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Opening Statement
Senator Jack Reed
Joint Economic Committee Hearing
February 3, 2006

Thank you, Chairman Saxton. I want to welcome Commissioner Utgoff and thank her for testifying here today.

Today's report that 193,000 payrolls were created in January is welcome news. However, there is still a lot of catching up to do in a labor market that went through the most protracted jobs slump in decades. At this point in the last recovery, the economy had created nearly five million more jobs than we have seen in this recovery. Moreover, workers haven't seen any recovery in their paychecks.

Overall growth in payroll employment has been modest by the standards of most economic recoveries. The 4.8 million jobs created since job losses peaked in August 2003 works out to only about 164,000 per month—not much more than what is necessary just to keep up with normal growth in the labor force.

While the jobless rate has come down, unemployment remains higher than it was when President Bush took office, long-term unemployment persists, and evidence of hidden unemployment is reflected in the continued depressed levels of the labor force participation rate and the fraction of the population with a job.

Corporate profits and worker productivity have been growing, but wages are not keeping pace with inflation. Average hourly earnings were stagnant during 2003 and have fallen during each of the past two years, after adjusting for inflation. Paychecks are being stretched thinner as families face higher prices for gasoline, home heating, health care, and education.

The President's assertion in his State of the Union address that the economy is strong simply belies the experience of many working families, who are still waiting to benefit from the Bush economic policies. Clearly, America can do better.

I look forward to Commissioner Utgoff's statement and to a further discussion of the January employment situation.

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