



Statement of Carolyn Maloney
Joint Economic Committee Hearing
May 7, 2010
As Prepared for Delivery

“Today’s report from the Bureau of Labor Statistics provides fresh evidence that the labor market is strengthening and we are on the path to economic recovery.

In April, we added 290,000 jobs, including 231,000 jobs in the private sector. In the last two months we have added 520,000 jobs, with almost 80 percent in the private sector. Although the unemployment rate rose to 9.9 percent, the increase is due to re-entrants into the labor force—a sign of increased optimism about job prospects. We have come a great distance in the past 15 months, since the lows of the Great Recession, but getting back the jobs lost in the past decade is going to take time.

By moving quickly and taking bold actions, the Administration and Congress slowed the decline and restored the economy to growth in the second half of 2009.

The Recovery Act, which President Obama signed into law in February 2009, provided tax relief for 95 percent of American families, expanded credit to small businesses, extended unemployment benefits and created jobs while investing in clean energy technologies, infrastructure, and education.

Additional actions since then to create jobs and help small businesses include:

- The Worker, Homeownership & Business Assistance Act, which expanded the first-time homebuyer tax credit, and enhanced small business tax relief.
- The HIRE Act, which provides tax incentives for businesses that hire out-of-work Americans.
- The House of Representatives passed the Disaster Relief and Summer Jobs Act of 2010, which supports an additional 300,000 summer jobs for young workers.

In addition to today’s job numbers, we are seeing more and more evidence that the actions taken are working. After 4 straight quarters of negative growth, the economy has now grown for three straight quarters. Retail sales have increased for three straight months. Sales of both existing and new homes increased in March with sales of new single family homes rising by almost 27 percent. While it is encouraging to see these signs of progress and the return of job growth, we will need stronger growth to get all unemployed Americans back to work.

As we focus on getting our national economy going, families all over are grappling with their family economy. Working mothers are key contributors to both – and in fact on Monday we will be releasing a report that looks at how working moms have fared during the Great Recession.

For the overall workforce, unemployment remains at unacceptably high levels – with more than 15 million Americans out of work. Almost half of the unemployed have been out of work for more than six months. Almost one-third have been unemployed for over a year.

African American and Hispanic workers face unemployment rates of 16.5 and 12.5 percent, respectively, well above the overall unemployment rate of 9.9 percent.

The JEC has begun a series of reports to better understand the employment challenges among different demographic groups. In March, we released a report on long-term unemployment in the African-American community. Earlier this week, we put out a report on unemployment among Hispanic workers. Later this spring, we will be examining the challenges facing younger members of the labor force.

While hiring has started to increase, that hiring is uneven.

Just two days ago, Dr. Alan Krueger, Assistant Secretary for Economic Policy and Chief economist at the Treasury Department, testified before this committee that hiring among smaller companies remains weak. He testified that small businesses are generally the drivers of new jobs during recoveries but larger establishments have been the ones to expand hiring during this recession. He testified that access to credit for small businesses is a large part of the problem keeping them from hiring.

I know my Republican colleagues share my commitment to doing everything we can to help small businesses get the loans they need so that they can expand their operations and hire more people. We need to both identify new policies that unleash the job creating power of small businesses and support the sound proposals which have been put forward by the Obama Administration.

I'm particularly supportive of the \$30 billion Small Business Lending Fund proposed by the Administration, because it targets the small and mid-sized community banks at the center of small business lending. While these banks represent 20 percent of all bank assets, they account for more than half of all small business loans. By transferring funds from TARP to create this fund, we can get new loans out into the community – growing businesses and adding jobs.

I also co-sponsored HR 4302, the Small Business Job Creation and Access to Capital Act, which would raise the cap on SBA 7(a) loans from \$2 million to \$5 million. Raising the cap on loans can have a powerful, positive impact on small businesses and is something we should move through Congress as quickly as possible.

While today's report on the April employment situation shows continued progress, we need to keep our eye on the most important thing -- creating jobs, jobs, jobs.

I look forward to hearing additional information about the April employment numbers from Bureau of Labor Statistics Commissioner Dr. Keith Hall."

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