



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CONGRESSMAN KEVIN BRADY

RANKING REPUBLICAN HOUSE MEMBER



NEWS RELEASE

For Immediate Release
May 26, 2010

Press Release #111-35
Contact: Robert O'Quinn
(202) 226-4065

**STATEMENT OF
CONGRESSMAN KEVIN BRADY**

**Avoiding a Lost Generation: How to
Minimize the Impact of the Great Recession
on Young Workers**

I am pleased to join in welcoming today's witnesses before the Committee, and I would like to thank the Chair for holding a hearing this morning on this important topic.

The success in one's working life is largely path-dependent. Therefore, getting off to a good start is important for young people. That is one reason why a high level of youth unemployment is so troubling.

In January 2009, top Obama administration economists, Christina Romer and Jared Bernstein, forecast that if Congress passed the President's stimulus plan, the unemployment rate would remain below 8.0 percent, and payroll employment would increase to 137.6 million by the fourth quarter of 2010.

Congress enacted Obama's stimulus plan in February 2009, but the results have been disappointing. Since then, the unemployment for all workers has never been below 8.0 percent, and today it is 9.9 percent. So far, the Obama Administration is 7.4 million payroll jobs short of its fourth quarter forecast.

However, young American workers age 16 to 24 have fared worse than their older counterparts. Since February 2009, the number of unemployed workers ages 16 to 24 has increased by 707,000 to a total of 4.2 million in April 2010. Moreover, the youth unemployment rate soared from 15.8 percent in February 2009 to 19.6 percent in April 2010, an all-time high for this data series.

Given the severity of this problem, I am very interested in what today's witnesses have to say about the high level of unemployment among young American workers. Like one of today's witness, Harry Holzer, I want to find what government job-related programs and private sector initiatives actually help young Americans find and keep that important first job and what programs are wasteful and ineffective.

The cost of paying for inefficient and misdirected government programs through deficit spending will remain a debt burden on our children and grandchildren. For example, one of today's witnesses, James Sherk, observes:

[T]he 2008-2009 bailouts and stimulus packages will cost the average 22 year old \$145,900 during his working life -- \$280 a month. That is the equivalent of requiring college graduates to buy and throw out a high end iPod every month.

In conclusion, today's panelists offer different solutions to the problem of youth unemployment. Some advocate more government spending, while others emphasize the private sector. Like Presidents Kennedy and Reagan, I believe that a rising tide lifts all boats. Instead of more wasteful government spending on ineffective job-related programs, we should promote entrepreneurship and business investment to increase job creation and reduce youth unemployment.

###