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**INTRODUCTION**

The narrative around aging in the U.S. has been largely negative: the retirement rate is accelerating, there are workforce skill shortages, underfunded pensions, runaway health care spending, and unsustainable government deficits. Commonly referred to as the “silver tsunami,” this discussion of the aging population portends disaster. The challenges associated with an aging population are real. The private savings of many older adults are inadequate, and related fiscal challenges—especially for the federal government—need to be addressed. These are critical trends to watch, shape, and act on.

Missing from the story are older adults’ remarkable assets: high levels of education, expansive connections, deep work experience, and considerable consumer power. Growing numbers of older adults seek meaningful roles as workers, entrepreneurs, volunteers, and consumers. They desire active involvement in community life and would like to support a variety of charitable causes with time, money, or both. The “silver tsunami” is really an opportunity.

Oregon lacks a strategy to engage and fully harness the potential of this rapidly growing population. This brief seeks to expand the narrative about older adult population and suggest how the State and local communities could tap this population’s knowledge, entrepreneurial talent, time, and resources.

**BENEFITS OF THE OLDER ADULT POPULATION**

The lack of attention to older populations as economic drivers may have been justified in the last century. Life spans were shorter. Older populations held considerably less education than younger cohorts.

Today, life expectancy for a 65-year-old is approaching an additional 20 years, and longevity is on the rise. Michael Hodin, head of the Global Coalition on Aging, argues that we put those decades to good use. Older adults that continue to work will create wealth and contribute to economic growth. Consequently, they’ll reduce their demand on public and private entitlement programs, which will benefit other generations.

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1. **Knowledge and skills**
2. **Experience, networks, and entrepreneurship**
3. **Time and resources**

**KNOWLEDGE AND SKILLS**

Today’s older adults, largely members of the Boomer generation, were raised at a unique time in American history. As the generation got its start, the U.S. was committed to aggressively building the skills of a postwar workforce. The Cold War sparked investment and interest in science and technology education. States were committed to keeping tuition low at public universities while also building open access to two-year colleges. During 1950-1980, growth in attainment was so robust that one prominent economist worried that the U.S. population had become overeducated.
INTRODUCTION

The education story of older Oregonians is impressive. In 2010, about one-third of Oregonians in their early 60s held a Bachelor’s degree or higher. That’s almost 20 percentage points higher than their similarly aged counterparts in 1990.

EXPERIENCE, NETWORKS, AND ENTREPRENEURSHIP

In 2007, Harvard University’s Ed Glaeser—a leading urban economist—sought to unpack why some metropolitan areas thrive and others don’t. A culture of entrepreneurship was a key factor, but he didn’t know what other factors contributed to that culture. He identified collections of newer, smaller firms and high rates of self-employment as proxies for entrepreneurship. Those two proxies were correlated with job growth and urban success.

Glaeser then examined regional conditions to determine what predicted a prevalence of new firms, self-employment, and a culture of entrepreneurship. He found that the right labor mix was critical, and that skilled, older people are just as likely to become entrepreneurs as younger people. Unsurprised by the finding, Glaeser concluded, “Education and age are associated with both human capital and assets, both of which are useful inputs when starting your own business.”

TIME AND RESOURCES

Older adults dominate charitable giving, which is unsurprising, given the population’s size and resources. Annual per-person cash contributions grow by age and reach about $3,000 for those aged 75 and older.

Older adults also have more discretionary time than their younger counterparts. Volunteer hours increase significantly beginning at 65 and approach 100 hours annually for the 65+ population. Oregon and Portland rank relatively high on measures of volunteerism. Thirty percent of age 65+ Oregonians volunteered in 2013 (13th rank), on par with Washington State but well behind Utah (42.6 percent) and Minnesota (39.0 percent). In Portland, 26.9 percent of older adults volunteered (15th rank), more than 10 percentage points behind Rochester, New York (38.1 percent) and Minneapolis (36.7 percent).

The time and resources held by older Oregonians are key inputs to social capital—the human networks that bind communities and foster opportunity. Stanford University’s Raj Chetty and partners point to social capital as a key predictor of whether a location will positively or negatively impact the income mobility of children who grow up there. In other words, an area’s social capital determines how successful a place will be in supporting the American Dream. Oregon’s social capital potential is expanding daily—as native Oregonians age into their giving years and older in-migrants arrive. A key question for Building a State for All Ages is: how do urban and rural communities put that potential to use?
THREE STRATEGIES TO HARNESS THE BENEFITS OF OLDER OREGONIANS

Older adults represent a growing and relatively untapped resource. This resource has the potential to help Oregon confront a broad number of complex community concerns and priorities. The question is: how can urban and rural communities engage older adults, putting their time and social and economic capital to good use?

ENGAGE OLDER ADULTS IN VOLUNTEER ACTIVITIES THAT ADDRESS THE STATE’S MOST PRESSING CHALLENGES

Oregon faces a number of key public policy challenges that threaten the State’s economic future: Too few children arrive in kindergarten ready for school. High school dropout rates are among the nation’s highest. Too few low-income students apply for federal aid and enroll in college. Low-income workers leave millions of dollars in tax credits unclaimed. Government has a role in addressing these issues, but government action and limited resources cannot deliver the outcomes that citizens need.

