

Statement of Carolyn Maloney, Vice Chair
Joint Economic Committee Hearing
January 31, 2007

Thank you, Chairman Schumer. I am pleased to be here at the first hearing of the Joint Economic Committee held under your leadership and I am proud that I will be the Vice Chair of the Committee. Together, we and the other members of the Committee have an exciting opportunity to take economic policy in this country in a new direction that helps American families meet the challenge of continuing to compete and prosper in an increasingly competitive world economy.

I am pleased to welcome our witnesses, three of whom helped President Clinton preside over the longest economic expansion in our nation's history—when 22.7 million jobs were created, the unemployment rate came down to 4 percent, and families up and down the income ladder made real economic progress and had a sense of confidence in their economic future.

I am proud to have Bob Rubin as a constituent. Americans benefited from his skillful work as Treasury Secretary and they are continuing to benefit from his wise counsel about how to address the economic challenges we face. Professor Summers and Professor Blinder each have combined highly distinguished academic careers with equally distinguished careers in public service and I am pleased that they are here so that we can draw on their experience and wisdom. Dr. Vedder, I am sure that you will be coming at these issues from a different perspective, but I look forward to a serious policy discussion and competition among ideas.

The issues we are discussing today are critically important. The middle class is the fabric of our nation, but they are feeling a bit frayed at the moment. And they probably feel frustrated when they hear the President and his surrogates continually heap praise upon this country's economic performance. Many of them are probably thinking: Is the President talking about the same economy? And: If the economy is doing so well, then why am I left with this empty feeling?

When the President says his policies are working to make the economy strong and that all Americans are benefiting, he is only looking at the situation from a distance. The bird's eye may not look so bad, but the facts on the ground tell a different story.

Despite four years of economic expansion, job growth has been modest, wages are barely keeping pace with inflation, real incomes have fallen, household debt is rising, employer-provided health insurance coverage is declining, and private pensions are in jeopardy. These are the economic barometers that matter most to families. These are facts and figures that affect their pocketbooks.

The growing divide between the 'haves' and the 'have nots' is also tearing the fabric of our nation. A recent analysis by the Congressional Budget Office shows that the President's policies have aggravated the widening gap between the rich and everyone else in the last several years. The policies of this Administration simply do not address the problems of families trying to maintain a middle class way of life and they certainly do not address the problems of working families trying to make it into the middle class.

The American people want us to create an economic environment that produces better jobs with better pay, raises the minimum wage, makes health care and college more affordable, cuts

middle-income taxes, guarantees a dignified retirement for our seniors, moves the nation toward energy independence, and restores fiscal responsibility. In the House of Representatives, we have already acted on many of these issues, but there is much work left to do.

I look forward to the testimony of our witnesses and their thoughts on policies that can help us fulfill our promise to restore the American Dream to middle-class families.