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Statement by Sen. Jack Reed Responding to Bush Administration's Year-End Economic Briefing

Washington, D.C. – **Sen. Jack Reed (D-RI), Ranking Democrat on the *Joint Economic Committee* (JEC), today released the following statement reacting to the Bush administration's Year-End Economic Briefing by Secretaries Snow, Chao, and Gutierrez:**

“The claims by President Bush’s economic team that his policies are delivering results and having a positive impact on Americans’ paychecks doesn’t square with the experience of most working families. For an economy going through the most prolonged jobs slump in the postwar period, any improvement in the labor market was welcome this year. Nevertheless, the unemployment rate is nearly a full percentage point higher than when President Bush took office, about 5 million fewer jobs have been created in this recovery than at this point after the 1990-91 recession, and millions of Americans who want to work do not have jobs.

“For people with jobs, strong productivity growth has boosted national income and corporate profits, but the gains have not shown up in people’s paychecks. Moreover, higher prices for gasoline, home heating fuel, and medical care are squeezing the take home pay of workers. In the past year, average hourly earnings are down 1.5 percent, after adjusting for inflation.

“Finally, the President’s tax cuts were poorly designed to generate short-term job-creating stimulus without adding to the long-term budget deficit. The country cannot prosper in the long run with persistent large budget deficits and a large trade deficit. The end result is that policy priorities are distorted and programs that help ordinary Americans cope in difficult economic times become candidates for budget cutting. The budget reconciliation process this year illustrates these misplaced priorities, as middle- and low-income families are being asked to pay the price for tax cuts for the wealthiest.

“For working families, this has hardly been a year that the administration’s economic team should be proud of.”

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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