

**“Avoiding a Lost Generation: How to Minimize the Impact of the Great Recession on Young Workers”  
CVS Caremark Testimony at the Hearing of the Joint Economic Committee (JEC)  
May 26, 2010**

Good morning Chairwoman Maloney, Senator Schumer and members of the Joint Economic Committee. I am Steve Wing, Director of Workforce Initiatives for CVS Caremark. Thank you for inviting me to speak to you today about CVS Caremark’s experience developing programs to train disadvantaged youth for careers at our company.

But first, I’d like to tell you a little about CVS Caremark. We are the leading pharmacy health care company in the United States, and have more than 7,000 CVS/pharmacy stores and 211,000 employees across 44 states, the District of Columbia and Puerto Rico. Our colleagues demonstrate a shared passion for customer service and a commitment to creating a better future for health care in America. The various job positions at CVS/pharmacy stores range from pharmacist and pharmacy technician to store manager, photo lab technician, beauty advisor, store greeter and cashier.

An integral part of our mission is our investment in our workforce and the communities we serve. CVS Caremark has built a track record not only as a great place to work, but as a company that has developed a true specialty in the area of job creation and workforce development. Partnering with federal, state and local officials, with local nonprofit groups focused on job training and with the deans of pharmacy schools and others in higher education, we have developed programs that are recognized nationally as models for recruiting and training

colleagues from all walks of life and for building true career paths in the communities where our facilities are located.

Our investment in training is especially critical now as we, along with many others in the retail industry, feel the pinch of two seemingly contradictory labor trends. With the retiring of Baby Boomers, and a growth in demand for health care as the U.S. population ages, CVS Caremark is facing high demand for supervisory and management staff and pharmacists. But within our current national workforce, an absence of key basic academic and workforce skills makes it difficult for many entry-level employees to advance to management positions and build rewarding careers. By enabling both our new hires and our current colleagues to gain these critical skills while they train for advancement, we are creating “on ramps” to employment and helping employees develop essential workforce skills they need for promotion within the organization – whether for management positions or to become pharmacy technicians and pharmacists.

### **Pathways to Pharmacy**

We are also reaching out to disadvantaged youth to help them take their first step toward a career in pharmacy, through our Pathways to Pharmacy program. Founded in partnership with the America’s Promise Alliance of community groups and schools in 2000, Pathways to Pharmacy has surpassed its goal of introducing 1 million children to pharmacy as a potential career. We have also reached our goal of generating \$4 million in summer internship wages for high school students. Our summer internship component of Pathways to Pharmacy serves more than 1,800 teenagers in more than 40 cities each year – and last year we expanded the program to include

new markets in Tennessee, North Carolina, Ohio, Texas and Indiana. The summer programs across the country run six to eight weeks, where high school students spend the first weeks learning about customer service and the field of pharmacy in a classroom setting, and the last weeks gaining hands-on experience while interning at CVS/pharmacy stores. In many cities, the program also partners with professors at the local college of pharmacy so that students may get a glimpse of what pharmacy school is like, and the practical steps that are necessary to get there. Following their paid internships, students are eligible to continue working at CVS/pharmacy and to work toward a national certification to become a pharmacy technician. CVS/pharmacy also offers various training opportunities to help its employee's progress in their pharmacy careers to become pharmacy technicians and pharmacists. Ultimately, the program creates opportunities for future employment with CVS Caremark.

In fact, many graduates of the Pathways to Pharmacy summer internship program are pursuing degrees in pharmacy and/or are currently working at CVS/pharmacy stores. One example is 20-year-old Veronica Vergara, who participated in Pathways to Pharmacy in Chicago four years ago, the summer before her senior year in high school. While interning at a CVS/pharmacy store, she says the pharmacists went out of their way to teach her about pharmacy, mentor her, and answer her questions about pharmacy school. She fell in love with the profession, and is currently a junior at the University of Illinois at Chicago, with definitive plans to enroll in a four-year pharmacy school after she graduates. She has also continued working at the same CVS/pharmacy store since her internship; she started as a pharmacy sales associate and then studied to become a certified pharmacy technician, her current position, and she works 20 hours a week in between classes.

