JOINT ECONOMIC COMMITTEE
Congresswoman Carolyn B. Maloney, Chair
UNITED STATES CONGRESS
Opening Statement

Statement of Carolyn Maloney
Joint Economic Committee Hearing
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As Prepared for Delivery

"I would like to start by thanking Mr. Joerres and Dr. Hassett for their willingness to return to Capitol Hill and testify before the JEC after our Feb. 9th hearing was cancelled due to the snow. The weather continues to wreak havoc with this hearing. The Honorable Roger Altman, former Deputy Treasury Secretary, had to cancel his appearance before this Committee because of the snowstorm in New York.

I ask for unanimous consent to include his written testimony in the record.

Today's hearing continues our in- depth series on job creation. Today, we will be examining the prospects of a labor market recovery from the Great Recession, which was fueled by the double blow of crises in both the housing and financial sectors.

A recent op-ed by Professor Alan Blinder, which was based on the testimony he had planned to bring before this committee before the snow shut down DC, presents a clear picture of the two possible policy options to increase private sector employment: either increase demand by consumers and businesses; or give employers the incentive to substitute workers for equipment.

On Tuesday, the JEC heard testimony from the Honorable Doug Elmendorf, Director of the Congressional Budget Office. His testimony showed that an employer tax credit -- similar to the one in my bill -- is one of the most effective and efficient ways of spurring hiring. His testimony also showed that extending unemployment benefits has the biggest "bang for the buck" on the economy.

Those benefits quickly multiply beyond the original recipients since families will spend all of their benefits on food and other expenses. Those purchases have a ripple effect throughout the economy.

We've come a long way since last January, when the economy lost 779,000 jobs in that month alone and recorded an average monthly job loss of 753,000 in the first three months of 2009. Last month, we lost 20,000 jobs. And in the most recent three months of the Obama administration, the average monthly job loss was 35,000. So we're headed in the right direction. Thanks to the Recovery Act, the economy is growing. The Bureau of Economic Analysis reported that in the final quarter of 2009, the economy expanded at a rate of 5.9 percent.

The Recovery Act included a tax cut for 95 percent of American families and created jobs while investing in clean energy technologies, infrastructure, and education.

While we have brought the economy back from the brink, we are not yet where we need to be in terms of job creation. Over 8.4 million jobs have been lost during the "Great Recession." And in addition to the 14.8 million workers who are currently unemployed, there are 8.3 million workers who currently work part-time, but would like to work full-time.

In the last year, Congress has enacted policies that support struggling families and encourage job creation. These actions include:

- Creating and extending the first-time homebuyers credit,
- Boosting funding for small business loans via the Small Business Administration,
- Extending safety net programs, and
- Extending the net operating loss carry-back provision that will help small businesses hire new employees.

But we need to redouble our efforts to create jobs.

The Senate jobs bill, which passed this week, is a step forward and an encouraging sign of bipartisanship. It includes a scaled-down version of my employer tax credit. I'm happy that the Senate has included this – as Alan Blinder said in his op-ed, reducing costs for employers to hire new workers will create jobs.

During today's hearing, we will explore other options and hear other ideas for helping workers get back on their feet, spark consumer spending, and brighten our economic climate.

I am pleased that Dr. Berner was able to testify today and provide us with his forecasts of which sectors and regions of the economy are expected to grow in the coming year or two.

Mr. Joerres will be giving us Manpower's on-the ground experience about the increase in demand for temporary workers. Job creation in the temporary help sector is a leading indicator of progress in the labor market. Since September 2009, temporary help services has added 247,000 jobs –52,000 in January alone.

Finally, Dr. Hassett will be giving his views about future growth and the health of the labor market.

I am also pleased to see that today's panel will touch on another topic discussed on Tuesday with CBO – the role of uncertainty about government policies on dampening economic and employment growth.

I look forward to a lively discussion with the panel today – one that I hope will help spark bi-partisan efforts to create certainty so that households and businesses will feel confident and will lead our country out of the Great Recession.

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