The solutions to many of the most critical challenges are labor intensive. Infants and toddlers and their parents need engagement and coaching. High school students seek connections with adults to mentor, monitor, and guide them through graduation requirements. High school seniors and returning students need assistance with the complex and intimidating federal financial aid process. Low-income families need help navigating IRS forms.

Fortunately, there is a large and eminently qualified population that has the time and talent to provide this guidance and encouragement—older Oregonians. They should play an important role in addressing the State’s complex problems, helping to design and implement education, workforce development, and poverty reduction strategies.

To seize this generational opportunity, political, business, philanthropic, and nonprofit leaders will need to organize around an engagement goal. Namely, Oregon should commit to increase the engagement rate of its older adults to 50 percent by 2025.

Oregon will have to overcome two unique challenges to meet this goal. First, places of worship are effective organizing points for volunteer efforts, and Oregon has one of the lowest rates of religious affiliation in the U.S. Second, less than half of Oregon residents were born in Oregon, which may dilute interest in local affairs. In short, an Oregon volunteer strategy will need to harness the talents and time of people who are less likely to engage through places of worship and are non-natives.

Oregon has a solid volunteer infrastructure. Senior Corps/AARP, Oregon Volunteers, and Portland’s HandsOn offer online opportunity matching tools, but taking Oregon to a higher level of engagement demands focus and the development of new approaches. Raising awareness of volunteer opportunities—especially for the growing ranks of in-migrants—will require fresh, wide-ranging advertising and outreach campaigns. This is a great collaborative opportunity for the business, nonprofit, and government sectors.

As one of the best-educated populations in history, today’s older adults represent a wealth of human and social capital. They offer deep career experience, unmatched personal networks, and the time to engage them. Oregon communities and organizations that intentionally engage their older adults can accelerate economic growth to build healthier communities—an investment that will benefit all generations. Former Multnomah County Chair Ted Wheeler (now City of Portland Mayor-elect), co-chaired a “Task Force on Vital Aging” with County Commissioner Maria Rojo de Steffey. The report highlighted best practices for engaging older adults in the community and in the workforce.

Awareness and desire to contribute to community life aren’t always sufficient to drive higher rates of engagement. Older adults may require additional education in order to sharpen their skills, explore a new area of interest, make new working relationships with others, and to match their interests and capacities to the needs of the broader community. Engaging in
lifelong learning opportunities offer a powerful community-building strategy for people of all ages. Colleges and universities can create new ways for older adults to become involved in community life.

Some older adults require help getting to and from volunteer posts. Urban planners, developers, and policymakers can play important roles here through the designs of new neighborhoods, and redesigns of existing ones, with hubs that contain housing, services, businesses, and non-profit organizations located in close proximity. Portland has been in the forefront of this work and has been recognized by the World Health Organization's Age Friendly Communities movement. A recent report, "The Case for Age Friendly Communities," highlights many of the intergenerational benefits that can result in further investing in this effort. Natural leaders of this initiative include PSU’s Toulan School of Urban Studies and Planning, MIT’s AgeLab, and the Oregon chapter of the American Planning Association.

**BOOST LABOR FORCE PARTICIPATION AMONG OLDER OREGONIANS**

Older Americans are extending their working years. Some will work full-time, some part-time, and some as a transition to retirement. The nature of work agreements for older adults is changing: many older adults are working fewer hours, only at certain times of the year, or only on special projects. Labor force participation rates for adults 55 and older are expected to reach 39 percent in 2020—up from 23 percent in 1990.

The extension of older adults’ working years brings a number of benefits. Older adults can boost productivity, mentor younger employees, transfer institutional knowledge to younger employees, fill talent shortages, and perform high-quality work in return for greater flexibility in their work schedules. These benefits are particularly important in rural communities, where the labor pool to replace skilled retirees is much smaller. Late-life work also improves health and well-being of older workers.

Labor force participation among older Oregonians has been below the U.S. average. To boost participation among older workers, Oregon must devise a strategy to address both supply (job-seeking older adults) and demand (workplace) barriers to the continued employment of older adults.

**On the supply side,** some job-seeking older adults have skill gaps or difficulty navigating the job search process. Re-entering the workforce requires computer and software literacy. Most jobs list these skills as basic requirements. Many applications require an online submission. Information on most workforce training programs—the means by which older adults can access assistance to gain these skills—is available online. Older adults without basic computer or software literacy can find it difficult to succeed in this environment.

The solution is to better address the unique challenges of older adults in the State’s Workforce Development Strategic Plan. The Plan sets a solid foundation for workforce development strategies and is not in need of an overhaul. Rather, it should be expanded to include targeted outreach programs that engage older adults in these activities. That means communicating this priority to partner agencies already working on plan implementation, so they can adjust target demographics and outreach strategies.

