



## Congressional Panel Agrees Economic Inequality a National Crisis

April 30, 2019

Witnesses invited by Republicans and Democrats to a hearing of the Joint Economic Committee on Tuesday largely agreed that America faces a crisis of economic inequality. Solutions proposed during the nearly two-hour hearing (see list of witnesses and prepared testimony [here](#)) included comprehensive immigration reform; improved workforce development policies; investment in community institutions; and targeted programs to boost childhood development. Highlights of the hearing, presided over by Senator **Mike Lee** (R-UT), are below.

- Dr. **Patrick Sharkey** said in his opening statement that “labor market opportunities, social networks, environmental hazards and the quality of institutions like schools, libraries, banks and police departments vary dramatically depending on where one lives, creating a rigid geography of vulnerability and opportunity.”
- Mr. **José Quiñonez** focused his testimony on helping underprivileged communities gain access to secure financial instruments that can provide opportunities. “Being poor in America is expensive, particularly for people living outside of the financial mainstream,” he said in opening remarks, adding that nearly one-in-seven Latinos do not have checking or savings accounts and that almost one-third of Latinos do not have credit scores.
- Senator **Maggie Hassan** (D-NH) opened the hearing for the Democrats, saying “we must do more to level the playing field and help aspiring business owners build social capital. Our country was founded on the idea that nurturing the talent and the energy of every person promotes human dignity and ignites a vibrant and competitive economy, and government certainly has a role in ensuring that we do just that.”
- Representative **Joyce Beatty** (D-OH) asked whether America’s income-opportunity gap constitutes a national emergency. All witnesses agreed except **Sharkey**, who said we’re “close” to an emergency because income inequality is a national trend with “very severe implications.” **Quiñonez** gave a “hard yes” for his answer.
- Senator **Gary Peters** (D-MI) noted that large cities are expanding economically far faster than the rest of America. “Just those few urban areas are growing whereas the rest is being left behind”—especially rural areas, he said. The Senator added that economic mobility is difficult as it’s hard for people to move to expensive cities without social safety nets.
- Representative **Denny Heck** (D-WA) focused on counties in his state where the loss of timber jobs have led to long-term double-digit unemployment, asking whether traumatic job loss can diminish so-called social capital. Dr. Sharkey replied that “what destroys communities is when there’s a combination of this kind of economic shock or long-term economic distress combined with the absence of a foundation of strong community institutions that are unable to absorb people who are unemployed.”



## Panel Agrees Economic Inequality a National Crisis (Cont.)

- Representative **David Trone** (D-MD) cited policies that result in a new form of racial segregation in public schools, noting that “in many ways a child’s zip code is determining their economic prospects.”
- Representative **Don Beyer** (D-VA), who started working in car dealerships in the 1970s, noted the importance of maintaining a good credit score. **Quiñonez** remarked how his organization helps people establish credit, likening credit reports to “passports to the financial marketplace. Without that passport, you are really denied everything.”
- You can watch the entire hearing on our [Facebook page](#) and check our [Twitter feed](#) for more quotes and videos from Tuesday’s event.

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