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**The Economic Impact of Elder Care – The Employer Perspective**  
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Thank you Sen. Klobuchar for the opportunity to speak today. And thank you distinguished members of the Joint Economic Committee. My name is Scott Weisberg and I am Vice President of Compensation, Benefits and Staffing at General Mills. We make Cheerios, Green Giant vegetables, Progresso soups, Pillsbury baked goods and Yoplait yogurt, to name a few of our household brands. We have 28,000 employees – about 18,000 work in the United States – with annual sales of \$12.5 billion.

I'm particularly glad to be here because the subject of elder care has been of interest to General Mills for some time. Back in the 1970s and 80s, we recognized there had to be a middle ground between the elderly living at home and being moved to a nursing home. Our foundation invested in a series of assisted living programs to provide both housing and health care for seniors. The result was Altcare, and seven alternative senior living facilities, which are still being operated today by Volunteers of America.

Today, I'd like to share why elder care is still important to General Mills, how we support employees who are wrestling with work-life issues, and offer some insight into what employees and employers might value in the future.

**The War for Talent**

To understand how we approach this issue, let me start by providing some context about our company's employee value proposition and how we compete in the "War for Talent" in the marketplace. In some ways, we're traditional – one of the remaining 18 percent of

private employers that still offers a defined benefit pension program. We strive to be a “cradle-to-grave” employer, which means we hire many of our employees at the entry level and hope they spend their entire career with General Mills. We believe this continuity translates into performance and a competitive advantage in the marketplace.

Our benefits package reflects this core philosophy – our benefits are imbued with incentives to encourage people to stay. Our defined benefit pension program is one of our principal vehicles to reinforce employee retention. We also offer a 401(k) program with a company match that varies depending on the company’s performance, as well as health insurance for our retirees.

This focus on retaining talent is more important than ever because the “War for Talent” is heating up. In the past, the college graduates we hired for entry-level positions were receiving two competitive offers, on average (in addition to ours). Today they are receiving five offers, on average. And we expect in the near future they may be receiving seven or nine offers.

Another implication of a hot job market is that executive recruiters – knowing our reputation for hiring and developing superior talent – have targeted General Mills to hire away our employees. We’ve recruited and invested in these employees’ development, so it’s in our interest to retain them. And that’s where our philosophies regarding employee benefits come into play.

However, over time we have come to realize that pay, benefits and career development alone aren’t enough to retain employees. As a result, we also offer a variety of work-life policies and programs that also help make General Mills a great place to work. We know our employees value these programs, and we’ve been recognized by several independent organizations for them:

- “Best Companies for Working Mothers” from Working Mothers magazine.
- “100 Best Companies to Work For” from Fortune magazine.

- “Best Employers for Healthy Lifestyles” from the National Business Group on Health.
- “America’s Most Admired Companies” from Fortune magazine.

Going forward, we believe this kind of employee support is only going to become more important. That’s the context in which I would like to focus my comments on elder care. Today, people are living longer and that means two things: Our employees will be helping to take care of their parents longer and they may also keep working longer to ensure they have the resources to provide for themselves *and* their parents.

### **Elder Care and Work-life Balance**

General Mills takes a holistic approach to retaining employees through its work-life programs (including elder care) and we use three basic levers to achieve this goal. We provide employees with:

- Financial support and expert advice
- Time
- A culture of management support

### ***Financial Support and Expert Advice***

The most obvious way to support time-starved employees is to create policies and programs to aid them. For example, we have invested in a company funded “Employee Assistance Program” (EAP) for more than 20 years. Our EAP provides confidential support through the Internet and a toll-free phone line. In the elder care area, some of the services our EAP provides include:

- Consultation to employees regarding the care for elders, coping with the aging process, communicating with parents and understanding Medicare/Medicaid.
- Access to a database of nearly 100,000 elder care providers.
- Personalized search and referrals to adult day services, in-home safety assessments, meal and transportation services, retirement communities, nursing homes and hospices.

- Training to help employees learn how to anticipate and plan for elder care concerns.

In addition to elder care support, we offer the opportunity for employees to purchase long-term care insurance at a discount. Our benefits department sorts through the complex labyrinth of providers and identifies high-quality vendors so employees can feel confident in their selection. And that's another important way we can help.

