaid. **But the offset is the \$1.9 billion in taxes paid by undocumented immigrants and the many billions more they spent for consumer goods and services** (*American Demographics*, May, 1996).

NORTHERN XENOPHOBIA RAMPANT

Immigration is not exclusively a U. S. issue. It is raising hackles and producing opposition in many nations from Japan and France to Germany and Italy. The dilemma these countries face is the same as ours. A decline in the fertility rates of their nationals means they will not have enough workers *unless* many more immigrants are admitted.

(Germany and Italy now have actual population declines.) The Japanese, who will face a population decline in 2006, have sought an alternative to immigration. Rather than admit more Korean workers, which galls the Japanese, they have created *artificial workers, i.e., robots*, a deliberate strategy in the face of long-term fertility declines.

Of the 5.7 billion people in the world today, 17 percent are white. That percentage will decline to 9 percent by 2015. About 20 percent of humanity lives in the northern hemisphere, where they hold approximately 80 percent of the world's wealth and goods. The other 80 percent, who hold the remaining 20 percent, live in the southern hemisphere.

The U. S. has ignored its "southern hemisphere" of Central and South America just as Europe has ignored its "southern hemisphere" of Africa, Asia and the Middle East. It is interesting that more Africans, Asians, and people from the Middle East immigrate to Europe than South and Central Americans immigrate to the U. S. I submit that deep within the germ plasm and DNA of most national leaders in the North is the fear of being overwhelmed by large numbers (hordes?) from "the South," who — now that they have seen how we live in "the North" — will want to join us, legally or illegally. Because virtually all Whites — except Australians — live in the northern hemisphere, the current paranoia about border security and reducing immigration suggests the *generic* nature of the white backlash on the world stage. It is *not* east versus west, but north versus south, as the North seeks to prevent the southern hemisphere from inundating, overwhelming, and outnumbering "us."

Germany is a particularly interesting case of paranoia, in that it has the largest number of foreign residents in Europe (one birth in five in Germany is to a foreigner) and the most restrictive immigration laws. Some 7.2 million people of non-German

ancestry — including two million of Turkish ancestry — now live in Germany, yet it was not until 1994 that the first German of Turkish ancestry was elected to the Bundestag. Since 1950, even after three generations, these people are still considered "guest workers" in Germany. Recently, Chancellor Kohl, insisting that Germany not become an immigrant nation like the U. S., acted to tighten its borders (eight nations share borders with Germany) and curtailed a liberal asylum policy by expelling almost 80,000 Bosnian refugees. Still, the debate in Germany is quite mixed, with opinions ranging from "No Turk should ever become a German citizen," to "These people have been here for three generations and need to be recognized as Germans,"—even though the stereotype of the blond-haired, blue-eyed German (Hitler didn't fit) is still widespread.

WHO ARE THE BACKLASHERS IN THE UNITED STATES?

But now, back to the U. S. Who are the backlashers? Male and female? Young and old? Middle class and working class? East coast, west coast, heartland? Religious Right, secular humanists?

Facts are hard to find. As we indicated earlier, most Whites may not agree with the latest manifestations of backlash. For example, a major Gallup Survey in 1996 reported that 60 percent of white respondents have at least one black friend, while 94 percent of Whites feel that minorities should have *exactly* the same opportunities for jobs, education and housing as Whites. Not more, not less, but exactly the same. This seems very positive and leads one to predict a backlash reduction as a result of more personal experience with friends and neighbors of different backgrounds, but the trend seems exactly the reverse. There is some evidence indicating that Whites still are not very comfortable with racial differences, despite positive personal experiences. The current attitude of most Whites *might be*

summed up this way — “I have minority friends, and believe that everyone should have equal chances at colleges and good jobs, but most Blacks and Latins won’t make it.” That’s limited progress, but progress of a sort. It would be interesting to know if Blacks now have Hispanic friends, and where the Asians fit on this value scale.

Paul Ray conducted a decade-long study for *American LIVES* on how people defined themselves and their values. He found that 29 percent of American adults (56 million) are “**Heartlanders**” who hold traditional religious beliefs, “small town” values, limited economic aspirations, and believe that women’s place is in the home.

Another 47 percent are “**Modernists**” (88 million) who espouse personal success and mobility, consumerism, materialism, “getting ahead” and technological rationality.

A third, rapidly growing group, “**Cultural Creatives**,” claim 44 million, or 24 percent. They are attuned to global issues, civil rights and the environment, giving and volunteering, peace and jobs.

All three types can be found in all regions of the nation. “Heartlanders” are about five years older and hold fewer college degrees than the other two groups. A slight majority of “Cultural Creatives” are women; a majority of “Heartlanders” are men. Interestingly, most Blacks are “Heartlanders;” most Hispanics are “Modernists.”

This typology can be useful in explaining the backlash tendencies of various ethnic groups. The backlash cohort on *any* issue, from any ethnic group (or any group of “injured parties”) is primarily “Heartlanders” and “Modernists.” “Cultural Creatives” tend not to play the backlash game.

Los Angeles today is a prime example of how backlash manifests itself peacefully, as in increased voter turnout, or violently, as in the demonstrations that surrounded the proposition debates or the full scale riots that burned ethnic enclaves after the Rodney King verdict. The backlashes resulted from widespread concern on the part of all groups. Many black citizens are concerned that the occupational and financial gains they have made over the past quarter century are being taken over by Hispanics and Asians. Hispanics are concerned that the propositions on the ballot will legalize discrimination and harassment and take away their hard-won gains. Whites are concerned by the fact they are no longer in the majority in California. They see other groups getting jobs and houses they assumed would be for them and their children. In Los Angeles we clearly see “us” against “them”—front, back and sideways.

But Los Angeles is not alone. White males across the country are feeling threatened by change they never expected to affect them. White males, who long felt secure in their political and economic control, considered immigrants, women and minorities the *least* likely to challenge their positions because they were the *most* likely to be kept back. A good deal of the *white male* backlash can be attributed to their surprise and resentment of the comparative successes and gains all three groups have made since 1960. More than half the students in higher education are women. Twenty percent of black households have a higher income than the white average, and the access of today’s immigrants to home ownership (an indicator of middle class status) is a little higher among today’s (mostly non-European) immigrants than it was for earlier (mostly European) immigrants. Some white males find it difficult to accept these realities and maintain their self-respect. They believe it reflects poorly on them. Conceding power does not lift spirits.

However, we are still limited to *describing* the backlash phenomenon rather than *predicting* when it will erupt. For example, given the history of American workers' strikes, often violent and protracted, one would have predicted that the "downsizing" of the late 1980s and 1990s that involved well-educated and well-paid middle managers as well as production line workers, would have caused a backlash that resembled a small civil war; yet most workers accepted their pink slips without much more than a whimper. Why? Perhaps because workers have actually become "free agents" who show their company no more loyalty than the company shows them. Perhaps because a good riot happens only when people have *nothing* to lose and the average older worker today has skills that transfer to new sites. And perhaps the workers went silently because an older work force is less impulsive, less idealistic, and knows that it is not immortal. But it is totally impossible to use these explanations to predict when or where or what form the next backlash will take.

The most widely publicized issue that surrounds the backlash is usually referred to as "**the declining middle phenomenon**"—more high income people and high income households, more low income people and low income households, and fewer people and households in the middle range.

Data published in the *1996 Luxembourg Income Study* showed income gains heavily skewed to the top tenth of households—spectacularly to the top *one percent*—and away from the bottom 70 percent. (See Chart B.) Compared with other nations, the differences between America's top and bottom tenth in household income is far greater than any other nation surveyed by the *Luxembourg Study*. In the United States, a household in the top tenth makes almost *six times* as much as one in the bottom tenth. No other nation comes close to that. (See Chart C).

