Opening Statement for Ranking Member Sherrod Brown
Senate Banking Hearing, January 30th, 2018
Annual FSOC Testimony, Secretary Mnuchin

Thank you, Mr. Chairman, and thank you Secretary Mnuchin for appearing before the Committee today.

I look forward to your testimony on the threats to the financial stability. The economy has grown steadily for the past eight years, unemployment has fallen, and some – but certainly not all – families have recovered from the financial crisis.

We've made some progress, but we still have some pretty substantial challenges to financial stability in this country.

Personal savings rates have been falling for years and now stand at only 2.6 percent, the third lowest on record. Household debt continues to climb. Job growth last year was the worst it's been since 2010.

Three million Americans lost their health insurance last year, the largest jump since Gallup started tracking coverage a decade ago. And for the second year in a row, life expectancy for Americans actually fell – driven in large part by an opioid epidemic that's been ignored by too many in Washington.

Stock markets around the world have been on a tear, which certainly helps the top quintile of Americans. By one estimate, these are the people who own 92 percent of stocks in the U.S.

It's good for workers with a 401(k), too, but too few workers have even that much retirement security – only a third of workers are making contributions to a 401(k) or similar retirement plan.

Most workers build wealth with a hard-earned paycheck, not a statement from their broker. While the economy's growth last year was the same as it had averaged over the prior three years, the share that goes to wages continues to be very weak.

And for those people – a nurse in Mansfield, a Teamster in Youngstown, and a barber in Blue Ash – building a secure, middle-class life is as tough as ever.

The policies of this Administration, and this Congress, are only making these problems worse.

The tax bill will outsource more jobs, raise healthcare premiums, and give a huge boost to the richest people in the country.

Meanwhile, our kids will be left with the tab, picking up $1 trillion in new deficits.

I will be the first to acknowledge when a company does the right thing and boosts wages. I was asking bank CEOs to increase pay for their tellers, custodians, and contract workers long before the labor market was tight. And I offered an amendment to the tax bill to reward companies that did right by their workers.
So I am happy that a combination of factors has caused some employers to pay their workers more. But let's keep it in perspective.

Take Wells Fargo – last week the bank announced it was buying back $22.5 billion of its own stock this year. That's 288 times more than the cost of raising worker pay up to $15 an hour.

And Bank of America announced a $17 billion stock buyback, while saying it was phasing out free checking for certain customers, now charging them $12 a month.

The middle-class isn't just getting the short end of the tax bill. We also know they will pay the price if we roll back the rules on Wall Street.

The Treasury has issued a steady drumbeat of reports suggesting hundreds of changes to our consumer protection and financial stability rules that will make the risk and severity of the next crisis much greater.

The FSOC's tools are only as powerful as its members' willingness to use them. While past members of the FSOC were eager to do the hard work of keeping Wall Street honest, this new team would rather join them for schnapps at a Swiss ski resort.

Instead of fulfilling Wall Street's wish list, we should be finding a long-term solution for our budget, investing in our nation's crumbling roads and bridges, and ensuring that workers can keep the pensions they've earned. I agree with the FSOC's warning that many multi-employer plans are in tough shape, and if the Congress and the Administration don't act soon, we threaten the promises made to millions of retirees.

I look forward to today's hearing and thank the Chairman and the Secretary.