



Vice Chair Maloney's Statement on Second-Quarter GDP

July 26, 2019

WASHINGTON— Congresswoman **Carolyn B. Maloney** (NY-12), Vice Chair of the U.S. Congress Joint Economic Committee, issued the following statement after the Bureau of Economic Analysis (BEA) released its initial estimate of second-quarter gross domestic product (GDP). The report showed that GDP grew at an annual rate of 2.1 percent in the second three months of 2019 following a 3.1 percent increase in the previous quarter.

“Today’s GDP report was somewhat underwhelming, considering this administration passed \$1.9 trillion in tax cuts on the promise they would lead to a sustainable increase in growth. Private investment, which was supposed to benefit from the tax law, dropped considerably. While one quarterly GDP reading doesn’t constitute a trend, it’s worth remembering that the Congressional Budget Office, Federal Reserve and International Monetary Fund all forecast growth will start slowing this year.”

“It is becoming clear that the 2017 GOP tax law was a boon to the fortunate few that will worsen income inequality and make it harder for the federal government to stimulate growth in the next recession. Meanwhile, the Trump Administration continues to impose policies that undermine our economy such as massive tariffs while engaging in reckless behavior that creates uncertainty among businesses.”

“Today’s report shows consumer spending accelerated while investment contracted. Manufacturing has shown signs of slowing in recent months as Trump’s tariffs raise the cost of imports and a global economic slowdown reduces demand for American exports. In light of the growing risks to our economy, we should focus on rebuilding our crumbling infrastructure, better educating our children and improving health care services.”

“We also need to improve our understanding of who benefits and loses out in our economy. We don’t know how growth is distributed across incomes, though trends would suggest those at the top are reaping most of the advantages.”

“That is why I urge BEA to move quickly to prepare distributional analyses of income growth. This information will provide policymakers a fuller understanding of whom the economy is working for, enabling us to create programs that increase opportunity and reduce inequality.”

Congresswoman Maloney introduced the *Measuring Real Income Growth Act* ([H.R. 707](#)) this Congress and also in the 115th Congress. The bill would require BEA to analyze GDP by each decile of income earners and the top 1 percent. It would also require the agency to report this data in quarterly and annual reports, beginning in 2020.

Press contact

Randy Woods

Randy_Woods@jec.senate.gov

(202) 224-2599