In addition to a large increase in income inequality between the top and bottom, there is also evidence of a decline in the *number* of households in the middle income range. This is caused mostly by the increased growth of *two* work forces in the U. S.: one composed of high school drop-outs working in the low end of the service economy (growing rapidly) and the other, composed of college graduates performing in professional and technical fields (growing much more slowly). Furthermore, the "post World War II middle"—unionized high-school graduates who work in assembly-line factories and earn enough money to afford a suburban house with two cars in the garage, a non-working spouse and two children who can go to college—is in decline. That "middle" arose after the war when everyone else's production capacity had been bombed to smithereens. The U. S. was the only nation that could provide cars, refrigerators and washing machines for the *world*. Wages rose very quickly, and workers came to believe that life would always be like this. Actually it was a 25-year-long dream which has now ended. The high school graduate increasingly will be less likely to live in a nice suburban house with two cars, a non-working spouse and two college-bound kids.

But high school graduates are not the only ones looking downward mobility in the eye. A *major* unrecognized problem is that we are turning out college graduates far faster than we are producing jobs that require college graduate skills. Chart D makes this dichotomy clear. If you look for the fastest increase in *percentage* of new jobs, most are in health technology. If you look for the *largest number* of new jobs, they are led by retail clerks, registered nurses, janitors and cleaners, waiters and waitresses, and general managers; three out of five of these jobs can be performed more than adequately by high school drop-outs. The media, and some business leaders, have fallen into the trap of presenting "high tech" as *the American*

workforce; the reality is that eight new jobs for janitors are created for every one new job for a computer programmer. While we have a genius for creating new jobs, almost half are at or close to, minimum wage. Moreover, in sectors like fast foods, most jobs are slightly less than half time (about 48 percent time) which means that benefits do not have to be paid.

This author heard a CEO describe the workers at his firm as being liberal arts graduates with technical skills who were pragmatic, long-term problem solvers. The personnel director for the same company, who was sitting next to me, said that the criteria actually used in hiring people were (a) can they show up for work on time, and (b) can they refrain from hitting the other employees. Everything they needed can be taught in two weeks at the most, which is easier and quicker than “reprogramming” existing skills.

If Karl Marx were alive today, he would write a book, probably not called *Das Capital*, but something like *Die Wissenschaft*. Access to knowledge and skills and the lack thereof are what create two classes: the college graduate *bourgeoisie* and the high school graduate and drop-out *proletariat*. College graduates earn more than three times what high school graduates earn, but an individual’s chances of going to college are very much related to household income. Hence, the system helps some to leapfrog over barriers, while holding others back from achieving the “American Dream.”

The “American Dream” has always meant that you could come to the U. S. in rags, your kids could go to college, and your grandchild could become president, if everyone worked very hard and possessed some talents. But your grandkids can’t reach the *top* if your kids can’t reach the *middle*. Some of the backlash mentality for all races, ethnici-

ties, and religions concerns this perceived chasm between the bottom and the top. There is no doubt — as we have shown — that there has been a decline in the middle income levels, but there is another side to the argument as well.

Today, people are getting out of poverty more rapidly and more often, suggesting a rapid circulation in which more people are becoming poor while more are getting out of poverty. The poverty figure is not static but a “net” figure. And some analysts, especially Robert I. Lerman, writing for the Urban Institute in March 1997, argue that if you use earnings per hour (the *wage rate*) there has been no increase in earnings inequality since 1984. In addition, based on sketchy evidence, immigrants usually enjoy three generations of upward movement (more than one fifth of the U. S. Senate have immigrant grandparents) followed by *downward*— yes, downward—mobility, as third generation parents give their children everything they themselves have ever wanted, which is certain to ruin most, if not all, children. However, there is a real paucity of good intergenerational evidence from the U.S. Census Bureau, Immigration and Naturalization Service, or any other source. It’s hard to tell backlash downward mobility from fourth generation fall.

S U M M A R Y

The evidence we have consulted suggests several points of consensus:

- “Backlash” feelings are not always based on empirical reality.

White males are not alone in feeling eclipsed, done in, or otherwise inclined to take backlash action. In fact, age, class and occupation can be as important in backlash as race/ethnicity/gender.

Neither are U. S. citizens alone in feeling that their children will not do as well as they did.

Underneath many of the localized backlash factors are the global issues of a rapidly expanding population in the southern hemisphere—young, diverse, poor and poorly educated—versus a steady or shrinking population in the northern hemisphere that is aging, white, rich and well educated. (Nine European nations now have declining populations.) Population pressures will drive many from the southern hemisphere to the northern, where the jobs, wealth, cars and resources are. The backlash potential is evident.

While Whites now have friends in a variety of ethnic groups, and Blacks *may* have Hispanic and Asian friends, it is clear that knowing some members of a group does not usually eliminate long-held, ingrained group stereotypes.

While lack of employment opportunities, immigration, “English only,” and “Godlessness” may appear to be the causes of backlash, they are more often symptoms of a deeper set of changes in the nature of unanticipated diversity that individuals are not willing to accept. Backlash derives from the emotional responses of people who feel that they are living “in a world they never made.”

As people get older, they tend to get more conservative and insular on many issues. And yet, the most serious potential backlash may arise among the younger workers of all races and ethnicities. As the number of workers per retiree drops from 16 in 1950, to 3.4 workers per retiree in 1997, and to 2.0 before 2020, each retiree on a \$30,000 a year pension

will have to take \$15,000 each from two workers. (Current assets in trust funds can only cover current liabilities.) \$15,000 is enough of a bite to suggest a general backlash among younger workers unlike anything we have yet seen in terms of hostility.

REFLECTIONS ON BEYOND DEMOGRAPHY

It seems that in *any* nation, *any* assimilation of “new” people (ethnicity/nationality, religion, wealth, education, job skills) can and probably will produce a backlash.

This is not a surprising revelation given how similar organizations and institutions, much less “peoples,” resist working together as peers. Consider how difficult it is to convince 4-H Club leaders that they might benefit from *any* contact with the Future Farmers of America, or that the Boys & Girls Clubs might work together with the YMCA-YWCA, or that the Oshkosh Community Foundation might team up with the Oshkosh Chamber of Commerce on joint programs. Such efforts produce the inevitable reply: “We have nothing in common with *those* people.”

Why do we prefer running in our own narrow furrow, regardless of whether we accomplish anything or not, to widening the furrow so as to include others going in precisely the same direction? Collaboration seems *unnatural*, for reasons no one understands. While the best text for this issue is probably *Lord of the Flies*, it is an area in which there is little good research since the classic “Robber’s Cave” experiment of Muzafer Sheriff four decades ago. It would be nice to know more about this phenomenon, which impedes human progress and probably causes more conflicts than any other.

What we do know is that backlash is caused by an excess of *pluribus* in which human differences become the dominant factor in human encounters. What *can* reduce backlash is *unum*, the perception of commonality, a kind of “social cement” that can hold people together. We know very little about what brings and holds people together, other than wars against “others.”

The United States did a reasonably good job of binding peoples of European heritage together. But today we face the challenge of expanding the *unum* to include people from all the 210 nations in the world with all the races, ethnicities, religions, languages, foods, arts, and perceptions that they embody.

