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Opening Statement
Senator Jack Reed
Joint Economic Committee Hearing
March 10, 2006

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

Today's report that 243,000 payroll jobs were created in February is welcome news for workers. However, the labor market is not yet back to full strength. During this recovery, the decline in the unemployment rate has not been accompanied by a recovery in labor force participation and strong productivity growth has not translated into rising real wages.

Overall growth in payroll employment has been modest by the standards of most economic recoveries. The five million jobs created since job losses peaked in August 2003 works out to only about 166,000 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 during the recovery, 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 ability of the job market to come back after the hurricanes is a testament to the resiliency of the American economy. I am skeptical, however, about the role the President's policies have played in stimulating job growth, and it is clear in the data that ordinary workers are still waiting for the benefits of the economic recovery to show up in their paychecks.

The President doesn't seem well attuned to the concerns of most workers. While he was abroad last week, for example, the President hailed the economic benefits to the U.S. from outsourcing to other countries, but failed to acknowledge that he has no plan to address the effects of outsourcing or other problems that persist in our labor market.

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

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