



Economic Recovery & Job Creation Package Needed

The New Direction Congress recognizes the severity of the economic crisis for America's families and is fighting for real solutions to put our economy back on track.

Experts and Reports Reaffirm Need for Economic Recovery Plan

"House prices in the U.S. are still declining. There are still more losses to come there. The economy, I believe, is in recession." Former Federal Reserve Chairman Paul Volcker [Reuters, 10/14/08]

"Indeed, the U.S. economy appears to be in a recession. This is not a controversial view," said San Francisco Federal Reserve Bank President Janet Yellen said in a speech Tuesday night at the Silicon Valley Chapter of Financial Executives International. [CNN, 10/15/08]

Turmoil in credit markets poses a "significant threat" to the U.S. economy, Federal Reserve Chairman Ben Bernanke said on Wednesday. "Stabilization of the financial markets is a critical first step, but even if they stabilize as we hope they will, broader economic recovery will not happen right away," he said. [Reuters, 10/15/08]

New economic data today shows retail sales suffered the largest drop in three years in September reflecting that American families are pulling back on spending, which is crucial to the health of the American economy. [AP, 10/15/08]

The Fed's new snapshot of business conditions [**Federal Reserve Beige Book**] showed economic activity weakened across all of the Fed's 12 regional districts. Consumer spending — which accounts for more than two-thirds of economic activity — slumped in most Fed regions. Manufacturing also slowed in most areas. Some businesses had become more pessimistic about the economic outlook, the Fed said. [AP, 10/15/08] Even more worrisome was the downturn in "nonfinancial services," which has been the backbone of economic activity. [Market Watch, 10/15/08]

Upcoming Hearings on Economic Recovery

Speaker Pelosi has called on all relevant committee to schedule hearings in the coming weeks on the key provisions of a fiscally responsible recovery package so that Congress can move rapidly to get our economy moving again and to provide assistance to hard hit middle- and low income American families.

- Monday, October 20: The Budget Committee, under Chairman Spratt, will hold a hearing on Economic Recovery: Options and Challenges, with Federal Reserve Chairman Ben Bernanke
- Week of October 20: The Education and Labor Committee, under Chairman Miller, will hold a hearing on the nation's severe unemployment outlook and strategies to spur job growth.
- October 29: The Ways and Means Committee, under Chairman Rangel, will hold a hearing on economic security and components of an economic recovery package.

- October 30: The Joint Economic Committee, under Vice Chair Maloney, will hold a hearing on faltering economic growth and the need for economic stimulus.
- In the next several weeks, additional committees including the Transportation and Infrastructure Committee are planning on holding hearings.

Upcoming Hearings on Financial Meltdown

- Today, the Agriculture Committee under Chairman Collin Peterson held a hearing on the financial markets and the growing use of unregulated swaps that contributed to the downfall of AIG and Bear Stearns.
- Tuesday, October 21: The Financial Services Committee will hold a hearing on the need for broad regulatory restructuring and reform for the financial markets, including financial institution oversight and regulation, systemic risk, and housing finance.
- Wednesday, October 22: The Government Oversight and Reform Committee will hold a hearing regarding the role of the credit rating agencies in the financial excesses on Wall Street. CEOs of the nation's three largest credit rating agencies have been invited to testify.
- Wednesday, October 22: The Education and Labor Committee will hold a field hearing in San Francisco on 401k losses and what we can do to improve retirement security.
- Wednesday, October 22: The Judiciary Committee will hold a briefing on home foreclosures and bankruptcy in Boston.
- Thursday, October 23: The Government Oversight and Reform Committee will hold a hearing on the role and responsibilities of federal regulators in the Wall Street financial crisis, with former Federal Reserve Chairman Alan Greenspan, SEC Chairman Chris Cox, and former Treasury Secretary John Snow invited to testify.
- Thursday, October 23: The Small Business Committee will hold a hearing on the impact of the financial crisis on small business.
- Thursday, November 13: The Government Oversight and Reform Committee will hold a hearing on the role of hedge funds in the financial markets, and their regulatory and tax status with the five managers who were paid over \$1 billion last year.