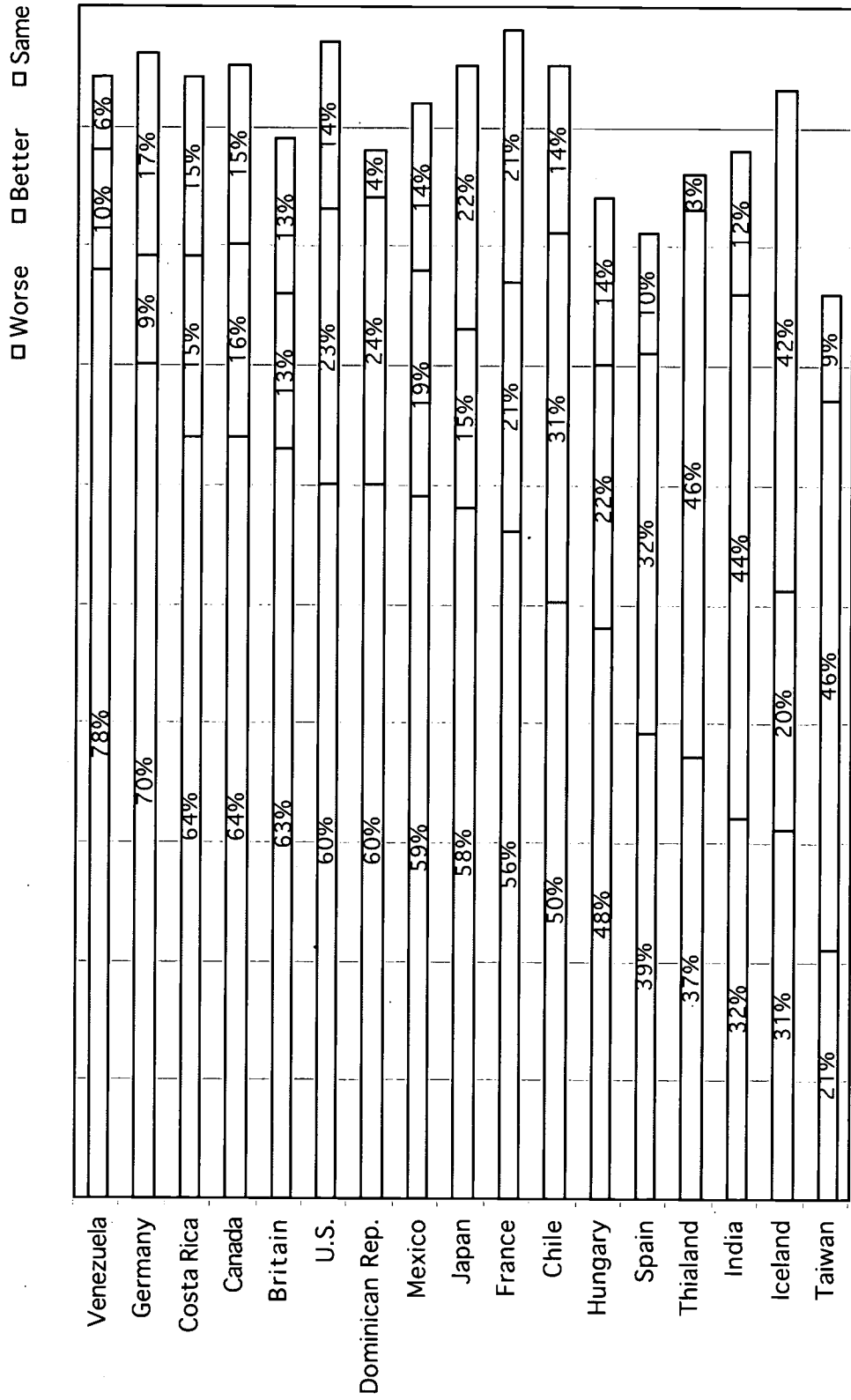
We are the first truly *world* nation in history, for every one of the 210 nations has one or more citizens living within our borders. Certainly, we are among the few nations in a position to make diversity an *economic and political advantage*.

Heartlanders, Modernists and Cultural Creatives must find the will to try.

CS

13 24

Chart A
The Next Generation



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
Source : 1996 Gallop Poll

Chart B Income Gains

Income Decile	Average Family Income		% Change 1977-88	Change in Income 1977-88
	1977	1988		
First	\$4,113	\$3,504	-14.8%	(\$609)
Second	\$8,334	\$7,669	-8.0%	(\$665)
Third	\$13,140	\$12,327	-6.2%	(\$813)
Fourth	\$18,436	\$17,220	-6.6%	(\$1,216)
Fifth	\$23,896	\$22,389	-6.3%	(\$1,507)
Sixth	\$29,824	\$28,205	-5.4%	(\$1,619)
Seventh	\$36,405	\$34,828	-4.3%	(\$1,577)
Eighth	\$44,305	\$43,507	-1.8%	(\$798)
Ninth	\$55,487	\$56,064	1.0%	\$577
Tenth	\$102,722	\$119,635	16.5%	\$16,913
Top 5%	\$134,543	\$166,016	23.4%	\$31,473
Top 1%	\$270,053	\$404,566	49.8%	\$134,513

Source: Kevin Phillips (Politics of Rich and Poor, Table 1).
Statistical Source: Challenge to Leadership (Urban Institute) and Congressional Budget Office.

Chart C The Income Gap

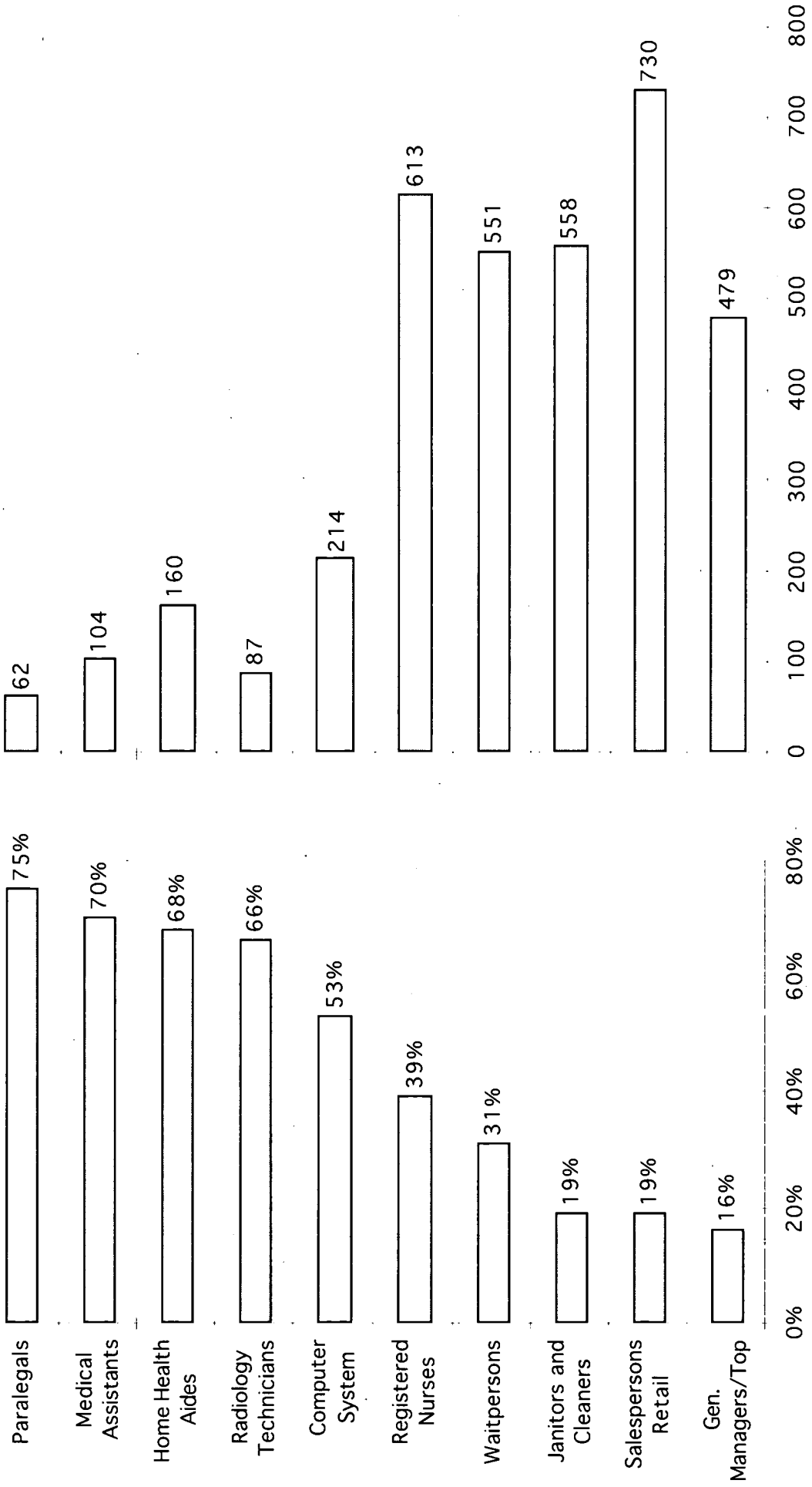
Distribution of After Tax, Real Income in 13 Industrialized Nations (Mid-1980's)

