Good morning Chairman Kohl, Ranking Member Smith, and members of the Committee.

Thank you so much for the opportunity to testify this morning on the aging workforce and its impact on business and the economy. I would especially like to thank Senator Wyden and Senator Smith for their support and leadership on behalf of Oregon’s higher education system.

My name is Preston Pulliams and I am District President of Portland Community College in Portland, Oregon. Portland Community College is the largest post-secondary education institution in Oregon, enrolling more than 88,000 students each year in college transfer, professional technical programs, community and adult education. In addition, our Division for Workforce and Economic Development provides a full range of services to businesses and job seekers, including pre-employment services, customized training, and continuing education for professionals.

As a community college, the average age of our students has always been higher than four-year universities. Currently one in six students enrolled in PCC’s credit courses, and 6 in 10 students taking our Community Education classes, are 40 or older. This represents approximately 10,000 to 15,000 students each term at PCC who are 40-plus.

We are certainly not unique, however. What PCC is experiencing is part of a nationwide trend of aging boomers and pre-boomers returning to school, not simply for enrichment, but for retraining and re-careering. And, this trend will only increase in the future. Between 2000 and 2015, Oregon residents 25 and older – the “nontraditional” student population – are projected to increase by 25%, while the number of residents age 18 to 24 will grow only 2%. Furthermore, Oregon residents 55 and older are expected to comprise 26% of the population by 2020 and its 65 and older population is expected to comprise 25% of the state population by 2025, making Oregon the 4th oldest state in the country.

Over a year ago, I commissioned a college-wide Taskforce on Aging to make recommendations on how PCC could best prepare for these trends. The scheduling of this hearing is quite timely because today, back in Portland, PCC is hosting a conference of our faculty and staff, together with our business and community partners, to explore how the College can most effectively respond to the age boom we are all confronting. A major focus of this conference is on the aging workforce, including how PCC can support older workers who want to remain in the workforce and how PCC can help businesses retain an older workforce.

In connection with the Age Boom Conference, we are releasing three studies that directly bear on the subject of today’s hearing. They are:
• *Oregon Gray Matters* – a study of the impact of the aging population on Oregon’s workforce;
• *AARP Employer Poll on Workers 50+* – a survey of 400 Oregon employers to determine how they are preparing for anticipated labor shortages; and
• *Boomers Go to College* – a survey of Portland Community College students who are 40 and older. We believe this last report may be the first detailed picture of the needs and aspirations of the baby boomer wave enrolling in colleges and other life-long learning programs across the country.

PCC is grateful for the support and collaboration of several community and government partners in the development of these reports, including AARP and its affiliate AARP Oregon, the Oregon Department of Community Colleges and Workforce Development, the Oregon Employment Department, and Worksystems, Inc., the Portland area workforce investment board.

Here’s what we learned.

Forty-three 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 result of the retirement of the baby boom generation. However, nearly two-thirds have not taken measures for the projected labor shortages.

At the same time, approximately 80% of Oregon’s older workers are planning on working past “traditional” retirement years. Furthermore, four out of five older students enrolled at PCC are not taking classes simply for personal enrichment but to upgrade their skills, re-enter the workforce, or re-career.

Given the right conditions and incentives – to both older workers and their employers – Oregon can count on its aging workforce to meet most of its projected workforce needs within the next decade. Whether Oregon capitalizes on this great potential will depend on whether the state can bring together the necessary range of business, civic, education, and government actions and partnerships to overcome the barriers older workers experience to working longer.

For example, we must work to overcome the misperceptions that many employers have about older workers. While a number of businesses surveyed indicated that tapping into the institutional knowledge of long-term employees is extremely important, many businesses believe that older workers are more costly to employ. However, AARP’s research found that workers over 50 make up for any increases in health care costs with lower turnover and the resulting reduction in recruitment costs, training costs and loss of institutional knowledge. To maintain a competitive advantage in the tightening labor market, employers need help designing a workplace that attracts and retains workers who are eligible to retire. This may include flexible work schedules, enhanced training opportunities, and competitive benefits.

