Senator Sherrod Brown
Opening Statement
"Semiannual Monetary Policy Report to Congress"
Senate Committee on Banking, Housing, and Urban Affairs
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Thank you, Chairman Crapo.

I also want to thank our Chief Clerk Dawn Ratliff for her service to this Committee and the public. She has been instrumental in making the Committee run smoothly for over a decade. Dawn, we will miss you, and congratulations on your retirement.

Chairman Powell, welcome back to the Committee.

It has been a great week for Wall Street.

The FDIC announced that banks made a record-breaking $237.7 billion in profits in 2018, almost a quarter trillion dollars.

Corporations – led by the nation's largest banks – bought back a record $1 trillion in stocks last year, conveniently boosting their CEOs compensation. The President's tax bill put $30 billion in the banks' pockets, and continues to fuel even more buybacks and CEO bonuses.

But that's never enough for Wall Street—it continues to demand weaker rules, so big banks can take bigger and more dangerous risks. And from the proposals the Fed has put out after the passage of S. 2155, it looks like you are going along.

The economy looks great from a corporate headquarters on Wall Street, but it doesn't look so good from a house on Main Street.

Corporate profits are up. Executive compensation has soared. And that's all because of the productivity of American workers. But workers' wages have barely budged. Hard work isn't paying off for the people fueling all this growth.

Seven of the 10 fastest growing occupations don't pay enough to afford rent on a modest one-bedroom apartment, let alone save for a down payment.

Household debt continues to rise, taking its toll on families. At the end of 2018, seven million Americans with auto loans were 90 or more days past due on their payments—a record, even though unemployment is at decade lows.

Borrowers of color have not recovered financially from the crisis. And too many Americans of all ages are saddled with a mountain of student loan debt.

The president's government shutdown also revealed another frightening reality– too many Americans, still live paycheck to paycheck, even those with stable jobs.

After 35 days of uncertainty and hardship, those workers went back to their jobs and eventually received their pay. But more than a million government contractors weren't so lucky. We're talking in many cases about custodians and security guards and cafeteria workers making $12 or $15 an hour. We have heard a lot of talk about whether GDP will recover from the shutdown, and not enough about how workers will recover.

We have questioned for quite a while whether the economic recovery—now in its 10th year—has been felt by all Americans. Stagnating wages and increasing income inequality between Wall Street CEOs and working Americans point to an obvious answer.

Chair Powell, your comments at the February 6th Fed town hall for educators confirmed this. A teacher asked about your major concerns for the U.S. economy, and you answered:

> "We have some work to do more to make sure that prosperity that we do achieve is widely spread. (…) median and lower levels of income have grown, but much more slowly. And growth at the top has been very strong."

"Growth at the top has been very strong." In other words, the CEOs, the folks on Wall Street, they're all doing just fine.

Chair Powell, the Fed has spent a decade bending over backwards to help banks and big corporations that have hoarded profits for themselves rather than investing in the millions of workers who actually make our companies successful.

We are late in this economic cycle, and it is clear that record Wall Street profits won't be trickling down to workers before the next downturn.

Before the last crisis, we heard over and over again from government officials and banks that the economy was doing fine. Regulators and Congress continued to weaken rules for Wall Street, and ignored the warning signs as families struggled to make ends meet.

As the severity of the financial crisis became clear, the Fed rushed to the aid of the biggest banks, but it did not devote even a fraction of that firepower to helping the rest of America. Ignoring working families was a policy failure then, and it is a policy failure now.

Chair Powell, I hope we don't make the same mistake again. I look forward to your testimony and new ideas for making hard work pay off for everyone in our economy.

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