### *Time*

The one thing many employees need more than ever before is time. Often, when caring for an aging parent, the most important support that can be provided is being there – for appointments or to discuss a sensitive issue. For this reason, we offer a number of time-off benefits for employees, including:

- Three weeks paid vacation in the first year of employment and up to five weeks of paid vacation, depending on service.
- Flexibility through part-time employment, job-sharing and flexible work hours.
- Paid maternity, paternity and adoption leave.
- “Summer hours,” which allows employees to take Friday afternoons off throughout the summer. Summer hours begin on Memorial Day and end on Labor Day.

Recently, recognizing how much employees value flexibility, we adopted two additional types of unpaid time off:

- “Flex vacation,” which provides up to two additional weeks of vacation per year.
- “Sabbaticals” of between four and 12 weeks for employees with seven or more years of service.

When you're employing people for the long haul, it's to be expected that work-life issues can occasionally get out of balance. A company's commitment to stand by employees through these difficult times enhances retention.

### ***A Culture of Management Support***

We all know that even the best policies won't work if they are not supported by a company's leadership. I experienced my own version of the "Sandwich Generation" phenomenon about six years ago during one of the most demanding periods of the company's recent history: the integration of Pillsbury into General Mills. As you can imagine, there are a tremendous number of human resource issues associated with such a merger.

At the time, my son was about 15 months old and my wife was logging some significant business travel. Further, my father had just been diagnosed with cancer and lived 1,500 miles away in California. I was fortunate to work for General Mills at the time. We took advantage of our EAP to identify a child care provider, as well as refer us to high quality elder and hospice care. I also consulted with the General Mills company doctor, who helped me navigate the complex healthcare environment and coached me on how to ask my father's doctors the "right" questions. Most importantly, I had a supportive boss who knew I needed to take time away from the office to attend to my father's care.

My story isn't unique. I know of many others who have similar stories. These people are truly grateful for the way General Mills supported them during times of personal stress. From an employer's point of view, being supportive makes sense. It's not only the right thing to do; it builds employee loyalty and has huge retention value.

### **The Road Ahead: Employee and Employer Needs**

While we've focused on how employees provide support for an elderly family member, another way to view this issue is to consider how best to support employees who are aging and have concerns about their own financial and physical well-being. We know

that the rising cost of health care combined with the fact that people are living longer is translating into retirement concerns for Baby Boomers. In fact, a recent study indicated that the Number 1 concern of employees who are nearing retirement is the rising cost of healthcare. As a result, many employees are interested in alternative solutions to supplement their retirement income to pay for their medical costs.

While this could seem like a difficult situation, there is an opportunity for a “win-win” scenario. Employers have an interest in retaining their experienced employees until Generation X and the Millennials acquire enough expertise to replace them. Companies like General Mills would like to offer more flexibility as it relates to “phased retirements,” which would allow employees to collect some of their retirement benefits while still working. As things stand today, there are some small barriers that make this difficult.

Under current regulations, our employees are prohibited from working for us while collecting pension benefits. They can, however, work for *another* employer and draw their General Mills pension. We’d like to see this current system modified so that if employees wanted to phase into retirement, they could “phase into” receiving a share of the pension they had accrued with us. This would allow our employees a chance to supplement their income by applying the wisdom they gained at the same place in which they’ve spent their careers. We believe that this would be good for employees and, of course, is good for a company like ours.

Second, is a small modification in the law related to Health Savings Accounts (HSAs), which allow employees to set aside money on a tax-favored basis to pay for current and future healthcare expenses. At General Mills, we would like to allow our employees to take advantage of HSAs, but under current legislation, we are ineligible to provide one because we have a company health clinic. The in-house clinic allows employees the convenience of using preventative on-site services on a voluntary basis. As a self-insured employer, we believe these preventative services are delivered in a cost-effective manner and may save the company from larger costs down the road. By providing more

flexibility in the rules for HSAs, it is our view that we may be able to address some current concerns employees have regarding the rising cost of healthcare.

### **Conclusion**

It's clear that elder care is only going to become more important as our population ages. Most of us are going to have to deal with this issue at some point in our lives. We see providing employees with the information – and the time – to navigate through this period of their lives as a key retention strategy for General Mills.

In the future, I believe that it will behoove all employers to recognize the importance of elder care – as well as other work-life balance issues – if they are going to be the winners in the War for Talent.

Thank you for the opportunity to appear before you today. I would be happy to answer any questions that you have.