**STATEMENT OF CHAIRMAN KEVIN BRADY**

**READ BY REP. ERIK PAULSEN (R-MN)**

**JOINT ECONOMIC COMMITTEE**

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***Building Job Opportunities for Veterans***

I would like to thank Vice Chair Klobuchar for choosing the topic of today’s hearing, “Building Job Opportunities for Veterans.”

Every Member of this Committee honors the men and women who have served in our nation’s armed forces. Since the enactment of the *Servicemen’s Readjustment Act of 1944*, popularly known as the “G.I. Bill,” Congress has pledged to help veterans pursue their ideal of the American dream. Congress remains committed to helping veterans make a successful transition to civilian life, caring for the wounded, and assisting the disabled and their families.

Today’s hearing focuses on a key portion of that commitment—helping veterans find jobs. There are numerous federal and state programs designed to help veterans secure a college education and training; take advantage of what skills they learned in the armed forces and find gainful employment in the private sector.

Broadly speaking, employment trends among recent veterans follow employment trends among the entire working-age population. Indeed, the twelve-month moving average unemployment rate for all veterans of 6.7 percent is slightly lower than the overall unemployment rate of 7.6 percent in June. Therefore, the general condition of our economy affects the level of employment among veterans as much if not more than specific programs designed to help veterans find jobs.

The Growth Gap—which is the difference between economic performance in the current recovery and an average recovery since World War II—hurts the employment prospects of both veterans and non-veterans. This recovery, which is four years-old this month, is the weakest in seven decades. Consequently, the United States has $1.2 trillion less in real GDP and 3.9 million fewer private sector jobs than the U.S. would have had in an average post-war recovery. In terms of real disposable income per capita, this anemic recovery has generated about $2,800 less in income after inflation and taxes for every American than an average post-1960 recovery would have generated.

Why are we suffering from a Growth Gap? Business investment in new buildings, equipment, and software drives private sector job creation. Compared with previous recoveries, real business investment has been weak—after five and one-quarter years, it still remains 3.9 percent below its pre-recession peak.

A lack of liquidity and high interest rates are not restraining business investment. Commercial banks have over $2 trillion in excess reserves sitting at the Fed that could be lent to America’s entrepreneurs. America’s non-financial corporations have another $1.5 trillion in cash sitting on the sidelines. And interest rates remain at near historic lows. The Federal Reserve has done all that it can through monetary policy to help this recovery.

Local businesses tell us – over and over again – that Washington’s tax, regulation and deficit policies which President Obama continues to pursue are generating uncertainty that is deterring America’s entrepreneurs from making the investments that would create millions of good jobs for veterans and non-veterans alike.

Nobel laureate Albert Einstein defined insanity as “doing the same thing over and over again and expecting different results.” Four years after this feeble recovery began, it is clear that the current mix of economic policies is not working.

What must be done to close the Growth Gap and ensure that the 21st century is another American Century? The bottom line is that we must get our act together in three major areas of economic policy:

* We must reduce federal spending and federal debt as a percent of GDP, and we must pursue pro-growth tax and fiscal policies that give businesses the incentive and confidence to invest in buildings, equipment and people.
* We must overhaul the federal regulatory process to ensure necessary regulations are balanced and cost-effective.
* We need to return to a predictable, rules-based monetary policy that maintains the purchasing power of the U.S. dollar over time.

Those basic changes will spur the U.S. economy and help our veterans find gainful employment which, for all the sacrifice they’ve made for our country, they deserve. With that, I look forward to hearing the testimony of the witnesses.