

**Opening Statement**  
**JEC Hearing on “Connecting More People to Work”**  
**November 20, 2019, 2:15pm**  
**106 Dirksen Senate Office Building**

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Good afternoon, and thank you for joining us for this hearing of the Joint Economic Committee.

The American labor market is strong. The current economic expansion is the longest in U.S. history. Our unemployment rate has remained at or below 4 percent for the last 20 months and continues to fall. Average wage growth has slowed down a bit, but remains strongest for lower paid workers. The gains have been broadly shared: African-American and Hispanic unemployment rates are at all-time lows. Female labor force participation is approaching an all-time high. And analysts speculate that we still have yet to reach “full employment.”

Yet, behind these indicators of recent strength, there lies a worrisome, long-term trend—what Nicholas Eberstadt of the American Enterprise Institute has called an “invisible crisis.” Many American men are leaving the workforce altogether. Though on the rise, the employment-to-population ratio for prime-age men—those between the ages of 25 and 54—is near levels not seen since the Great Depression. Even in today’s strong labor market,

we see that once taut connections to the workplace have not only slackened, but frayed.

The economic implications of such disconnection should be clear to all. But the Joint Economic Committee's Social Capital Project, as part of its mission to understand "associational life" in America today, has studied the plight of these disconnected men and identified potentially greater consequences for the health of our families and communities. In its report, "Inactive, Disconnected, and Ailing: A Portrait of Prime-age Men Out of the Labor Force," the Project found that disconnected men are more socially isolated and less happy than their employed peers. At the community level, the disappearance of work can lead to depopulation, brain drain, and the decline of other institutions of civil society.

If we are to expand opportunity by strengthening families, communities, and civil society, we must devote our attention to work—a means of supporting ourselves and our families, a source of meaning and purpose, and a site for affirming and satisfying relationships. I hope that our discussions this afternoon give us a clearer sense of how to connect more Americans to this wellspring of opportunity and social capital.

At this afternoon's hearing, we will seek to better understand the forces shaping the labor market and Americans' connections to it. A variety of reasons have been offered to explain why fewer Americans in their prime earning years are joining the workforce. Several interdependent themes emerge from most analyses: declining economic dynamism, falling worker mobility, stagnating wages, trade exposure, employment polarization, skill-biased technological change, and an expanding safety net.

Our next step will be to consider policy reforms consonant with the most plausible explanations for declining prime-age labor force participation. What barriers to opportunity can we identify and try to remove? How might incentives to join the workforce be strengthened? How might we more smartly invest in human and social capital to create new opportunities? Possible solutions may involve reforming the safety net, modernization of labor regulations, and increasing wage growth.

The Social Capital Project will cover all of these topics in a forthcoming report, to be informed by the insights of today's panelists. I look forward to their testimonies and to a productive conversation aimed at drawing disconnected Americans off the sidelines and into the workplace.

I now recognize Senator Hassan for opening remarks.