

**Statement of Carolyn Maloney, Chair  
Joint Economic Committee Hearing  
December 10, 2009**

For the first time since the recession began two years ago, the labor market appears to have stabilized. After month after month of punishing losses, November's employment picture was relatively stable. 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. Yet 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.

Although the labor market appears to be stabilizing, too many Americans remain out of work. More than 15 million workers are unemployed. 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. Congress has already done a great deal of work on this front. 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 – and we see those investments paying off in the steadily improving labor market figures. The effect of the stimulus on job creation has been verified by the non-partisan Congressional Budget Office.

Just last month, we extended the \$8,000 first-time homebuyers credit that will spur construction jobs.

We extended tax relief to small businesses. We are boosting funding for small business loans via the Small Business Administration. These two initiatives should spur hiring.

Earlier this week, President Obama announced a new job creation agenda with three key initiatives to accelerate job growth. First, we need to focus on small businesses. Small businesses are the engine of the American economy. By helping small businesses expand investment and access credit, they can fuel job growth. Second, we need to invest in our future by rebuilding America's crumbling infrastructure. Finally, we need to focus on "green" jobs. Smart, targeted

investments in energy efficiency can help create jobs while improving energy security and saving consumers money.

Congress and the President will work together to aggressively pursue a job creation agenda that speeds the labor market recovery. Of course, some of those initiatives will require new spending. We are committed to transparency regarding the cost of our initiatives.

But let me be clear: While putting Americans back to work today may require deficit spending, the dangers of inaction are even more costly. If we don't invest in job creation, we will pay later in the form of higher payments to unemployment insurance, food stamps, welfare, and other entitlements for a ballooning number of out-of-work Americans and their hard-hit families.

Nearly 6 million Americans have been unemployed for 6 or more months. Over 3 million Americans have been unemployed for over a year. Research shows that the longer a worker is out of work, the harder it is for him to find a new job. We must invest in these workers with aggressive job creation policies coupled with targeted job training initiatives. Otherwise, we face a long-term cost burden far more expensive than smart spending on job creation investments today.

Our challenge today is immense. While the economy may be on the road to recovery, the labor market remains on shaky footing. We Americans are a hard-working, resilient people. But the millions who have been battered by the economic storm need our help today in getting back to work. I am confident that we are up to the task.

And I am thrilled that we have with us today Dr. Joseph Stiglitz, one of America's brightest economic minds, to help us learn about the best ways to accomplish our goal of a rapid and complete labor market recovery.

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