Rank	Country	<u>Real Income</u>			<u>Income Ratio</u>
		10th	Median	90th	90th/10th
1	United States	100	288	594	5.94
2	Italy	88	180	356	4.04
3	Canada	130	284	524	4.03
4	Australia	103	221	412	4.01
5	United Kingdom	99	194	377	3.80
6	France	118	213	412	3.48
7	Switzerland	164	305	564	3.43
8	West Germany	124	217	371	3.00
9	Norway	135	245	397	2.93
10	Austria	128	228	370	2.88
11	Netherlands	99	161	282	2.84
12	Sweden	105	188	285	2.73
13	Finland	127	216	330	2.59

Source: Luxembourg Income Study, 1996

Number of New Positions

Percentage Change



THE CHALLENGES OF CHANGE

II

S E C T I O N

THE DEMOGRAPHIC REALITIES

WHAT IS CHANGING
AND HOW FAST IS IT CHANGING?

GLOBAL CHALLENGES OF CHANGE

THE CHALLENGES OF CHANGE
IN THE UNITED STATES

CHALLENGES OF CHANGE IN THE WORKFORCE

A CLOSE LOOK AT HISPANICS:
THE "BIG GROWTH" GROUP

- There are 5.6 billion human beings in the world.
Seventeen percent are white.

IN 2015 ONLY 9 PERCENT WILL BE WHITE.

- The world's population is increasing but at a steadily declining rate.

**FEWER BABIES ARE BORN BUT A HIGHER
PERCENTAGE SURVIVE.**

- WHITE FERTILITY RATES ARE DECLINING
EVERYWHERE IN THE WORLD, INCLUDING
THE UNITED STATES.**

(Ninety-five percent of the world's net population growth of
90 million people per year takes place in the developing nations.)

- The world's population doubles every 43 years.
- Most Latin American nations double their
populations within 34 years.
- The U.S. population doubles within 80 years.
- Europe's population doubles every 1,025 years.

(Material in this section is drawn from Hodgkinson, Harold L. 1996. *Bringing Tomorrow into Focus: Demographic Insights into the Future*. Washington, D.C.: Institute for Educational Leadership, Center for Demographic Policy.)

GRADUAL DECLINE OF THE WHITE MAJORITY

The white population—largely concentrated in the northern half of the nation—is steadily decreasing in all states with the exception of Utah, because—

- The white birthrate of 1.9 is below replacement.
- Only 15 percent of current immigration is European in origin. (Eighty-five percent is from South and Central America and Asia.)

The southern half of the nation is poorer. It is where African Americans, Asians and Hispanics are concentrated, and it is where over ninety percent of the population growth is taking place, because—

- The African-American birthrate—slightly above replacement—will bring the total African-American population from 11.5 percent of the total U. S. population in 1980 to 13 percent in 2020.
- Asians—the most rapidly growing minority group in America percentage wise—will increase from 1.6 percent of the total population in 1980 to a projected 6.5 percent in 2020.
- Hispanics—the most rapidly growing group in terms of absolute numbers—increased by 53 percent between 1980 and 1990. By 2020, Hispanics will represent 16 percent of the U.S. population.

SIGNIFICANT ASPECTS OF CHANGE

- The number of elderly—particularly white elderly—will continue to increase.
- Between 1960 and 1990 the total number of individuals over 65 rose from 16.7 million to 30 million and the trend is expected to continue.
- By 2030, most of the school-age children in the United States will come from non-white ethnic/racial backgrounds.
- By 2050 there will be no single racial or ethnic group that can claim “majority” status.


(Material in this section is drawn from Hodgkinson, Harold L. 1996. *Bringing Tomorrow into Focus: Demographic Insights into the Future*. Washington, D.C.: Institute for Educational Leadership, Center for Demographic Policy.)

WHEN WILL THE WORKFORCE FEEL THE FULL IMPACT OF DEMOGRAPHIC SHIFTS?

□ The full impact of the growth of the minority populations on the workforce will not be evident nationally until 2050 because—

- The workforce does not change in the twinkling of an eye. Young workers enter it and older workers retire. What the workforce looks like at any given time is a reflection of who came in and who left—the net number.

√ It is estimated that the net number of Whites entering and leaving the workforce over the next two and a half decades will reduce the white proportion of national workforce by no more than 8 percent (from 76 percent to 68 percent). In the same period, minorities are expected to account for no more than a third of the absolute number of those who enter the workforce, but relatively fewer minority workers will be leaving the workforce. However, while the African-American share of the workforce will remain constant at 11 percent, Asian and Hispanic shares will increase from 4 and 9 percent respectively to 6 and 14 percent respectively.

√ Nonetheless, what is nationally minimal can be regionally extreme. The West, Southwest, and South—where most Asians and Hispanics are concentrated— will feel the impact of demographic change well before the Midwest and the Northeast. For example, in 2020 Hispanics and Asians will comprise 22 percent of the total U. S. population but a consequential 60 percent of the population of California. 

- It is the retirement of the “baby boomers,” many of whom are expected to work beyond age 65, that will change the national perception of ethnic/racial diversity in the U. S. workforce. The boomers will not start retiring until 2010 and it is estimated that their exit will extend over twenty years.

□ It is important to note that the gender balance of the workforce, as opposed to the ethnic and racial balance, has already undergone dramatic and evident change. Overall, women account for 46 percent of the workforce and are expected to reach parity with men in the immediate future. Today 60 percent of American women are in the workforce. In 1950 only 33 percent were. Two-earner families have increased from 39 percent in 1980 to 55 percent in 1993, and 64 percent of all married women with children under six are employed outside the home. Interestingly, women are preparing themselves for professional careers better than are their male counterparts. Women now earn 55 percent of the bachelor’s degrees, 53 percent of the master’s degrees and 40 percent of the doctorates.

(Material in this section is drawn from Judy, Richard W., and Carol D’Amico. 1997. *Workforce 2020*. Indianapolis, Indiana: The Hudson Institute.)

TODAY 7.6 MILLION HISPANIC HOUSEHOLDS REPRESENT A \$323 BILLION MARKET;

THAT WILL RISE TO A \$965 BILLION MARKET BY 2010

- Today there are 27 million Hispanics in 7.6 million households concentrated in five states—California, Texas, Florida, New York and Illinois.
- By 2050 a full quarter of the U. S. population will be Hispanic. Their numbers will have risen to 96.3 million.
- Hispanics represent a \$323 billion market that will increase to a \$965 billion market by 2010. If the U.S. Hispanic market represented a country, it would be one of the world's largest economic forces.*
- The male labor force participation of Hispanics exceeds that of Whites and the Hispanic female participation rate is steadily increasing to equal that of white women. (Fifty-eight percent of Hispanics 18 and older are employed full time.)
- Half of the 7.6 million Hispanic households earn over \$25,000 and a fifth have incomes above \$50,000. Although the Hispanic middle class is steadily growing, the wages of the overall Hispanic population have declined absolutely and relatively as a percentage of white wages due in large part to the lower wages earned by immigrants and the failure of many Hispanics to make gains in educational achievement. Hispanic median

earnings fell from 70 percent of white earnings in 1995 to 64 percent in 1997. (In the same period, African-American median earnings remained at 75 percent of white earnings and Asian earnings suffered a tiny decline from 98 percent to 96 percent.)