To stay competitive in a changing labor market, older workers require skills training and education; however few have the luxury to complete a four-year degree, or perhaps even a two-year degree, through a traditional semester or quarter system. Juggling work, home, family, and school obligations, older students are extremely motivated to complete their studies in a
relatively short timeframe and through alternative modalities, such as distance learning, to enable them to translate their education quickly into meaningful employment. Colleges can do much to support the older student, by increasing flexibility in class scheduling and content, providing credit for prior work-based learning, expanding counseling and advising services to assist older students to successfully reach their goals, and developing internships and other workplace training programs in partnership with local employers in the community.

In order to take advantage of these opportunities, older workers must have access to sufficient financial aid and re-training dollars. We are so pleased that both the House and the Senate have approved the Fiscal Year (FY) 2007 Joint Funding Resolution, establishing the first increase in the Pell Grant maximum in five years. Thank you for your leadership on this issue. But there is more we can do to ensure that higher education remains accessible for students, including older students, and I urge you to consider an additional increase in the Pell Grant maximum this year. I also believe we must deepen our investment in workforce training. In addition to the problems that any adult worker might face in getting retrained, older workers can be more vulnerable to dislocation. Once they exit the labor force (through downsizing or layoffs), they often find it much more difficult to re-enter and find salary and benefits at their previous level. However, the funds appropriated for dislocated worker training have increased less than half a percent from FY 2000 to FY 2006. Funds appropriated for adult job training have actually decreased during that same time period, from $950 million to $864 million. The President’s FY 2008 budget would cut these programs even further, despite the fact that they are so critical to keeping older workers employed and businesses competitive.

Community colleges are uniquely qualified to address many of the obstacles that prevent older workers from remaining in or returning to the workforce. We are accustomed to working with non-traditional, older students, who are balancing school with life’s many demands. According to the Center for Community College Policy, older students are twice as likely to attend a community college as a 4-year college or university. Community colleges have historically offered the most affordable route to higher education. In addition, our close relationships with business and industry and our record of flexibility and responsiveness results in training that is highly relevant for the workforce of today and tomorrow.

At Portland Community College, we have developed several strategies to help older workers to stay in the workforce.

**Older Worker Transitioning:** PCC, in partnership with several businesses and non-profit organizations, has begun a program to help baby-boomers nearing retirement to plan for their future. The partnership, Life by Design NW, is built around three stages for its participants -- Discover, Design and Engagement. In Discover, a participant explores his or her interests, finances and health to set the stage for planning. In Design, they use this information to develop a life path. In Engagement, they connect with educational institutions such as PCC or community organizations to pursue new careers, volunteer opportunities or other interests.

**Short-term Skills Training:** PCC’s Career Pathways program has developed 17 professional technical offerings – most of which are appropriate for older workers who may no longer be capable of working in physically demanding jobs – that are delivered in a compressed schedule.
so students can get back into the workforce quickly. These programs, which are eligible for WIA support, are scheduled with the working adult in mind, organized in cohorts so students can provide support to each other, and linked directly to high demand occupations. PCC is also developing processes to provide college credit for prior learning as well as for workplace-based learning that employers might provide. Our objective is to make sure that all legitimate college-level learning is captured and leads to credentialing along the way.

Support For Older Workers Seeking Employment: PCC manages three of the Portland area’s One-Stop Career Centers. In response to the growing number of 50-plus workers coming in for services, our One Stops developed a weekly job search support group for them. In her 60s herself, the facilitator brings in guest speakers from the community to cover topics such as: “Ability is Ageless: Learn how Mature Workers Confidently Approach Employment”; “Rewired & Rehired: Dealing with the Overqualified Issue”; and "Age as an Advantage in the Workplace.”

Helping Business Manage the Age Boom: Finally, PCC’s entrepreneurial departments are anticipating and responding to businesses’ need to manage the impending boomer retirement through customized strategic planning workshops for employers. The planning workshops often lead to customized services such as multi-generational management and supervisory training; mentorship training for older workers so they can transition into less-strenuous work; succession planning and performance; and management services to help efficiently develop “bench” strength in the workforce.

In closing, I would like to thank you again for the opportunity to testify this morning. On behalf of the 1200 community colleges across the country, I sincerely appreciate your interest and consideration of the role our institutions can play in assisting businesses and workers as our population ages. With the support and collaboration of both business and government, community colleges are ready to meet the challenges presented by our changing demographics.