

**Statement of Senator Charles E. Schumer
Chairman, Joint Economic Committee
Hearing: “The Employment Situation: July 2008”
August 1, 2008**

The economy continues to slide downward and the need for a second stimulus package that helps to fix the underlying structural flaws in the economy is even more apparent. We hope the administration changes its position, as it has done on some previous occasions including the first stimulus, and joins us in creating a smart stimulus package to jumpstart the economy as soon as possible.

Today’s jobs report is troubling for our economy and for all American families. In July, our economy lost 51,000 jobs, and since January it has lost over 460,000 jobs. The unemployment rate jumped from 5.5 to 5.7 percent – making one thing crystal clear – it is becoming increasingly hard for Americans to find work in this economy. As the construction, manufacturing, and now retail sectors are reeling from job losses, too many workers are being forced to reduce their hours and take part-time jobs just to make ends meet putting our underemployment rate at over 10 percent.

There is a silent cry going out as middle class families gather around their dinner tables Friday nights to talk about how to pay their ballooning bills. They’re worried about gas prices, which have more than doubled since 2001. They’re concerned about how much more their supermarket trip cost this week, and how they could be paying so much more for college tuition, child care, or health care. We hope that this evening after their dinners, they’re not talking about their own job losses on top of all that.

Every day, including today’s jobs report, we are getting worse and worse economic news.

In the housing market the hits just keep on coming:

- Sales of existing homes fell an additional 4.7 percent in May – down 14 percent from where they were a year ago.
- Foreclosures are up over 50 percent from last year.
- Home prices dropped a record 15.8 percent in May.

And while wages are stagnant and home prices decline, consumers are paying much more for everyday goods:

- Overall inflation jumped by a full percentage in May.
- Gasoline prices are over \$4.00 a gallon for most Americans.
- Food prices for everything from bread to eggs have skyrocketed.

And while companies like ExxonMobil are doing quite well, the overall economy is in terrible shape – proving that what’s good for corporate America or Big Oil is no longer what’s good for Americans. The economy barely grew last quarter even with over \$100 billion in economic stimulus and it actually contracted in the last quarter of 2007.

It isn’t time for the White House and Congress to throw up our hands and say forget it. Hopefully Washington won’t need any more wake up calls to shore up our battered housing and job markets and take some proactive steps to address our worsening economic fortunes quickly.