

Statement of Senator Edward M. Kennedy
Joint Economic Committee Hearing on
“Ensuring Our Economic Future by Promoting
Middle Class Prosperity”
January 31, 2007

In the decades following World War II, increased overall productivity and economic expansion brought an increased standard of living for Americans across the economic spectrum. It provided a strong middle class in stark contrast to today’s economy where the middle class has felt more insecure than at any time since the Great Depression.

GDP is rising, productivity is up and corporations are earning record profits, but economic growth is largely leaving working families behind. Middle class wages have been virtually stagnant, while prices for essentials such as housing, health care, gas and utilities have skyrocketed. Families are exhausting their savings and falling into debt. To keep their heads above water, they put in longer hours at work or accept multiple jobs, sacrificing time with their families and jeopardizing their children’s well-being.

More and more middle class jobs with decent wages and benefits are disappearing. Millions of jobs are being shipped overseas, and the new jobs being created often come with lower pay, fewer benefits, and less stability.

The American economy is becoming more and more stratified, and that threatens our democracy. The divide between the haves and have-nots is the largest since the Depression and it’s growing wider every year, putting our economy and our society at greater risk.

We need to find concrete solutions to these very real challenges that employees are facing. We need to restore their confidence that the American Dream still exists. Citizens need to believe again that we can all find a good job with fair wages and benefits that can support a family.

The Administration touts the productivity and job growth numbers to show how well the Bush economy is doing. But the vast majority of the American people know differently. The hard-working men and women of America deserve real solutions to the economic challenges that they face every day.

I commend my colleague Senator Schumer for holding this hearing on this very important challenge, and I look forward to the testimony and recommendations from this distinguished panel.

Mr. Chairman, between March and December last year, The Washington Post published an excellent series of ten editorials on the issue of inequality. I believe they will be of interest to all of us concerned about this issue, and I ask that the series be made part of the record for today's hearing.