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**Statement of Carolyn B. Maloney, Ranking Democrat**

**Joint Economic Committee**

March 2, 2016

As Prepared for Delivery

Thank you, Mr. Chairman, for calling today’s hearing.

Dr. Furman, thank you for appearing before the Committee today to answer questions about the current state of the U.S. economy.

I share the overall assessment of the Economic Report of the President, that under the leadership of President Obama the nation’s economy is back on track after what was the worst recession since the Great Depression.

We have just completed the best two years of private-sector job growth since the 1990s.

We have recorded the fastest two-year drop in the annual average unemployment rate in 30 years.

The unemployment rate has been cut in half.

As you can see in this chart, we’re in the midst of the longest streak of private-sector job creation in history – with a record 71 straight months of growth and the creation of 14 million private-sector jobs.

There are some who disparage these achievements, claiming that the Obama recovery pales in comparison to “average” recoveries – as if the economic meltdown during the last years of the Bush administration was an “average” recession.

Is the loss of almost 9 million American jobs “average”?

Is the loss of homes for 9 million Americans “average”?

Let’s remember, when George Bush left the oval office, the economy was in a death spiral.

• In the final quarter of 2008, GDP shrunk at a staggering 8.2 percent annual rate, the worst quarterly economic performance in more than 50 years.

• Housing prices were collapsing.

• U.S households lost nearly $13 trillion.

Dr. Furman, last year you told us that this recession was like an economic heart attack. You said the share of wealth lost in the early days of this recession was about five times as large as the loss in wealth that triggered the Great Depression.

Thanks to the bold action of President Obama, Democrats in Congress and the Federal Reserve, we have steadily climbed back from this recession.

• [As you can see in this chart,] U.S. GDP has grown in 24 of the past 26 quarters. Real GDP has grown by 14.5 percent since the start of the Obama administration.

• The auto industry – written off for dead by some – has already added nearly 640,000 jobs since 2009. And it is now exporting more than 2 million units per year.

• Average housing prices have rebounded to 2007 levels.

• And household wealth is more than $17 trillion higher than before the recession.

This recovery has occurred despite efforts by many Republicans in Congress. First, they opposed stimulating the economy.

In fact, every single one of them in the House voted against the Recovery Act.

They demanded budget cuts at exactly the time when economic theory says government should increase spending to boost demand.

The Report notes that the economy faces long-term structural challenges – first of all, the baby boomers are retiring.

That alone will decrease labor force participation and slow the growth of GDP. We also face the devastating effects of offshoring of American jobs and job losses due to automation and technological change.

These challenges are not a surprise. They have been on economists’ radar for years.

So, what should we do? I agree with your assessment that we need to rebuild the nation’s crumbling infrastructure, invest in early childhood education, implement paid leave, achieve equal pay for equal work and make college more affordable.

I want to close by looking at economic inequality, one of the central issues of our time, and the focus of the first and fourth chapters of the Economic Report of the President.

The U.S. experience has diverged from other advanced countries. Since 1987, the share of income going to the top 1 percent in the United States has been greater than in every other G-7 country – every single year.

We need to recommit ourselves to policies that expand opportunities and narrow inequality. These policies will pay dividends in the future and help us create an economy that is even more robust – an economy where the benefits of growth are shared across the income spectrum.

As you note, giving all people a fair shot will strengthen our economy by boosting productivity and accelerating growth.

Dr. Furman, thank you again for appearing before the Committee today. I am eager to hear your perspective on the economic challenges and opportunities ahead.

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