- The percentage of Hispanic Americans with high school diplomas has grown to 53 percent, but remains significantly below that of Whites (83 percent) and of African Americans (74 percent). Immigration accounts for some of the discrepancy: native-born Hispanics have higher graduation rates than do the foreign born.
- The rate of dropouts in the workforce and the rate of those employed in low-skilled service are two indicators of how a group is progressing. The number of employed Hispanic dropouts increased by 31 percent between 1975 and 1994 while there was zero increase in the number of employed dropouts among Whites and Blacks. White and African-American service employment decreased over the last decade; Hispanic service employment increased.
- The percentage of Hispanics who completed four or more years of college has risen to 10 percent. (By comparison 21 percent of non-Hispanics have completed four or more years of college.)

*Market estimates based on U.S. Census data.



- The increase in the number of Hispanic executives and managers was substantially less than the white and African-American increases. The disparity is partly due to the differences in educational attainment, as well as occupational choices and fields of study. Asians, who tend to seek engineering, scientific and business degrees, move up the ranks of business and earn more than African Americans and Hispanics, who tend to pursue degrees in education, psychology, social work and the humanities, fields that limit their access to opportunities in Corporate America and higher paying jobs.

- In 1994, 269 of the Fortune 1000 companies responded to a Korn-Ferry survey. The responses revealed that only 95 of the corporations had Hispanic senior executives (vice-president or above)—169 men and 23 women. The other 174 companies reported that they had no Hispanic senior executives.**

(Material in this section is drawn from Hodgkinson, Harold L., and Janice Hamilton Outtz. 1996. *Hispanic Americans: A Look Back, A Look Ahead*. Washington, D.C.: Institute for Educational Leadership, Inc., Center for Demographic Policy.)

** U.S. Department of Labor, Glass Ceiling Commission. 1995. *Good For Business: Making Full Use of the Nation's Human Capital*. Washington, D.C.

THE CHALLENGES OF CHANGE

III

S E C T I O N

A SUMMARY OF PARTICIPANT DISCUSSION

AN OVERVIEW

ADVERTISING, MEDIA AND
ENTERTAINMENT

- FRAMING THE QUESTIONS
- SEEKING THE ANSWERS

EMPLOYMENT

- FRAMING THE QUESTIONS
- SEEKING THE ANSWERS

**THE CHALLENGES OF
AVOIDING BACKLASH AND
PROMOTING INCLUSION:**

“Part of what is seen today as backlash is an unwillingness to accept these new pluralistic/ adjustment tasks, and to yearn for the simpler society Denial is, of course, the easiest short-term way of dealing with such issues. Our perceptions have two functions: (1) to explain the world insofar as possible, and (2) to protect us from the world insofar as necessary.”

Harold Hodgkinson

Lashes — Back, Front and Sideways, p. 2

“What we do know is that backlash is caused by an excess of *pluribus* in which human differences become the dominant factor in human encounters. What can reduce backlash is *unum*, the perception of commonalty, a kind of “social cement” that can hold people together. . . .”

Harold Hodgkinson

Lashes — Back, Front and Sideways, p. 10

By definition, the eighteenth *Aspen Seminar on Hispanic Americans and the Business Community* was a “business” conference that focused on Hispanics. Therefore, the participants addressed the effect of backlash on business, paying particular attention to the roles that marketing, film and TV industries play in accurately portraying America to America, and to the employment issues that are fundamental to societal stability and a healthy growing economy.

The participants concurred that the principal corporate responsibility is to maximize profits and enhance shareholder value. At the same time, they agreed that, although the demographics are indisputable, much of the business community continues to disregard the reality that their consumer bases and their viewers and audiences are changing *even as they simultaneously confront and address increasing diversity in their entry-level workforces*. By and large, the nation’s workers *are* the nation’s consumers, yet much of the business community has resisted acting on that connection.

The Aspen Seminar participants worked to understand why some businesses were giving short shrift to a fundamental reality that would have substantial impact on their long-term well being and prosperity.

Perhaps, the participants concluded, it stems from the fact that individuals tend to think of “reality” in terms of what is “the usual” for them. Certainly, the U.S. is different than it was 25 years ago, but what most business leaders and other white Americans see as “the norm” is the view from their pockets of separation. It is therefore easy for leaders to avoid internalizing the magnitude of the changes that have occurred and are occurring because much of the difference takes place outside their fields of vision, and diversity is more evident in some places than in others. For example, neighborhoods, religious institutions, restaurants and places of recreation—short of major ball parks and sports arenas—tend to be separated by race, ethnicity, and age, and the mass media, mainstream advertising, film and television continue to project a remarkably white image. Only the armed forces, some areas of government service, workers in political campaigns and unskilled employment regularly mirror the

growing diversity of the U. S. population. There is little external reinforcement that makes diversity the “norm” in the halls of power and decision making. In the absence of personal relationships with minority peers and of mass media legitimatization of diversity, many white Americans at all levels find the growing pressure for the inclusion of women and minorities unexpected, disconcerting and threatening to their livelihood, power, and control. So, the leaders tend to ignore it and their followers tend to fight it.

“Timing” was also suggested as an excuse for why business avoids issues of inclusion. Although major racial and ethnic demographic shifts are inevitable and indisputable, they are gradual in coming. Regional impacts will differ in relation to when and how they occur, but significant changes are not going to be “nationally” evident until 2050. Fifty years may appear to be an eternity to a sector that measures progress and success in annual quarters. Nonetheless, business would do well to stop, look ahead and develop a long-range strategic plan to meet the challenges of change that will affect the next generation. We cannot, as Bill Moyers says, continue to view the nation as if it were a digital clock *with reality as the present and nothing before or after it.*

The seeds of backlash germinate in unmet expectations, in disappointments, in unpleasant surprises and in a sense of being a victim of unfairness. Backlash is nourished through denial and inaction. Backlash unaddressed will eventually damage a capitalistic democracy that requires the good will of a citizenry that shares a common core of values and faith in the equity of the system. Enduring backlash will deal a mortal blow to “Citizenship *Unum.*”

When “Citizenship *Unum*” dies, great is the potential for social conflict and dismal the outlook for a healthy economy.

FRAMING THE QUESTIONS

Because the advertising and marketing industries, the film industry, and the television industry—entertainment, documentary and news—exert such a powerful influence on how the nation perceives itself and how groups within the United States perceive each other, they can play a significant negative or positive role in society's adjustment to the "Challenges of Change."

Currently, all minorities, but particularly Hispanics, are almost invisible in the mainstream print, film and electronic media. They have minimal representation in ownership, portrayal, employment, and points of view. In the face of irreversible and increasing diversity, these industries continue to target white middle-Americans as if they were the sole or primary consumers and audiences for advertisements, movies, and television fare.

As a consequence, Whites and non-Whites are exposed on all sides to a highly inaccurate picture of the nation's citizens. It is a picture that supports white denial of change and leads Hispanics and other minorities to perceive themselves as outsiders who are not accepted as real Americans.

