

**Statement of Carolyn Maloney**  
**Joint Economic Committee Hearing**  
**The Employment Situation: October 2009**  
**November 6, 2009**  
*-As Prepared for Delivery-*

Last week, the Bureau of Economic Analysis reported that real gross domestic product grew by 3.5 percent in the third quarter. This is a welcome indication that we are moving toward economic recovery.

Despite the progress, this morning's employment report of 190,000 jobs lost and an unemployment rate of 10.2 percent is a clear indicator of the work we have left to do on behalf of our nation's families.

The current Administration took office just ten short months ago. The economy was facing the worst crisis since the Great Depression.

In January alone, 741,000 jobs were lost. But jobs losses of about 600,000 or more per month started as far back as November of 2008. Those punishing job losses continued for 5 straight months.

However, thanks to the American Recovery and Reinvestment Act, we are seeing signs of recovery.

Last week, the White House released reports from stimulus grant recipients. Those grant recipients account for just one-fifth of the total \$787 billion in spending and tax relief, but they alone have directly created or saved nearly 650,000 jobs.

These numbers confirm we are on-track to create or save at least 3.5 million jobs over the life of the Recovery Act. And, job creation in the temporary help sector is leading indicator of progress in the labor market. Since July, temporary help services has added 44,000 jobs –34,000 in October alone.

While we have brought the economy back from the brink, we are not where we need to be yet in terms of job creation.

Although the pace of job loss has slowed substantially in recent months, the labor market continues to shed jobs. More than 15.7 million Americans are unemployed.

More than a third of the jobless have been out of work for at least six months.

And almost 3 million workers have been unemployed for a full-year or longer.

These long-term unemployment numbers reaffirm the need for extending unemployment benefits, which Congress has passed and the President will sign into law soon.

Out-of-work Americans will soon have 14 additional weeks of unemployment benefits to help them weather the ongoing economic storm. Workers in the hardest-hit states will receive additional weeks of benefits.

9.3 million people are working part-time because they have been unable to find full-time jobs – an alarming increase since the recession began in December 2007.

The growth of involuntary part-time work indicates that the job market recovery may be a slow process.

As the economy rebounds, firms are likely to increase the hours of workers already on their payrolls, before they begin hiring new workers.

The conversion of a part-time job into a full-time job means that the labor market will improve while the standard indicators of progress – job creation and the unemployment rate – remain stalled.

We have early indicators that this part-time to full-time conversion is already beginning to happen in some sectors of the economy.

The manufacturing sector has increased “callbacks,” suggesting that workers whose hours had been cut are returning to full work schedules.

This is good economic news – but it also foreshadows a long, slow labor market recovery.

At the Joint Economic Committee, we estimate that over 4 million Americans have seen their employment-sponsored health insurance coverage evaporate because of losing a job.

By passing comprehensive health insurance reform, we will help lay the groundwork for assuring that losing a job no longer means losing access to affordable, quality health insurance coverage.

Let there be no doubt that the road to a full labor market recovery will be long, and it won't be easy.

We will be discussing ideas that will create put Americans back to work – including aid to the states that will create education jobs, an infrastructure bank that will boost construction employment, and targeted tax credits that will support small businesses.

Together, we can launch our nation onto a new path of prosperity for all.