

Testimony of

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Homeland Security and Governmental Affairs Committee

U.S. Senate

Wednesday, September 24, 2008

Senator Lieberman, Senator Collins, and members of the Committee for Homeland Security and Governmental Affairs, my name is Yvette Burton and I am the Global Business Development Executive for Gay, Lesbian, Bisexual, Transgender (GLBT), and Human Capital Market Segments at IBM. I have submitted my testimony for the record.

In my testimony, I will share IBM's point of view as one of the growing number of Fortune 500 companies implementing domestic partner benefits. In addition, I will address IBM's job market perspective on the utilization of domestic partner benefits as a strategy for competitive talent management.

Senator Lieberman, Senator Collins, and other Committee Members, IBM has over 356,000 employees in 74 countries. IBM unites different cultures, languages, professions and perspectives in one globally integrated enterprise. This unique combination of viewpoints fuels IBM technologies, products, services and our commitment to client success.

As a leader on GLBT issues, IBM can be proud of the progress it has made in empowering GLBT people in the IBM workplace and around the world. For example:

- IBM maintains a 100% ranking on Human Rights Campaign (HRC) Corporate Equality Index for the United States.
- In 1999, IBM was named one of the best companies for gays and lesbians to work for by HRC.
- In 2002, IBM became the first “Gold Corporate Sponsor” of the Atlanta Executive Network (AEN), the largest GLBT professional networking organization in the U.S.
- “Advocate” magazine names IBM one of the “Top Companies to Work at Today.”

As a business-to-business company, corporations and institutions come to IBM for leadership and as a model to build and leverage a diverse workforce to drive client success. In essence, we provide the answer to the question - “**Why IBM Works?**” Undoubtedly, programs such as domestic partner benefits are a critical component to our success.

So, let's examine how domestic partner benefits actually benefit business.

IBM has become a globally integrated enterprise. As our economy becomes more globally integrated and competition for skilled employees becomes more intense, the ability to attract, retain, and develop world class talent is crucial.

For over a decade, IBM has used domestic partner benefits as a differentiating and competitive method to attract employees.

Increased loyalty to the company and our history of non-discrimination practices are some of the immediate advantages of this program. But, domestic partner benefits do not only attract GLBT employees. Like IBM, many companies report that the implementation of domestic partner benefits helps attract and retain critical talent from non-gay and lesbian talent. These particular candidates have reported that the existence of a domestic partner benefits policy at IBM shows the company values and truly believes in a workplace that respects and protects all employees. It also shows IBM's commitment to including diverse perspectives. This

trend is especially prevalent among younger candidates of the workforce -- a segment crucial to the future demographics of any sector.

Domestic partner benefits serve as a vital talent development opportunity at the leadership level. As organizations effectively integrate domestic partner benefits into practice, it provides a valuable framework for leaders to clarify the organization's commitment to eliminating attitudes and behaviors that may negatively impact business results. In a nutshell, it can improve low productivity and morale caused by inequitable workplace practices, thereby creating a positive work environment.

Unfortunately, many GLBT employees spend a good deal of their workdays concealing their orientation from co-workers for fear of backlash or adverse impact to career advancement. The absence of domestic partner benefits contributes to this problem by signaling to all employees that GLBT employees are not equally valued in the workplace. This disconnect in the commitment to equitable treatment of the workforce can become a breeding ground for inconsistent

employment and human resource conditions for GLBT employees in general.

Providing domestic partner benefits can help an organization develop a stronger and industrious workforce. How? Strong development opportunities have been evident in the results of GLBT employees who take personal risks to discuss their families with their managers. In these examples, we see key business skills -- skills like strategic risk taking, decision making, and trust/responsibility. These leadership skills are key to achieving a company's business objectives. In the end, manager-employee conversations prove to be a valuable growth opportunity for employees and the organization.

Lastly, domestic partner benefits create a sense of loyalty to the company, a bond between the employee and the organization, as well as a balance of work and home. In competitive markets and difficult or uncertain times, the commitment by our employees has proved enduring.

A related issue I'd also like to address is IBM's support for the Tax Equity for Domestic Partner and Health Plan Beneficiaries Act (S. 1556). As many of you know, gay and lesbian employees who receive domestic partner benefits have to pay taxes on their employers' contribution for health insurance benefits and employers must pay payroll taxes on their employees' taxable income. This legislation would eliminate these taxes and allow those who cannot afford the extra taxes to offer health coverage for their loved ones.

In conclusion, IBM, much like the federal government, has a long history of establishing equilibrium in the workplace. And IBM, much like the federal government, has worked to eliminate the gap between the promise and the practice of workplace equality. These actions have proven to be very successful for IBM on many levels.

Specifically, IBM's triumph in creating an open and welcoming environment – regardless of sexual orientation, gender identity and gender expression – has truly allowed us to attract and retain talent to advance our business.

Thank you.