In the next century, these "outsiders" will constitute the majority of the U.S. population. It makes no social or economic sense to disregard their presence and the powerful growing markets they represent. The "mainstream" has changed course, but the advertising, media and entertainment industries continue to fish in the old riverbed that is becoming more shallow with every passing year. Up to now, business has paid no short-term price for trolling comfortable and familiar waters. Will that trend continue? *Can* that trend continue?

The 1997 Seminar participants included representatives from advertising, film, and television. The group called upon their expertise as it sought answers to the following questions:

- To what degree are the advertising, film and television industries aware that they are projecting an inaccurate view of the nation that is out of touch with reality?
- Do the advertising film and television industries have a special responsibility to project an accurate picture of America to America?
- What role do the specialized Hispanic advertising agencies play?
- Why are so few minorities portrayed in mainstream movies?
- Why are Hispanics invisible in mainstream television programs?
- What can or should business do to influence the inclusion of Hispanics and other minorities?

S E E K I N G T H E A N S W E R S

TO WHAT DEGREE ARE ADVERTISING, FILM AND TELEVISION INDUSTRY LEADERS AWARE THAT THEY ARE PROJECTING A VIEW OF THE NATION THAT DOES NOT REFLECT REALITY?

These industries spend large amounts of money to research, generate, analyze and/or gain access to consumer data. They are as aware of the demographic trends as any other sector of the economy. Whether or not they understand the marketplace and workforce potential of these trends is another matter.

In an ideal world whose top priority was “the long-range greater good,” the industries that project the national image would be working to assure that, over the long run, Hispanic Americans and other minorities enjoy full participation in business and in a society that respects cultural difference.

It is not an ideal world and advertising, film and television industries do not operate in the belief that they should adhere to a higher set of values and standards than those who manufacture sneakers or bake bread. Like other businesses, they compete for dollars and survival. Their priority is maximum return on investment. They perceive their primary responsibility as increasing shareholder value.

Therefore, the major roadblocks to equitable inclusion in their work forces and balanced depiction in their products are these:

- To date, no one has made a credible case that sales, ratings and viewership are negatively influenced by media and entertainment exclusion. Business changes when it perceives

that change is in its best economic interest. Right now, consumers are buying and viewing despite the lack of representation and depiction. “Business as usual” appears to be working in relation to the bottom line.

- When change is in order, the pressure comes from the top. Major companies are not run by Hispanics or other minorities. This fosters the “invisibility” of the cause.
- “Invisibility” is further reinforced by the relatively polite and quiet demeanor of the two fastest growing minority groups—Hispanics and Asians—whose cultures traditionally do not support public demonstrations of anger. The community pressure that led to increasing African-American access to employment and depiction has not been exerted by most Hispanic and Asian communities.

DO ADVERTISING AGENCIES HAVE A SPECIAL RESPONSIBILITY TO PROJECT AN ACCURATE PICTURE OF AMERICA TO AMERICA?

Advertising agencies do not deny the value of or need for balanced portrayal; it just isn’t a priority in a hectic and highly competitive field where response is nil when demand is low.

Advertising agencies feel little external pressure for inclusion from minority communities or from their clients. At the same time, internal pressure from staff is nonexistent because mainstream advertising agencies hire and promote few Hispanics, Asians or African Americans. Minorities are rarely part of the personal or search networks from which advertising agencies draw their new hires. It takes extra effort to

find minority candidates and the urgency of daily business, combined with the surplus of candidates in the traditional pool, supports inertia. Moreover, entry level advertising salaries are low. As one participant stated, "If you don't have a trust fund or parents to subsidize you, you can't afford to take the jobs we offer."

In the absence of both demand and minority staff, advertising assignments and campaigns fall by default within the general market advertising budgets and are handled by "Anglos," most of whom are not socialized to think in terms of diversity. These managers rarely suggest that clients include more diversity in their print, radio and television campaigns and, for the most part, the clients are comfortable with what works in the mainstream. When clients want to appeal to Hispanic and other minority consumers, they make relatively small budget allocations to employ minority agencies or consultants that "specialize" in those markets.

WHAT ROLE DO THE SPECIALIZED HISPANIC ADVERTISING AGENCIES PLAY?

The "specialized" Hispanic agencies are generally relegated to developing and placing institutional advertising and Spanish-language advertising. The budgets—small when compared to the general market budgets—are always at risk of being cut. It is true that the Spanish-language segment of the Hispanic population is increasing through net immigration (250,000 per year) from Spanish-speaking countries.* However, credible research shows that "the Spanish-speaking" do not represent an ever-expanding pool of Spanish speakers because Hispanic immigrants learn English as rapidly as all other immigrants have done. A

predictable adult language shift and move to the use of English takes place within 15 years of arrival. Individuals may continue to speak Spanish, but they also speak and understand English.** Advertisers recognize that the language shift limits the number of Hispanic consumers who *must* be appealed to in Spanish.

Unless Hispanic agencies can convince clients that there is a measurable benefit to *culturally* sensitive or relevant advertising, the Hispanic agencies' growth potential is curtailed by the limited long-term growth of the pool of those who speak Spanish only. Some gains in the direction of cultural sensitivity have been made, but advertisers are not flooding the Hispanic agencies with big dollars to produce culturally relevant advertising. As one participant explained, "There are limited advertising dollars available and I have to consider the highest return I can get on each one I expend. It's bang for the buck."

Undoubtedly, specialized Hispanic agencies play a vital role in an industry that largely excludes Hispanic professionals from the mainstream. Participants pointed out, however, that there are major disadvantages to the permanent segregation of Hispanic marketing. It perpetuates "otherness" and smallness. It puts those agencies at risk because their budgets are the easiest to cut. Most importantly, it tends to keep Hispanic marketing specialists out of big-budget mainstream agencies where they could influence public perceptions and stereotyping by accurately portraying Hispanics in the context of the overall society.

* U.S. Bureau of the Census data.

** Veltman, Calvin. 1988. *The Future of the Spanish Language in the United States*. Washington, D.C.: Hispanic Policy Development Project.

WHY ARE SO FEW MINORITIES PORTRAYED IN MAINSTREAM MOVIES?

Like all business, the film industry is market-driven: its consumers are ticket-buying moviegoers. Studios base their decisions on what they think will draw the largest audiences: a good story and popular actors with box office appeal. A potential film needs an idea, one that will make money, and the support of a “champion,” someone decision makers trust to know what audiences want. These individuals, known as “the guys who can get a movie made,” are remarkably few in number and not one is Hispanic.

With notable exceptions, most mainstream movies—which tend to fantasy and escape—have not portrayed *any* group accurately. That hasn’t been a priority. When minorities are portrayed, they tend to take on exaggerated, stereotypical roles that emphasize the sensational and the extreme. (So-called “blaxploitation” movies are a prime example of such sensationalism.) If the Hollywood view of society were to be believed, Hispanic males are the nation’s gang members, drug dealers and cowboys. Hispanic women are cute maids, motherly maids or sexy spitfires of the silver screen.

When credible films do get made—like *Mi Familia*, which follows a Mexican-American family over three generations and tells a story that could be any immigrant family, or *Lonestar*, which tells the story of ordinary people living in a town that is a microcosm of many cultures—they simply are not marketed strongly to the general public. The producers usually struggle to get the money just to make the film. Little is left over to distribute or promote it. The audiences, therefore, tend to be relatively small, which decision makers then interpret as “proof” that the general public is not interested, that Hispanic actors do not have box office appeal, and that the niche market is too small to be worth the investment.

In short, most movies made for the general market simply do not reflect the demographic reality of the United States and they are unlikely to do so unless or until neglecting the reality affects profits. Currently, it does not. Public criticism is mild to nonexistent and Hispanics and other minorities are happily buying tickets to watch goofy white romantic comedies or to witness a bunch of white guys drive cars off cliffs.

