

Statement of Carolyn Maloney
Joint Economic Committee Hearing
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Today's report from the Bureau of Economic Analysis on 3rd quarter gross domestic product (GDP) provides welcome evidence that the economy is moving from recession to recovery.

When the President took office in January, our economy was on the brink of an economic disaster.

There was no end in sight to the recession that started in December 2007.

The idea that the economy would achieve positive growth so soon would have surprised many. Today, it is clear that the economy is moving in the right direction.

GDP rose by 3.5 percent in the third quarter, after having fallen for an unprecedented four straight quarters.

This is concrete evidence of the wisdom of the Recovery Act and the positive effect it has had on the economy in just eight short months.

Last week, Dr. Christina Romer, the President's Chair of the Council of Economic Advisers, presented us with compelling evidence that the economy is rebounding largely because of the Recovery Act.

Indeed, she testified that the Recovery Act added between three and four percentage points to economic growth in the third quarter, far beyond what the opponents of the Recovery Act thought possible.

Another piece of welcome news is that personal consumption grew by 3.4 percent in the third quarter, largely due to actions taken by Congress and the Administration.

We are finally seeing signs that consumers are spending more, which could spur businesses to hire more workers to meet renewed demand for their goods and services.

Moreover, I expect that legislation that I worked tirelessly on to end the most abusive practices of credit card companies, the Credit Card Holders' Bill of Rights, which Congress passed on an overwhelmingly bipartisan basis, will help increase consumers' demand for credit and encourage creditworthy borrowers to spend.

The Financial Services Committee recently passed a bill I also introduced to speed up the implementation, so that these measures would go into effect on December 1st.

Despite significant legislative accomplishments that brought us from economic abyss, I believe we still have a long way to go before the economy fully recovers.

The most pressing economic issue for the nation is job creation.

The stimulus has helped Americans in need weather the storm, but we must do more to get people back to work.

I look forward to the ideas that our distinguished witnesses have about translating our economic growth into job growth, and their suggestions about any additional measures Congress can take to spur businesses to create more jobs.

One group that I'm particularly concerned about is the long-term unemployed.

The longer someone stays unemployed, the harder it is for them to find work.

The long-term unemployed are stuck between a rock and a hard place.

First, they are suffering now, which is why the House has already passed legislation expanding unemployment insurance.

I am optimistic that the Senate will pass this soon.

Second, the long-term jobless – those who have been unemployed for six months or more – may suffer in the future.

Even when the economy recovers, workers who have been unemployed for a long time may no longer have the skills necessary to be competitive in the workforce.

We must come up with creative ways of helping the long-term unemployed maintain their skills or develop new skills so that once we get back on track and start creating jobs, they will not be left behind.

I thank our distinguished panel of witnesses for their testimony, and I look forward to hearing their thoughts on the most important issues we face – sustaining our economic progress and creating jobs for the American people.

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