



Statement of Carolyn Maloney
Joint Economic Committee Hearing
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As prepared for delivery

"Today's hearing continues the JEC's focus on our country's unemployment problem – an effort that we are intensifying this year. The historic one-two punch of snow a few weeks ago delayed our series a bit, but with today's hearing, we are getting back on track. We will be examining ways to help our economy recover from the Great Recession of 2007, which was fueled by the double blow of crises in both the housing and financial sectors.

Today, we welcome the Honorable Doug Elmendorf, Director of the Congressional Budget Office. He will give CBO's assessment of policies and strategies to spur job creation in the near term. On Friday, we will continue by hearing from business leaders and economic forecasters as we explore the prospects for employment growth in the coming months.

Today's hearing is timely since the Senate plans to consider additional actions this week to put Americans back to work.

Creating jobs is the top priority for Congress and for our country. With almost 15 million Americans out of work, it's clear that immediate, targeted actions are needed to spur hiring and boost employment.

The questions before us are:

- How do we create jobs quickly? and
- Which policies are most efficient – which offer the most bang for the buck?

This hearing will help shine a light on the specific actions Congress should take right now -- not in some distant future.

Just over one year ago, the current Administration took office, taking helm of a country suffering the worst crisis since 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. Thanks to the Recovery Act, the economy is growing. The Bureau of Economic Analysis reported that in the final quarter of 2009, the economy expanded at a rate of 5.7 percent. The Recovery Act included a tax cut for 95 percent of American families and created jobs while investing in clean energy technologies, infrastructure, and education.

While we have brought the economy back from the brink, we are not yet where we need to be in terms of job creation. Over 8.4 million jobs have been lost during the "Great Recession."

And in addition to the 14.8 million workers who are currently unemployed, there are 8.3 million workers who currently work part-time, but would like to work full-time.

In the last year, Congress has enacted policies that support struggling families and encourage job creation. These actions include:

- Creating and extending the first-time homebuyers credit,
- Boosting funding for small business loans via the Small Business Administration,
- Extending safety net programs, and
- Extending the net operating loss carry-back provision that will help small businesses hire new employees.

But we need to redouble our efforts to create jobs.

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 have introduced an employer tax credit (co-sponsored in the Senate by my JEC colleague Bob Casey and my fellow New Yorker, Kristen Gillibrand). This idea was suggested by several of the respondents to our survey. The credit will give employers an incentive to hire new workers and raise wages. This will help workers get back on their feet, spark consumer spending, and brighten our economic climate.

I welcome CBO's input about how to best design an employer tax credit. 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. The object of this week's hearings is to get feedback from experts to make sure that our actions work quickly to create jobs.

For example, CBO has pointed out that one of the lessons of the 1970s employer tax credit was that many employers didn't know about the tax credit until they filed their tax returns – too late to affect hiring decisions.

I look forward to CBO's perspective on finding solutions to the most pressing issue of the day: creating jobs.

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