WHY ARE HISPANICS INVISIBLE IN MAINSTREAM TELEVISION?

Television is entertainment—sitcoms, soaps, sports and specials. Television is news and documentaries, and, *television is sponsored*. What the public sees, and how it sees it, is heavily influenced by what sponsors believe will draw the viewers they want to reach. As discussed in the section on advertising agencies, mainstream sponsors—the advertising agency clients—are most comfortable with mainstream themes so they target mainstream audiences.

Dramatic Entertainment

As is the case with movies, there is no pressure on the producers of television entertainment to move to a more balanced portrayal of society. Television caters to a stay-at-home crowd who buy a television set, maybe sign up for cable, settle back into the recliner and play with the remote until they see something that strikes their fancy. Sponsors indirectly control what entertainment is produced and directly control what is aired because their sponsorship is predicated on numbers of viewers. Because numbers are the operative factor, network and most cable programming is moved into the noncontroversial center so that it is “comfortable” and will appeal to the largest audience (read consumers). It is the view of most advertisers and producers that minority actors—with rare

exceptions such as Bill Cosby or Jimmy Smits—will not appeal to white middle-Americans. Moreover, the ratings indicate that the shows with the largest audiences have large universal audiences. Hispanics and other minorities are watching, so there is no immediate consumer price to be paid for neglecting to include more, or more accurate, minority images on the screen.

Sports Entertainment

Although the television establishment doubts that the mainstream is “ready” for balanced portrayal of minorities in mainstream entertainment fare, the ratings for sports programming indicate that the general public has embraced minority athletes. Hispanics ride race horses, play baseball and excel at soccer, African Americans play baseball, football and basketball, Asians dive off the high board and ice skate, and all are beginning to appear in the “elite” sports—tennis and golf. Sports are integrated and the sportscasters, commentators and experts who keep track of “who’s got the momentum” reflect a fairly balanced view of the nation’s population. Is there a lesson here?

News and Documentaries

The framers of the First Amendment to the Constitution envisioned independent media as watchdogs of government and a vital source of information, discussion and debate upon which the voters could depend. The only media was print. It offered then, as it does now, the possibility of in-depth coverage that could be scanned, perused, read now or read later. The newspapers that today compete for waning readership are not, and never were, above competing for readers or advertisers through sensationalism, but they also were committed to ideological and intellectual positions. A similar commitment is not evident in television news programs that are differentiated only by the personality of their anchor newsreaders. Electronic

news has become a “now” event that protects its ratings by seeking the noncontroversial middle and by blurring the line between “news” and “entertainment.” Anchors must have “neutral” charisma, weathermen are expected to amuse as well as inform, and the news itself is delivered in ever briefer sound-bites.

Morning news is nestled within feature programming and those who present it are usually ethnically and racially diverse. Evening news stands alone, generally sliced into a half hour of local events and a half hour of international and national news (22 minutes of news and eight minutes of commercials). All news gets a once-over-lightly with emphasis on sound-bites, attention-grabbing disasters and violence. As voters increasingly become viewers instead of readers, their grasp of public policy issues and consequences is based more on emotion and spin than on fact and reality. There simply isn’t time to give issues their due and news directors doubt that viewers would sit still for extended or in-depth coverage.

The role of minorities in news programming is bifurcated. On camera, local news regularly mirrors the racial and ethnic diversity of local communities. This is to be commended. On the other hand, national news on camera reflects a more white middle-American image. In addition, very few minorities are behind the cameras, locally or nationally. News, like all other aspects of business, is managed primarily by white decision makers.

Given how narrowly those in charge of both news and documentaries portray Hispanics, African Americans and Asians, it is ironic that the major reason given to minority news and documentary professionals when they are denied access and funding is that *they will not project objective and balanced views of the nation*. This belief persists

despite the fact that balanced and objective shows produced by Hispanic professionals—largely through the sponsorship of the Public Broadcasting System—have been winning Emmy Awards.

WHAT CAN OR SHOULD BUSINESS DO TO INFLUENCE THE INCLUSION OF HISPANICS AND OTHER MINORITIES IN MEDIA AND ENTERTAINMENT?

Because television and advertising are so linked and advertising is a fundamental function of business, the single most powerful tool that can promote “inclusive” advertising and “inclusive” programming is the argument that it increases *the effectiveness and reach of marketing*. Were the television and advertising industries to take action to mirror a more accurate picture of American citizenry, it is likely that the film industry would gradually follow suit. The final section of this report outlines some concrete initiatives to focus the diversity issues more clearly for the advertising industry and its clients.

FRAMING THE QUESTIONS

Despite the fact that the economy is strong, all is not serene within Corporate America. The workforce is changing to almost no group's satisfaction. Women and minorities believe that the change is too gradual and the barriers to their advancement are still too high. White males think that the change is too rapid. They believe that new, unfair rules are being imposed on them in mid-career as women and minorities get "special preference".

The challenge to business is clear—how can business ease the process of change so that its 21st Century workforce will be productive, inclusive and harmonious?

Equal opportunity policies and requirements jump-started the inclusion of women and minorities in the workforce. Most businesses made good faith efforts to adjust to change, often relying on the new "diversity industry" to teach employees how to respect differences and work together. But then along came structural changes in the economy, increased technology, globalization, mounting worldwide competition and *downsizing*. Downsizing further affected the secure positions most white male middle managers had traditionally enjoyed. Angry and frightened by the rate of unanticipated change as well as the prospect of more change to come, many white males rejected impersonal economic or demographic explanations for their "plight". Instead, they lashed out at the women and minorities who they believed were *taking their places*.

The backlash potential inherent in the changing composition of the workforce is unlimited. Backlash within companies is bad for business. Backlash that spills over into the communities business serves makes a bad situation worse. Therefore, the Seminar participants asked themselves four questions that pertain to the workforce in the 21st Century:

- How should diversity be defined in the next century?
- How does business tap into the workforce markets that are unfamiliar to many? When businesses do tap in, how do they build an integrated and harmonious workforce?
- How does business motivate incumbent employees to "buy-in" to diversity?
- As companies work toward integrated, harmonious workforces, how do they measure progress and success? What are the quantitative and qualitative measures?

SEEKING THE ANSWERS

HOW SHOULD DIVERSITY BE DEFINED IN THE YEAR 2000?

Twenty-five years ago “diversity” was narrowly defined in terms of “Blacks and Whites.” That definition no longer holds. The Aspen participants agreed that diversity is now widely acknowledged to be far more diverse. It has been expanded to include Hispanics, Asians, and American Indians. The handicapped have been added and gender, sexual orientation and age diversity have also been included.

that more women than minority men are in the pipeline because white male managers are more comfortable and less threatened by women (minority or not) than they are by minority males. All men, white or not, have mothers, sisters, wives or daughters but, unless they have been in the armed forces, most white men have had few, if any, minority male colleagues or friends.

The pool of qualified and qualifiable minority men—Hispanic, African-American, and Asian—is not as large as that of women. However, it is growing steadily in a wide array of fields and specialties. Racial and ethnic minorities are no longer limited to teaching, social work and protective services. Nonetheless, they are not as visible as Whites and, isolated from the traditional networks, connections and mentors, they are not always identifiable. Participants pointed out that business must make an effort to locate and recruit talented minorities. For example, business leaders must demand that search firms present diverse slates of talented candidates. Those who have made such demands reported that highly qualified candidates had been identified—from engineers to sales directors to chief financial officers.

HOW DOES BUSINESS TAP INTO THE NEW WORKFORCE ?

