



**Speech for CBC
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Thank you to the Congressional Black Caucus Foundation for inviting me here to speak to you today. It's really an honor for me to be here. And I'd like to thank my good friend, one of our most respected members of the House of Representatives, Congresswoman Barbara Lee of California for organizing this panel and asking me to speak.

As the Ranking Democrat on the Joint Economic Committee, I have the responsibility and privilege of directing a staff of economists and analysts in the study of important economic issues.

Over the past few months, working in cooperation with Chairman G.K. Butterfield and my colleagues at the CBC. I asked the JEC staff to take a hard look at the economic challenges facing the black community.

The report they produced paints a picture about what it means –in economic terms–to be black in America today. And it's not a pretty.

While these numbers probably are not surprising to some of you, the long term persistence of the problem should be deeply troubling to all of us.

Let's start with unemployment.

According to the most recent jobs report from the Bureau of Labor Statistics – the current unemployment rate for black Americans is 9.5 percent.

As the report notes – that is more than double the 4.4 percent rate for white Americans.

In fact, the unemployment rate for African Americans is even higher today than the highest unemployment rate experienced by white Americans (9.2 percent) during the very worst months of Great Recession.

When the white unemployment rate hit its high of 9.2 percent back in November of 2009 everyone – including our Republicans friends - reacted to the news with sincere alarm. It was universal, viewed as an economic emergency of the highest order. Something must be done!

Well, the unemployment rate today - for black Americans - is even higher than that.

And we sincerely hope our Republican friends can still see the situation for the emergency that it is - and will agree with us now – that something must be done.



Something meaningful must be done – because this is a problem of long standing – and one that shows no sign of simply going away.

In fact, [black unemployment has been higher](#) than white unemployment since the Bureau of Labor Statistics started keeping track of this data 42 years ago.

Actually – in a perverse sort of way – the latest numbers represent a bit of an improvement over the past. For decades, it has been even worse. In February of 1989, the unemployment rate for blacks was [almost three times that of whites](#).

On top of these disturbing unemployment numbers for Black Americans the problem of [income](#) inequality has also been growing for all Americans – both Black and White – for more than three decades.

The income gap between the top 5 percent of households and the bottom 20 percent is now 9-to-one, the largest its ever been since the U.S. Census Bureau started keeping records in 1967. Inequality that is this extreme is corrosive. It weakens our economy. It hurts our families. Eventually –it weakens democracy. It's not good for anyone – rich or poor – black or white – Republican or Democrat.

Inequality this extreme affects how we think of ourselves as a nation, it runs totally counter to the image we have of ourselves as the land of opportunity - it diminishes our standing in the eyes of the world.

The more fortunate among us don't tend to experience rank economic injustice and stark inequality in their daily lives. For this reason, many of our policymakers choose to ignore it.

I think that's a terrible mistake -- because the numbers we found are pretty shocking. They show a real deficit of opportunity that results in vastly different economic outcomes – out there in the real world.

Let me share with you three numbers that describe the depth of the problem.

- Black Americans are almost three times more likely to live in poverty than white Americans.
- The median annual income of African-American households is nearly \$25,000 less than the median income of white households. *And that's year – after year – after year.*
- The median net worth of white households is 13 times the level for black households. *In 2013, the entire net worth of the median African-American household was just \$11,000 – hardly enough to buy a reliable used car.*



But we hope these numbers help to produce a positive result – and inspire us to action. Because even those who loathe government should have a difficult time just shrugging off these facts – and remaining content with doing nothing.

And that is why we must make sure that every American knows these numbers and understands them.

And I know that you will do all that you can to get these facts out.

The good news is there are things that can be done to make the situation better. Practical, achievable, popular policies that we can put in place right now to start a process of real change.

I'll give you my top four:

First and foremost, we should increase the shrinking minimum wage.

The minimum wage is worth less today than it did almost fifty years ago. In 1968, someone earning the minimum wage and working full-time year-round earned the equivalent of \$22,700 in today's dollars. It's still not much to live on. But today – that same full time, year-round worker makes a little over \$15,000.

That's a loss of more than seven and a half THOUSAND dollars.

An American supporting a family of four on the minimum wage makes \$8,500 below the poverty line.

No American who works full time, year-round should have to live in poverty.

Simply restoring the hourly minimum wage to what it was worth in 1968 - would mean an additional \$7,600 annually to full-time minimum wage workers.

Bills to increase the minimum wage have already been introduced in the House and Senate. And I am a proud co-sponsor of Congressman Bobby Scott's bill to raise the minimum wage. I urge Congress to pass the new bills by Senator Patty Murray and Congressman Bobby Scott to increase the minimum wage.

Second, we should expand the Earned Income Tax Credit.

The EITC provides poorer families with greater economic incentive to work hard and earn more. And it has been proven to be both practical and effective – and, traditionally, it has won bipartisan support.

In 2013 it lifted about 6.2 million people out of poverty.



Third, we should make sure every American has access to a quality education – from pre-school to college.

Members on both sides of the aisle say that education is the key to success in America. Well then – let's act like we mean it!

We should expand early childhood education, restore cuts to Pell Grants, strengthen the role of community colleges, and make a college education more accessible and more affordable.

And fourth, we should also get serious about passing some of the bipartisan bills that address problems in our criminal justice system.

The Smarter Sentencing Act would be a great place to start.

The majority of Americans support these ideas.

They are not pie in sky notions.

They are practical – doable – affordable.

But it's also true that nothing will ever get done until and unless policymakers truly grasp the scope of the problems we face.

And that is where those grim statistics – the ones in your fact sheets and in our JEC report – come in. Let them be your tool – your banner – your hammer to drive home the story. It's like that old story about getting the mule to move – first – you have to get its attention.

Thank you for your commitment to these issues. Thanks for having me here and thanks for your attention. And I urge you to use this report by the Joint Economic Committee to help you document the scope of the problems we face.

These numbers – don't lie. Let's make sure that all Americans know the truth.