

Statement of Carolyn Maloney
Joint Economic Committee Hearing
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For the first time since the recession began two years ago, the labor market has stabilized.

Employment remained steady in November, and the unemployment rate ticked down to 10 percent.

The current Administration took office less than eleven months ago. The economy was in the midst of the worst crisis since the Great Depression.

In fact, Council of Economic Advisers Chair Christina Romer testified to the Joint Economic Committee that the shocks we endured in this “Great Recession” were actually worse than those of the Great Depression.

Less than a year ago, job losses were growing more and more severe. Last November, the economy shed 600,000 jobs. Losses increased until January, when they hit a post-Great Depression record of 741,000 jobs lost, the last month that President Bush was in office.

But we turned a corner. Job losses have steadily fallen for the last six months. And today, we’ve learned that the labor market remained stable in November. The trend is heading in the right direction.

There is no escaping the cruel math of recoveries. The recovery of the job market lags behind the recovery of the broader economy. Businesses must have more customers before they add employees.

However, thanks to the Recovery Act, we are seeing signs of growth. The non-partisan Congressional Budget Office estimates that at least 600,000 additional workers were employed in the third quarter of 2009 because of the stimulus. We are on-track to create or save at least 3.5 million jobs over the life of the Recovery Act.

Average weekly hours are climbing, with indications that the manufacturing sector is driving that upward trend. Average hourly earnings are up, too.

And, job creation in the temporary help sector is leading indicator of progress in the labor market. Since July, temporary help services has added 117,000 jobs –86,000 in November alone.

Although the labor market appears to be stabilizing, too many Americans remain out of work. More than 15 million workers are unemployed.

At the Joint Economic Committee, we estimate that well over 4 million Americans have seen their employment-sponsored health insurance coverage evaporate because of losing a job. In the longer term, the passage of comprehensive health insurance reform will help assure that a lost job no longer means lost access to affordable, quality health insurance coverage. In the meantime, we must insure that a jobs crisis does not turn into a health care crisis for more families.

The COBRA benefits program allows laid-off employees to remain insured by purchasing continued coverage from their employer's health insurance plan. Many out-of-work families were able to purchase affordable health insurance coverage thanks to temporary COBRA premium support included in the Recovery Act. But that support expired this week, and many unemployed families will see their premiums skyrocket. Congress should now extend COBRA support to help struggling families.

Today's jobs report makes it clear – we are making progress, but the road to recovery will be long, and it will not be easy. While we have brought the economy back from the brink, we are not yet where we need to be in terms of job creation. The mission is to create high-quality private-sector jobs.

Yesterday, President Obama convened a Jobs Summit where small and medium-sized businesses, major employers, academics, and working men and women brainstormed ideas for putting Americans back to work.

In the last year, Congress has enacted policies that support struggling families and encourage job creation. The \$700 billion Recovery Act included a tax cut for 95 percent of American families and created jobs while investing in clean energy technologies, infrastructure, and education.

Just last month, we extended the \$8,000 first-time homebuyers credit that will spur construction jobs. We extended a host of safety net programs that will help struggling families weather the economic storm.

We extended the net operating loss carry-back provision that will help small businesses hire new employees. And we are boosting funding for small business loans via the Small Business Administration.

Congress is continuing to work on new policies that will jump-start job creation. Putting unemployed Americans to work rebuilding our nation's crumbling infrastructure is an investment in our future. Other potential policies include targeted tax credits for job creation and additional investments in education, health care, and energy independence.

In the coming months, the Joint Economic Committee will be holding hearings to learn about job creation ideas from America's best and brightest. I encourage you all to attend next Thursday's hearing with Nobel Prize winning economist Joseph Stiglitz, who will be kicking off job creation.

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