

**Statement of Carolyn Maloney  
Joint Economic Committee Hearing  
April 3, 2009**

A few glimmers of hope have surfaced in the economy in recent weeks as factory orders posted gains last month, a key manufacturing index rose and credit markets have begun to thaw. But today's jobs report highlights the fact that there are virtually no bright spots yet in the labor market.

In each of the last five months, employers have slashed about 600,000 or more jobs – staggering job losses totaling more than 5 million since the start of the recession. The unemployment rate now stands at 8.5, a jump of 3.6 percentage points since the downturn began over 15 months ago. And, the broadest measure of unemployment or underemployment that the BLS publishes is now at 15.6 percent.

For the first time in at least 30 years, every state in the nation is in recession. The state and local unemployment numbers for February, which were released recently, show that seven states already have unemployment rates over 10 percent. Although my home state, New York is not one of those states, the unemployment rate in New York state jumped 0.8 percentage points last month – the largest one month jump in almost 20 years. And the 1.2 percentage point jump in unemployment in New York City represents the largest spike that New York City has seen since BLS started collecting this data.

I am particularly concerned by the long duration of unemployment faced by a great number of workers and the disruptive impact that this long term unemployment has had and will have on those workers and their families. Almost 1 in 4 unemployed workers is experiencing an unemployment spell of 6 months or longer – the highest level in over 25 years. And of those long term unemployed workers, more than half of them have been looking for work for over a year. This type of long term unemployment is straining families and forcing them to take on more debt as the financial pressure of making ends meet mounts.

Even before job losses began accelerating, many families were increasingly holding balances on their credit cards just to pay for basic household necessities. The most recent data available from the Survey of Consumer Finances shows that a increased proportion of families – especially middle class families – have been accumulating larger mountains of debt on their credit cards.

Because of this increased reliance on credit cards – especially by families of displaced workers, it is even more important that legislation concerning credit cards is put into place immediately. The Credit Cardholders' Bill of Rights was voted out of subcommittee yesterday and will be

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moving through the House later this month. I remain hopeful that the Credit Card Accountability, Responsibility and Disclosure Act, which was voted out of the Senate Banking Committee this week, will be on the Senate floor without delay. Both of these bills would prohibit certain current practices that are hurting financially strapped cardholders.

The recovery measures that Congress passed and President Obama signed into law in his first 60 days in office are just beginning to work their way into the economy. Speaker Pelosi announced this week that the middle class tax cuts have now gone into effect, so families will see an increase in their take home pay. A temporary increase in food stamp benefits also goes into effect this month, with benefits set to rise as much as \$80 a month for a family of four. Both of these measures should provide a much-needed boost to consumer spending,

Last night, both the House and the Senate passed their budget resolutions. A budget is fundamentally about priorities and our blueprint builds on our recovery efforts by making investments in health care, renewable energy, and education to put people back to work and strengthen our economy for the future.

Today's grim unemployment numbers underscore the wisdom of the stimulus package that Congress worked so hard to pass quickly. We will continue our focus on making sure that the economy gets working again and examining ways to help struggling families.

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