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Contact: Breann González (202) 225-0371

Lee Delivers Opening Statement During Hearing on Social Capital

Remarks as Prepared for Delivery

Joint Economic Committee Vice Chairman Mike Lee (R-UT) today delivered the following opening statement during a hearing on social capital entitled “What We Do Together: The State of Social Capital in America”:

“Our nation, today, faces very real economic challenges. As we heard during our Committee’s hearing, last month, economic growth during the recovery has been meager and uneven. The U.S. economy has become less dynamic and innovative in recent decades. We miss the strong productivity growth America enjoyed in the mid-twentieth century and the unusually large wage gains it brought.

“However, in historical and comparative perspective, most Americans enjoy unprecedented material living standards. Our economic problems often take the form of unsatisfactory rates of improvement; we are growing richer less quickly than we did when we were poorer.

“Nevertheless, many Americans—poor, middle class, and wealthy—feel that something is amiss. It is a feeling that cannot be reduced to economic anxiety. Rather, there is a sense that our social fabric is fraying.

“And these concerns are reflected in objective measures of family and community health. To cite just a few of the trends that may be grouped under the rubric of “social capital”: marriage and churchgoing have declined; distrust of the nation’s institutions has grown; mixed-income neighborhoods have become rarer; regional polarization has increased; and young men who are neither working nor looking for work have

become more numerous and more isolated. We do less together than in the past, and we are worse off for it, economically and otherwise.

“Today’s hearing, along with a new report released on Monday, launches the Social Capital Project, a multi-year research effort I have established in the Vice Chairman’s office. The project will investigate the health of the bonds of family, faith, community, and work that define our lives.

“An emphasis on social capital complements the economic lens through which we typically view national challenges today. Many of our ostensibly economic problems reflect the withering of our associational life. For example, the fragility of so many families today reduces upward mobility. And diminishing trust has implications for the decline in business dynamism, since risk-taking requires confidence in each other and our institutions.

“Economic trends, in turn, affect the extent to which we cooperate to achieve our desired ends. The project’s inaugural report, “What We Do Together,” concludes that rising affluence has reduced the economic necessity of having close ties with neighbors and traditional institutions. It also highlights the extent to which the growth in two-worker families has affected investment in social capital. These economic changes have conferred valuable benefits, but by depleting social capital, they have also come with costs.

“The twin pillars of American freedom—a free enterprise economy and a voluntary civil society—exist and operate in the vital space between the government and the individual where organic communities form and networks of economic opportunity and social cohesion are built. It is my hope that the Social Capital Project will start a new conversation for our country that emphasizes social solidarity and mutual cooperation. As we face today’s economic challenges, policymakers should ask how we can empower civil society, and what government should or should not do to thicken the middle layers between the individual and the state.”

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