

STATEMENT OF SENATOR GORDON H. SMITH

U.S. Senate Special Committee on Aging
“Leading by Example: Making Government a Model for
Hiring and Retaining Older Workers”
April 30, 2008

Good morning and thank you all for being here today.

The United States is about to experience an unprecedented demographic shift with the aging of the baby boomer generation.

According to the Census Bureau, in 1980, individuals age 50 and older represented 26 percent of the population. By 2050, this is expected to rise to 37 percent.

In my home state of Oregon, residents 65 and older are expected to comprise 25 percent of the state population by 2025. This will make Oregon the fourth oldest state in the country.

The aging of our population will have a significant impact on many aspects of our society, including our labor market. A 2007 Conference Board study reports that current retirement trends could create a U.S. labor shortage of 4.8 million workers in 10 years.

According to Dr. Preston Pulliams of Portland Community College, speaking at last year’s older workers hearing, 53 percent of Oregon businesses report that it is extremely or very likely that their organization will face a shortage of qualified workers during the next five years as a result of the retirement of the baby boomers.

We also must be concerned with a possible “brain drain.” Our workforce will be losing some of our most experienced workers – many of whom have skills and knowledge that will be difficult to replace.

However, the effects of these trends can be mitigated if older workers decide to stay in the workforce longer. And therefore, I commend Chairman Kohl for holding this important hearing focusing on our nation’s largest employer – the federal government – and how it can become a model for hiring and retaining older workers.

To this end, I’m pleased to be working with Chairman Kohl on a number of initiatives.

First, we introduced a bill yesterday, along with Senator Conrad, that addresses the older worker issue. Specifically, the bill will provide incentives to older Americans to stay in the workforce longer, encourage employers to recruit and retain older workers, and eliminate barriers to working longer. These proposals are particularly important since according to AARP, 79 percent of baby boomers plan to work in some capacity during their retirement years.

In addition, I'm pleased to be joined by Senators Kohl and Voinovich to request a Government Accountability Office (GAO) report focused on workplace flexibility in the federal government. Flexible work arrangements are a priority for older workers. Therefore, we have asked GAO to review the Office of Personnel Management's implementation of workplace flexibility programs and examine barriers and opportunities to expanding work/life programs.

Again, I thank all of the witnesses for coming today. I look forward to a productive discussion. With that, I'll turn it back to Chairman Kohl.