Veronica says that before her internship at CVS/pharmacy, she never would have even thought of becoming a pharmacist, but now thanks to the mentoring and support from CVS she finds herself on a solid career path in a profession she loves, where she is able to interact with and help many people in her community every day.

### **Pathways to Retail Careers**

CVS Caremark has also recently piloted a “Pathways to Retail Careers” program in Boston and Detroit focusing on high school dropouts and people who have obtained a GED. Working with several partners including WorkSource Partners, as well as our own CVS Caremark Regional Learning Centers, we provide six weeks of intensive training in a classroom setting. The training was designed so that it incorporates critical workplace skills as well as CVS-specific training. In addition, the young people have a mentor and social supports to help ensure their success. Following the classroom-training period, the young people apprentice in a CVS store, where they have the chance to practice what they have learned. At the same time, the managers have the chance to see what kind of employee the young person will be before making a hiring decision. In the second phase of the pilot, once the young person is an employee, we have designed a set of tools that they can use to continue their skill development (online training and on-the-job training) so that in conjunction with their manager they can continue on a career path. The mentor continues to check in with them and help them trouble shoot any challenges that may arise.

The Pathways to Retail Careers pilot program is showing early promise, with young adults making successful transitions to work in both Boston and Detroit. In Boston, for example, among those successfully completing the pre-employment training, 86 percent have secured jobs, and 79 percent of those remain employed. That retention rate far exceeds the company's average. And from the important perspective of CVS/pharmacy store managers, the investment is paying early dividends. Almost uniformly, company officials report that youth from the pilot program are much better prepared for entry-level positions than other job candidates. We developed this pilot with support from the Kellogg Foundation's New Options Initiative. CVS Caremark plans to work out the kinks in these first two markets, and roll out the program regionally and ultimately nationally.

### **CVS Caremark Regional Learning Centers**

Supporting this and many other workforce programs are our CVS Caremark Regional Learning Centers. In partnership with local One-Stop centers, we have developed a training program for new entry-level employees and first-level managers that simulates on-the-job roles and responsibilities in a replica of a CVS/pharmacy store. At the seven CVS Caremark Regional Learning Centers in six cities, employees are trained on curriculum developed by the National Retail Federation (NRF) with an emphasis on customer service and skills that prepare them for a career path ranging from entry-level to pharmacy assistance and technician positions. Incumbent workers receive training to help them move up the career ladder. A recent study found that the learning centers have a positive impact on employee retention, advancement, completion of certifications, and sales.

For example, CVS/pharmacy partnered with the District of Columbia Department of Employment Services to open the South Capitol Learning Center here in Washington, DC in 2001. The Learning Center features a One-Stop job center for unemployed D.C. residents and a training center for CVS employees. CVS offers the ultimate recruitment incentive to local job seekers that visit the Learning Center – a guaranteed job if they qualify for public assistance funds and complete one of the on-site training programs.

The training prepares entry-level employees for their first jobs at CVS stores and helps current employees improve their skills and obtain higher-paying jobs within the company. At the training center, employees learn to use a cash register, develop photographs, shelve merchandise, and assist in the pharmacy at the center's freestanding mock store. Program costs are shared by CVS Caremark and the District of Columbia through public Welfare to Work funds and workforce investment dollars.

When scaling up our various workforce programs to other markets, CVS Caremark has found that the most difficult task is identifying the key players, given that they are not the same in each market. We have learned that it is critical to develop partnerships with a range of local government agencies, faith-based groups, community colleges and other interested parties. And it is important to develop a detailed corporate plan first, and then share the plan with potential partners so that they fully understand a program's details, what is expected of them, and how the program may further their own objectives.

We feel that Congress needs to pass the Workforce Investment Act while focusing on the largest areas of youth unemployment, and concentrate on developing employment opportunities in those markets. I am on the board of directors at Corporate Voices for Working Families. Corporate Voices is a key player in working with businesses, and they have dedicated themselves to youth employment opportunities. They have completed a case study on CVS Caremark's role in helping out-of-school youth through our Pathways to Retail Careers pilot, and I'd be happy to share this case study with anyone who's interested.

Thank you Chairwoman Maloney, Senator Schumer and members of the Committee. We appreciate this opportunity to tell you about our experience recruiting and training young adults from all backgrounds for careers at CVS Caremark.

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