**Increasing labor force participation among older adults would boost productivity and improve health outcomes.**

Oregon can glean lessons from Ohio, a leader in workforce development programming for older adults. In 2014, the Ohio Department of Aging, the Governor’s Office, and a number of public and nonprofit agencies worked in concert to serve 2,166 individuals aged 55 or older who were at or below the poverty level. The nonprofit Mature Services, one of the successful partner organizations, has a workforce training
and placement program geared toward older adults that provides wraparound services that address hard skills and education development, community engagement, and job placement. The program maintains strong employer relationships, which enable it to quickly facilitate job placement.

On the demand side, two issues inhibit the successful hiring and retention of older employees. First, many employers are simply unaware of the benefits of hiring older adults. Second, most organizations do not offer the flexible working arrangements that older adults desire.17

The public and nonprofit sector can address the demand-side challenges by educating human resources and operations managers on how to meet needs of aging workers. WorkSource Oregon, Business Oregon, or the Oregon Business Council should partner to develop and institute employer education and programming. State and local governments have successfully implemented a variety of programs to incentivize the hiring and retention of mature workers. The National Governors Association Center for Best Practices recommends and provides examples for a three-part approach:

- Host conferences and workshops to educate businesses on why older employees are assets and how to retain them. In 2008, Colorado Governor Bill Ritter, Jr. hosted the Encore Career Breakfast meeting, a business roundtable with more than 250 business leaders, policymakers, and academics. In 2007, the Ohio Governor’s Office held a Conference on Aging. Arkansas and Arizona have held similar events.

- Build toolkits to help employers build an intergenerational workforce in their companies. Some examples include: Colorado Employer Toolkit: EngAging the Mature Workforce, Wyoming Next Works initiative, the California Employment Development Department’s employer toolkit, and the Pennsylvania Department of Aging employer toolkit for health care providers.

- Recognize employers who succeed. Some examples include: the Arkansas Mature Worker Friendly Award, the Wyoming Outstanding Investment in Older Workers award, and the Arizona Mature Worker Friendly Employer Certification program.18

**STRENGTHEN BUSINESS TIES TO THE LONGEVITY ECONOMY**

The Portland region has looked at the dual trends of urbanization and sustainability and built a durable economic development strategy around them. The We Build Green Cities initiative organizes, supports, and promotes local architects, developers, and planners who take their expertise into rapidly growing regions across the United States, into Asia, and elsewhere.19

The growth of the aging population is even easier to predict than the rate of urban migration or temperature increases due to climate change, so if a signature strategy around sustainable urbanization can thrive, so should an effort centered on an expanding consumer base.

Oxford Economics has evaluated the economic activity associated with Americans aged 50+ and estimates that this sector will account for 46 percent of U.S. GDP and 69 percent of employment. This is the so-called longevity economy. Oregon businesses should organize around this market.

Healthcare is one logical place to start, with U.S. spending projected to increase from $3-$5 trillion during 2014-2022. Oregon employers have anticipated these trends and have begun to focus on the health needs of older adults.20 A prominent example is the precision medicine collaboration between Intel and Oregon Health Sciences University (OHSU). OHSU will build a research data center powered by Intel’s supercomputing technology, with the goal of developing treatments that are highly tailored to individual patients. The collaboration has started with a cancer focus, but the vision extends to treatments for heart disease, Alzheimer’s, and other types of medical research.

Oregon employers also see big data and healthcare opportunities in the rapid deployment of “bio-aware” products, from watches to wearable exercise monitoring devices. Cambia, Kaiser Permanente, Nike, Intel, and others
recognize that a future in which biological information can be shared and monitored in real time is imminent.\textsuperscript{21}

The emerging effort benefits from, and would reinforce, several local competitive advantages. First, the State has long been a national leader in independent living models for aging adults.\textsuperscript{22} In fact, the first assisted living community was created in Oregon.\textsuperscript{23} Second, Oregon companies are global leaders in data processing and storage, and, through its footwear giants, known for fitness.

Organizing around healthcare and data is just a start. Urban designers also see big opportunities. Many of the qualities that make a city "green" correlate with age-friendliness. Portland is already recognized globally in the age-friendly space and should consider broadening the audience as the region showcases its talented local planners, developers, and architects.\textsuperscript{24}

The list of opportunities goes on. It’s clear that Oregon’s entrepreneurs and economic developers have made a number of strong moves in the right direction. But given the certainty of the demographic shift, additional support—\textit{in marketing, branding, and market research—is in order}. The public sector should accelerate growth by giving businesses the tools and data they need to understand this market. Business Oregon would be one entity with a comparative advantage in filling this role.

**CONCLUSION**

One of the best-educated generations in the history of the world is aging into what has traditionally been considered retirement years. This generation represents a large and growing stock of human and social capital. They are flexible talent, entrepreneurs, philanthropists, mentors, volunteers, and consumers. Communities and businesses that intentionally engage older Oregonians, tap their expertise, stretch their careers, and harness their buying power will accelerate economic growth and profits.
ENDNOTES

1. A consortium of global corporations across industry sectors with common strategic interests in aging populations (see www.globalcoalitiononaging.com).


9. By contrast, in the leading states for volunteerism, between 59 and 68 percent of residents are natives. http://www.nytimes.com/interactive/2014/08/13/upshot/where-people-in-each-state-were-born.html?_r=0#Utah