How business taps into the new workers depends on the nature of the business and the nature of the jobs it seeks to fill. In situations of unskilled or low skilled labor, it is the new workers who tap into business. Significant displacement can take place in multi-racial or multi-ethnic communities as workers of diverse backgrounds compete for jobs. For example, when Hmong farm workers replace Mexican workers, or Hispanic hospital workers replace African Americans, backlash has been the inevitable aftermath. Backlash is never beneficial, but it can be particularly cruel when it is played out among those who are struggling for basic survival.

Recruitment issues loom large when business looks for skilled and professional workers. A large pool of qualified women candidates is available in most fields. The issue is whether employers are willing to hire them, treat them fairly, include them on promotion tracks, and support them as they move through the “pipeline”. Seminar participants agreed

HOW DOES A COMPANY BUILD AN INTEGRATED, HARMONIOUS WORKFORCE?

HOW ARE INCUMBENT EMPLOYEES MOTIVATED TO BUY IN TO DIVERSITY?

Something as simple as changing employees’ offices can produce responses that range from mild distress to severe agitation. Changing their co-workers and supervisors and the nature of the group with whom

they will compete for promotion is often perceived as a threat that translates into anger, aggression, passive resistance and, in the worst cases, vows and actions to get even. While white males are most often seen as the aggrieved, they are far from alone. African Americans who have fought for equality and access are often displeased to see Hispanics and Asians marching through the doors they feel they opened. Everybody is sensitive to the fact that everybody else is diluting their chances for promotion, and everybody believes that the other person's culture and communication style is inappropriate. To quote Dr. Hodgkinson, individuals in all groups feel that *"they do not have anything in common with those people."*

The challenge facing business is how to show all "those people" that—within the business environment—they share a common mission and a vested interest built on equitable access, full inclusion, and promotion based on skill and merit.

The Seminar participants discussed how to meet that challenge.

They agreed that incumbent "buy in" to a diverse workforce is essential to business success. While most recognized the value of sensitivity and diversity training, they agreed that the common practice of making it a stand-alone activity was neither efficient nor effective. They suggested that it be integrated into all training as an *economic* issue relating to the company's bottomline, with a direct impact on the company's future and the employees' job security.

Working on the theory that people support what they create and resist that which is imposed upon them, participants recommended that middle-level managers of all races and ethnicities participate in planning for market and workforce changes.

The outcome would be a strategic business plan that

- defines the company's consumers,
- identifies how each group contributes to the bottom line,
- analyzes how they are reflected in the workforce, decision making and public image, and then
- determines how the marketing and employment patterns can be aligned with the consumer base.

Participants' opinions diverged on the issue of downsizing. For reasons that have little to do with race, gender, or ethnicity and much to do with incumbency, age and level of responsibility, white males have been the group most severely affected by middle management downsizing because theirs are the jobs being eliminated. Some participants declared that downsizing was a bottom line business issue separate from diversity. They contended that business has no obligation to make special arrangements for the downsized, even if those who lost their jobs might lash out and incorrectly blame women and minorities for their dismissal.

Others disagreed. They believed that turning out a large class of disgruntled white managers with reduced retirement benefits was not good for business or society or for "peace in our time". It is costly in terms of age discrimination suits (more than all other suits combined), reverse discrimination suits, gender discrimination suits, and acts of revenge wherein dismissed employees make privileged company information public. It was suggested that business can avoid those costs, both financial and psychic, by making dismissed employees "whole" and keeping the "social contract" with long-term employees. Companies can offer full

pensions despite early retirement, or offer older employees “special assignments” that are not on a promotion path but will keep them fully employed and eligible for a full pension when they do retire. Special assignments can range from mentoring junior and middle managers to long-term “executive loans” to non-profit organizations. As one participant stated, “It’s just a matter of when, where and how you spend your money—up front or later, good will or ill will. But pay you will.”

■ HOW ARE PROGRESS AND SUCCESS MEASURED?

The federal government has measured diversity by the numbers. Numbers certainly are one indicator of change. However, numbers alone cannot provide a full picture of an institution’s process or progress in meeting the challenges of change. Therefore, the participants agreed that much more sophisticated and subtle measures are called for.

THE CHALLENGES
OF CHANGE

IV

S E C T I O N

LOOKING AHEAD: ASPEN 1998

TAKING ACTION

PREPARING FOR THE FUTURE

□ Although the demographic changes that lie ahead are significant and far reaching, their full impact on the workforce, the general economy, and the political and social fabric of the nation will not be evident or deeply felt for the next 20 years except in terms of widespread anxiety and fear of the perceived downsides of what change may bring. Neither business nor society prospers when a significant number of Americans feel pessimistic about the future. Therefore, on the final day of the Seminar, the participants concentrated on what business can do to clarify change, to demystify change, to reflect a more accurate picture of the growing Hispanic population, and to help prepare the country to accept change.

The group identified four areas in which business can take action to meet the challenges of change:

- **Compile, analyze and disseminate accurate information on trends and their significance for business.** Without accurate information about when, where, how, and to what extent global and national change will affect the nation, business cannot make rational, informed decisions. To increase informed and consistent understanding of change, the information available to business should also be disseminated in non-threatening contexts, formats and milieus that relate to the interests of all other sectors of U. S. society.
- **Persuade the business community that it is not too early to prepare for the next generation of consumers and employees.** It is in the vested interest of business to take whatever steps are necessary to help the public adapt to the new diversity.

- **Improve understanding of what business can do to create harmony within its changing workforce.**
- **Increase efforts to make diversity the norm through regular, positive and balanced portrayals of the growing diversity of the U. S. population in mainstream media—print and electronic, entertainment, news and advertising.**

Seminar participants volunteered to serve on task forces to carry out specific projects. Over the next 12 months, the task forces will undertake the following assignments and will report back to the *1998 Aspen Institute Seminar on Hispanic Americans and the Business Community*.

- √ Prepare a marketing and consumer data package on major market sectors. How do corporations in major market sectors perceive and address Hispanic and other minority consumers? To what degree are corporations aware of the growing Hispanic purchasing power and purchasing behavior? How do they use the data they amass on education and income levels, preferences and brand loyalty? Do they see the trends? Do they understand the potential for business products, and high-end products? Does the awareness or lack thereof translate into media, programming, visibility, and portrayal?
- √ Convene a meeting with a group selected from the top ten national advertisers to make the long-range and short-range cases for more balanced portrayal of diversity in mainstream advertising and in the programs they sponsor.

- √ Open discussions with industry awards committees to explore the feasibility of establishing awards for the positive depiction of diversity in advertising, the media and entertainment.
- √ Identify mainstream and minority forums suitable for presentations of the challenges of change.
- √ Develop a list of indicators beyond numbers that can measure how successfully an institution has achieved harmonious inclusion.
- √ Research and prepare a manual outlining the steps businesses can take to promote harmony in the changing workforce.

Participants emphasized that business needs the cooperation of Hispanic and other minority communities in their endeavors to promote inclusion, pointing out that there are times when external community pressure is helpful in resolving advertising, marketing and employment issues. The African-American community has exerted pressure but, in general, the Hispanic and Asian communities have not. One participant suggested that it is important to understand when it is more effective to show business that inclusion serves its vested interests and when it is more effective or necessary to exert pressure to achieve inclusion. The consensus was that "vested interest" is the best tool to promote change in mass media and marketing, but pressure is called for *when and if management is deaf to "vested interest" arguments for equitable access and inclusion.*

On August 23, 1998 the *Aspen Institute Seminar on Hispanic Americans and the Business Community* will convene in Aspen, Colorado, to continue the work so vital to the nation's future harmony and economic growth.

If this nation continues to ignore backlash and fails to commit itself to meeting the challenges of change, pessimism will win the day; faith in a fair and just society will weaken and commitment to the common good will fade away.

Therefore, business leaders must squarely and honestly look to the future and act.

We must assure that the social cement that binds together a nation of immigrants remains strong and endures into the 21st Century.

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