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Opening Statement

Senator Jack Reed

Vice-Chairman, Joint Economic Committee

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Thank you, Chairman Saxton, for convening this hearing. I also want to welcome the new Commissioner of the Bureau of Labor Statistics, Dr. Kathleen Utgoff. I look forward to working with you and thank you for your testimony before us today.

Today, there are more than eight million unemployed Americans, and more than 1.5 million additional workers who want a job, but are not counted among the unemployed. Payroll employment fell by 43,000 jobs in September.

Long-term unemployment rose significantly in September, up by 111,000. Today, 1.6 million Americans have been unemployed for more than 26 weeks – twice as many as at the beginning of 2001.

Although the economy is clearly still in a slump, some might argue that the recession is over because GDP has shown some growth. But to bring the unemployment rate down significantly we would need an annual growth rate of more than 3 percent, and we are not getting that. Certainly the job market recession is not over. The economy has lost over 2 million private payroll jobs since January 2001. We have yet to see the kind of strong job growth that signifies a real recovery. If this is an economic recovery, it looks just like the kind of jobless recovery we had in the early 1990s.

This is sobering and distressing news, which should be a call to action.

The unemployed face a tough job market. Unemployment benefits provide some necessary relief for hard-pressed workers who have been unable to find a job during this downturn.

It's estimated that over the next five months alone, 3 million jobless workers will be harmed if Congress fails to pass an extension of unemployment benefits. The federal unemployment insurance trust fund currently has a \$24 billion surplus, which is more than sufficient to provide additional weeks of benefits to workers who have or will soon exhaust their benefits.

We have already begun to see the human toll of unraveling economic progress as family incomes are falling for the first time in nearly a decade, poverty is on the rise, and families at all income levels are losing their health insurance.

The task before us as policymakers is to put the economy back on a path of strong and sustainable growth. Extending unemployment benefits to workers before the current program expires will not only help millions of families weather these difficult economic times, but it will also provide a boost to the economy without undermining our long-term fiscal discipline.

Mr. Chairman, I look forward to the testimony of Commissioner Utgoff on the state of our labor markets.