JOINT ECONOMIC COMMITTEE
Congresswoman Carolyn B. Maloney, Chair
UNITED STATES CONGRESS
Opening Statement

Statement of Carolyn Maloney
Joint Economic Committee Hearing
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"Just over one year ago, the current Administration took office while the country was suffering from the worst economic crisis since the Great Depression. In fact, Council of Economic Advisers Chair Christina Romer testified to this committee that the shocks we endured in the "Great Recession" were actually worse than those of the Great Depression.

But today, it is clear that America is on a path toward economic recovery:
The most recent employment report showed that the economy has gained jobs for 4 months in a row. In April, 290,000 jobs were created –with a total of 573,000 jobs created since the start of 2010. After 4 straight quarters of negative growth, the economy has grown for three quarters. These improvements in our economy are proof that actions taken by this Congress and the Administration have put our economy back on track.

While we are making progress, the road to recovery will not be without bumps.

Although we saw significant job creation in the past two months, we need stronger job creation to reduce unemployment.

Some groups are suffering more than others. Today's hearing focuses on younger workers who are facing extremely high rates of unemployment. The JEC released a report today showing that one-in-five workers between 16 and 24 is unemployed – the highest rate of unemployment ever recorded for this age group. While 16-24 year olds comprise 13 percent of the labor force, they make up 26 percent of the unemployed. The youngest workers, those ages 16-17, experience the highest rates of unemployment. The unemployment rate for 16-17 year olds was 29 percent in April 2010.

While education reduces the likelihood of being unemployed, the benefits of a college degree are not uniform among 16-24 year olds. The unemployment rate for young black college graduates was 15.8 percent in April 2010, nearly double the 8.0 percent unemployment rate for all young college graduates.

These numbers will take on a stark reality as millions of new college graduates start knocking on doors looking for a job. And for teens looking for their first job, it will be even worse. The

scarring effect of unemployment among younger workers has lasting consequences for their attachment to the labor force, their productivity and their future earnings.

As Dr. von Wachter testified before this Committee last month, these younger workers face reduced earnings even 10 to 15 years later.

The costs to the economy in terms of lost output for these workers are great, which will have an impact on our debt and deficit.

Today, the House began debate on HR 4213, the American Jobs and Closing Tax Loopholes Act, a bill to create jobs, support those without jobs, and lay the groundwork for new employment opportunities in the future. HR 4213 makes many key investments in our people and in our future.

In addition to extending unemployment benefits and COBRA premium support through the end of the year, the bill funds summer jobs for more than 300,000 young people.

Job creation is critical, of course, but so are job training and skill building. We need to identify training and placement programs that are getting strong results and figure out how to scale them so they reach more workers across the country.

I look forward to hearing more creative solutions from today's panel on how to solve the unemployment problem for America's younger workers."

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