

Opening Statement of Senator Herb Kohl
Special Committee on Aging Hearing
Leading by Example: Making Government a Model for Hiring and Retaining Older Workers
April 30, 2008

Good afternoon, I would like to welcome our witnesses and thank them for their participation. We are here today to discuss how we can make the federal government a model for hiring and retaining older workers.

Instituting policies that allow older Americans to continue working if they so choose has been a priority of mine for a number of years. It's not the flashiest topic that these hearing rooms have seen, and it doesn't always garner the most attention. But the issue of older workers is no less important to each of us, and indeed to the entire country. Last year, this committee held a hearing to consider what effect the retirement of the baby boom generation will have on our nation's economy. We had the Federal Reserve testify that with tens of millions of baby boomers retiring, the impending labor shortage would significantly slow the growth of our economy. Such a slowdown will lead to a lower standard of living for everyone.

I said this a year ago and I'll say it again today: with the retirement wave upon us, we must encourage employers to adopt policies now to attract and retain older workers. It is possible to craft commonsense policy to create a win-win situation for both older workers and the companies that employ them. Today we'll turn the spotlight on our own backyard, focusing on what the federal government is doing to hire and retain older workers, what policy changes would help them do it better, and what the private sector can learn from the improvements that we wish to make.

Why the federal government? Because nowhere is the foreseen labor shortage more pronounced than within the workforce of the nation's largest employer. Over the next five years, more than half a million permanent full-time federal employees—or about one-third of the full-time federal workforce—will be eligible to retire. And over the next ten years, more than sixty percent of the federal workforce will reach retirement age.

Perhaps working longer seems like a no-brainer. If you want to continue working past retirement age, simply don't retire and keep going to work everyday. But what may be surprising to many is that there are often financial, bureaucratic, and personal barriers to doing so. For instance, a percentage of hard-earned Social Security benefits may be forfeited for some who continue to work, and the opportunity to take advantage of delayed retirement Social Security credits is limited.

Additionally, many older Americans desire increased flexibility in the workplace after they've hit retirement age. Some would like more time to travel and pursue

hobbies, while others find themselves with caregiving responsibilities for a loved one later in life. Unfortunately, the barriers to continuing to work part-time are even more burdensome. They include loss of healthcare coverage, a decrease in pension earnings and, for government employees, a hefty penalty under the Civil Service Retirement System.

I have found that there is not one simple change that would address all of these problems. Yesterday Ranking Member Gordon Smith, Senator Conrad, and I introduced the Incentives for Older Workers Act, which would address many of the barriers I've enumerated. This is in addition to two bills I introduced last year, which offer expanded healthcare coverage and training to older workers, as well as incentives to employers.

We have a solid panel of witnesses today, and we'd like to thank them again for their participation. I now turn to Ranking Member Gordon Smith for his opening statement.