**Opening Statement**

**JEC Hearing: “Examining the Impact of Shareholder Primacy: What It Means to Put Stock Prices First”**

**Wednesday, March 16 at 2:30pm ET**

Last week, we learned that inflation reached a new 40-year high of 7.9 percent. This means that inflation is costing the average American household $435 more each month for the things they ordinarily buy.

Given this new economic reality, I hope we keep in mind the severe price increases facing American families right now as we hear about foisting environmental and other political goals onto private businesses. Americans are hurting. Poor and middle-class Americans are the ones who will pay the price for uprooting our market economy in favor of a woke political agenda. This agenda will only compound inflation—making Americans poorer and our businesses less dynamic.

For centuries, Americans have reaped the benefits of free markets and competition. It is this free market system that has lifted Americans to the highest standard of living ever achieved by a major economy.

Yet today, the free market system that enables American prosperity is under attack by bureaucrats, politicians, and regulators who seek to impose their personal political goals on private businesses. They seek to override the competitive forces that grow workers’ wages and keep prices low. They seek to make private companies beholden to politicians, rather than to the shareholders who invest in companies in the first place.

When we hear the word shareholder, we don’t usually think of the average American. But that’s exactly who they are. Shareholders are the more than 180 million Americans who live in a household with a 401k, pension, or other stock holdings. Shareholders are an ever-growing majority of households who invest in the economy and use the return on that investment to save for retirement, buy a home, or send their kids to college.

When the government tells companies not to listen to shareholders, it is really telling companies not to listen to the American people. When the government tells companies to divert their hard-earned resources into woke policy goals like environmental and social justice, the government is taking power and wealth out of the hands of the people and consolidating it in Washington.

When the government interferes with the private sector, businesses stop serving their workers and customers, and instead serve the bureaucrats who set the rules.

We already see this happening. President Biden recently directed his administration to assess companies’ progress on environmental and social justice goals—a step toward requiring them to abandon their core responsibilities to the school teachers, firefighters, and everyday Americans who invest in them and buy their products. These actions ignore centuries of evidence that the free market system is the best way to create prosperity for workers, families, and communities.

America has always been a place where the most effective common action occurs in the space between the individual and the state. A federal government that attempts to replace free enterprise is a federal government that has overstepped its bounds.

We ought to ensure that businesses are free to serve their communities by remaining at the forefront of innovation and creating value for the American families who invest in and are served by them. In today’s environment of surging inflation, we can afford nothing less.

Thank you.