

Opening Statement of Ranking Member Alma Adams (NC-12)

Subcommittee on Workforce Protections

"Cutting Corners at WHD: Examining the Cost to Workers, Small Businesses, and the Economy"

2175 Rayburn House Office Building

Tuesday, July 18, 2023 | 10:15 a.m.

Thank you, Chairman Kiley, and good morning. I do want to first of all thank our witnesses for their time, I look forward to your testimonies this morning. Since President Biden took office, the administration and Congressional Democrats have made great strides to grow our economy from the bottom up and the middle out.

In January of 2021, the unemployment rate stood at 6.3 percent. As of last month, it's 3.6 percent. The unemployment rate has now been below 4 percent for the longest stretch in 50 years.

Between 2019 and 2022, some of our lowest-wage workers experienced the fastest real wage growth they had seen since 1979.

The share of working-age Americans who have jobs is at the highest level in over 20 years. For women between the ages of 25 and 54, the labor force participation rate has never been higher, reaching 77.8 percent in the latest jobs report.

And Black Americans are participating in the workforce at a higher rate than ever.

In short, workers and families, are experiencing historic wage growth, historically low unemployment rates, and a booming job market—13.2 million jobs since President Biden took office and counting.

This historic economic growth is no accident—it is the result of Congressional Democrats and President Biden's smart policy choices to support both workers and businesses. But my Republican colleagues do not want to hear this evidence of a strong economic recovery. Instead, they prefer to paint a bleak picture of the economy and argue that now is not the time for regulations to safeguard the economic security of working families.

My Republican colleagues may be quick to attack the Department of Labor's Wage and Hour Division. But the most dangerous proposals for our economy are the ones coming from extreme MAGA Republicans, who want to turn back the clock and reinstate failed Trump era policies.

For instance, the prior administration gave unscrupulous employers a free pass to misclassify workers and deny them critical protections, such as minimum wage, overtime, health and safety standards, unemployment, workers' compensation, and their right to organize.

It's time to face the facts—without strong safeguards in place, workers will continue to be vulnerable to misclassification, to wage theft, and other violations of their rights that wind up costing working families and all taxpayers billions of dollars.

We need a Wage and Hour Division that is stronger—not weaker—and has the resources it needs to fulfill its promise to working families and law-abiding business.

And let's be clear: my Republican colleagues may not like the economic analysis being done by the Wage and Hour Division – but each of the rulemakings being discussed today were accompanied by pages of economic analysis, including impacts on small business. No corners were cut. Period.

And – if the Biden administration's rulemakings are so catastrophic for small business, then why have Americans filed record numbers of applications to start small businesses in 2021 and 2022?

If the sky was really falling as some might suggest today, wouldn't there be a chilling effect on those rushing to start small businesses?

Last week, the House Appropriations Committee advanced its FY24 Labor-H appropriations bill that proposed slashing the Wage and Hour Division's budget by \$75 million.

My Democratic colleagues and I strongly oppose this cut to the Wage and Hour Division's budget and anyone who is legitimately concerned about Wage and Hour's ability to conduct their vital mission should be as well.

My Democratic colleagues and I believe that we do not have to choose between a robust economy and one that affords workers basic dignity and respect. And this why we'll continue to put people over politics and support an economic recovery that grows from the bottom up and the middle out.

I want to thank our witnesses, again, for their time. Mr. Chairman, I yield back.