



“Reducing Uncertainty and Restoring Confidence During the Coronavirus Recession”

Prepared Remarks, July 30, 2020

Chairman Lee, our distinguished committee members and witnesses, welcome everyone.

Our country faces two crises – a virus that already has killed 154,000 Americans....

.... and the worst economy since the Great Depression.

Our tragic failure to contain the coronavirus led directly to the economic meltdown.

The President’s ill-advised push to “liberate the states” and abandon strict social distancing measures has led to an explosion of new cases and deaths....

... and likely will prolong the deep economic downturn.

The President’s economic policy is his coronavirus policy – which tragically, is first to put his head in the sand, then throw his hands in the air, then blame others.

This is the number one reason there are more than 65,000 new cases a day, and why more than 30 million Americans are on unemployment.

We have had the privilege of talking to many prominent economists, and they all tell us the same thing.

To restore the economy, we must first get the coronavirus under control.

But it’s essential not only to contain the virus – we must also give Americans a *high degree of confidence* that the virus is contained.

They must know that they are safe before they will go back to work, before they will return to stores.

As Fed Chairman Powell said, [quote] “Until the public is confident that the disease is contained, a full recovery is unlikely.”¹

The best that we in Congress can do is give Americans confidence that we will help them stay afloat while the virus rages.

The economic damage is staggering.

- For 19 straight weeks, more than one million Americans have filed new unemployment insurance claims.
- We’ve lost a net 15 million jobs since February.
- And the unemployment rate is the highest it’s been in over 80 years.

The labor market recovery has stalled.

According to the Census’s Household Pulse Survey, the number of employed Americans fell by 4 million in a recent week – the fourth straight week the number of Americans with a job has declined.

CBO estimates that the unemployment rate *will remain above 10 percent* for the rest of this year.

As a result, [nearly one in five American households](#) could not make any portion of their rent or mortgage payments on time in July.

Millions stand in line at food banks.

Over 40% of Americans report serious anxiety or stress.

In March, Congress passed emergency, enhanced unemployment benefits to help Americans survive the coronavirus recession, enough to live on.

More than 25 million Americans receive those benefits.

The Democratic House voted two months ago to extend them.

But Mitch McConnell refused even to consider the Heroes Act – *knowing* that millions of Americans who rely on those benefits live in uncertainty and fear.

Tomorrow, thanks to McConnell, those unemployment benefits *expire*.

This will have ripple effects throughout the economy. Without benefits, jobless workers will reduce spending, miss rent payments, fall behind on mortgage payments and even face eviction or foreclosure. More businesses will be forced to close.

EPI estimates that reducing the weekly federal benefit from \$600 to \$200, as Republicans have proposed, would reduce GDP by 2.5 percent and cost the economy 3.4 million jobs over the next year. That is more the entire economy grew in 2019!

But there is a simple solution to this damaging brinksmanship – take politics out of it.

Our Democratic witnesses Heather Boushey and Jared Bernstein – as well as other top economists – support the use of “automatic stabilizers” that tie federal spending to economic conditions.

They quickly provide help when the economy heads into recession.

If unemployment is elevated, unemployment insurance along with SNAP, Medicaid and other key supports should continue until the economy recovers.

We shouldn’t have to vote 13 times – as during the Great Recession – to extend unemployment benefits.

This should be *automatic*!

It should continue as only long as it’s needed – and no longer.

I have always believed this approach would appeal to fiscal conservatives.

Yesterday, I introduced legislation, the Worker Relief and Security Act, to tie enhanced emergency unemployment benefits to the unemployment rate in each state.

If the bill were to become law, we wouldn’t be witnessing this damaging political showdown.

None of us can predict how long the recession will last. So, let’s not try to guess.

I believe we will reach an agreement to extend enhanced unemployment benefits at some level. This is a moral imperative.

I will fight to make sure that it's enough for unemployed Americans to weather the recession.

And I will continue to fight to make sure that in the future such help is automatic.

I will fight to help give Americans confidence that the federal government will provide adequate help when it's most needed.

I look forward to the testimony from our witnesses.

¹ <https://www.wsj.com/articles/powell-says-despite-signs-of-stabilization-risks-of-long-term-economic-damage-are-significant-11592316029>