

**For Immediate Release**

March 2, 2016

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**Statement of Carolyn B. Maloney, Ranking Democrat**

**Joint Economic Committee**

March 2, 2016

As Prepared for Delivery

Thank you, Mr. Chairman, for calling today’s hearing.

Dr. Furman, thank you for appearing before the Committee today to answer questions about the current state of the U.S. economy.

I share the overall assessment of the Economic Report of the President, that under the leadership of President Obama the nation’s economy is back on track after what was the worst recession in our history.

We have just completed the best two years of private-sector job growth since the 1990s. We have recorded the fastest two-year drop in the annual average unemployment rate in 30 years.

The unemployment rate has been cut in half. We’re in the midst of the longest streak of private-sector job creation in history – with a record 71 straight months of growth and the creation of 14 million jobs.

There are some who disparage these achievements, claiming that the Obama recovery pales in comparison to “average” recoveries – as if the economic meltdown during the last years of the Bush administration was an “average” recession.

Is there anyone who is willing to say openly to the 8.7 million Americans who lost their jobs that the Great Recession was an “average” event?

Is there anyone willing to tell the 9 million Americans who lost their homes that this was a run-of-the-mill recession?

Some prefer that we forget the past. I say we should learn from it.

When George Bush left the oval office, the economy was in a death spiral.

 (over)

• In the final quarter of 2008, GDP shrunk at a staggering 8.2 percent annual rate, the worst quarterly economic performance in more than 50 years.

• Housing prices were collapsing. They fell by 20 percent nationally between 2007 and 2011. Some parts of the country saw declines twice that large.

• U.S households lost nearly $13 trillion during the last seven quarters of the Bush presidency.

Dr. Furman, when I asked you last year at this time whether this recession was like a “common cold.”

You said – rightly – that it was more like an economic heart attack. You said the loss in wealth as a share of the economy that precipitated the recent recession was about five times as large as the loss that triggered the Great Depression.

Thanks to the bold action of President Obama, Democrats in Congress and the Federal Reserve, we have steadily climbed back from this recession.

• [As you can see in this chart,] U.S. GDP has grown in 24 of the past 26 quarters. Real GDP has grown by 14.5 percent since the start of the Obama administration.

• The auto industry – written off for dead by some – has added nearly 640,000 jobs since 2009. U.S. auto exports topped 2 million units for the first time ever in 2014. Last year, they topped 2 million again.

• Average housing prices have rebounded to around their 2007 levels.

• And household wealth is more than $17 trillion higher than before the recession.

This recovery has occurred despite efforts by many Republicans in Congress. First, they opposed stimulating the economy via the Recovery Act. They demanded budget cuts at exactly the time when economic theory says government should increase spending to boost demand.

I hope that those who took action to slow the pace of the Obama recovery will stop complaining about it.

The Report notes that the economy faces long-term structural challenges – first of all that the U.S. population is aging. That alone will decrease labor force participation and slow the growth of GDP. We also face the devastating effects of offshoring of American jobs and job losses due to automation and technological change.

These challenges are not a surprise. They have been on economists’ radar for years.

So, what should we do? I agree with your assessment that we need to rebuild the nation’s crumbling infrastructure, invest in early childhood education, implement paid leave, achieve equal pay for equal work and make college more affordable.

I want to close by looking at economic inequality, one of the central issues of our time, and the focus of the first and fourth chapters of the Economic Report of the President.

The U.S. experience has diverged from other advanced countries, as you note in your testimony Dr. Furman. Since 1987, the share of income going to the top 1 percent in the United States has been greater than in every other G-7 country – every single year.

We need to recommit ourselves to policies that expand opportunities and narrow inequality. These policies will pay dividends in the future and help us create an economy that is even more robust – an economy where the benefits of growth are shared across the income spectrum.

As you note, giving all people a fair shot will strengthen our economy by boosting productivity and accelerating growth.

Dr. Furman, thank you again for appearing before the Committee today. I am eager to hear your perspective on the economic challenges and opportunities ahead.

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