

JOINT ECONOMIC COMMITTEE

Congresswoman Carolyn B. Maloney, Chair

UNITED STATES CONGRESS

Opening Statement



**Statement of Carolyn Maloney
Joint Economic Committee Hearing
February 5, 2010
As prepared for delivery**

"Today's report from the Bureau of Labor Statistics provides further evidence that the labor market has stabilized and we have turned a corner. The economy is no longer hemorrhaging jobs. In fact, the unemployment rate dropped to 9.7 percent, and employment was virtually unchanged, dropping by 20,000 jobs.

Just over one year ago, the current Administration took office, taking helm of a country suffering 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.

During the last three months of the Bush administration, we lost an average of 727,000 jobs per month. In contrast, during the most recent 3 months of the Obama administration, we lost an average of 35,000 jobs each month. The trend is heading in the right direction.

But, 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, which became law a year ago February 17, the economy is growing. The Bureau of Economic Analysis reported last week that in the final quarter of 2009, the economy expanded at a rate of 5.7 percent.

Average weekly hours are climbing, with indications that the manufacturing sector is driving that upward trend. Since June, the manufacturing workweek is up 1.2 hours. And, job creation in the temporary help sector is a leading indicator of progress in the labor market. Since September, temporary help services has added 247,000 jobs – 52,000 in January alone.

Although the labor market appears to be stabilizing, too many Americans remain out of work. More than 15 million workers are unemployed. The overall unemployment rate masks how hard some groups have been hit –while the overall unemployment rate is 9.7 percent, the unemployment rate is 16.5 percent and 12.6 percent, for African Americans and Hispanics, respectively.

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.

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.

Last year, 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.

In order to bring creative ideas on job creation to Congress, I started the year reaching out to CEOs of Fortune 100 companies and leaders of small businesses. I asked these employers to share new ideas on ways to create jobs.

In order to jump-start job growth, I am introducing an employer tax credit (co-sponsored in the Senate by my JEC colleague Senator Casey and my fellow New Yorker, Senator Gillibrand). This idea was suggested by several of the respondents to our survey.

On Tuesday, February 9, the Joint Economic Committee will hold a hearing to discuss job creation ideas from some of America's best economists and business leaders.

The hearing will include testimony from CBO Director Doug Elmendorf. A recent CBO study showed that an employer tax credit similar to the one in my bill is one of the most effective and efficient ways of spurring hiring. I look forward to hearing from all our witnesses at the Tuesday's hearing and look forward to the different perspectives they will be bring – especially their views on lessons learned about creating jobs in previous recessions and economic expansions.

I encourage you all to attend next Tuesday's hearing."

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