

**Ranking Member Catherine Cortez Masto Opening Statement**  
**Senate Banking, Housing and Urban Affairs: Economic Policy Subcommittee**  
**Economic Mobility: Is the American Dream in Crisis?**

**July 17, 2019**

Thank you Chairman Cotton and welcome to all our witnesses here today.

I appreciate Chairman Cotton suggesting a hearing to explore barriers to economic mobility in the U.S.

The Senate Banking Committee has jurisdiction over many of the most pressing issues facing Americans today – from housing, to lending, to transportation.

Today, we discuss how Congress can improve economic outcomes for children and families.

We want our children to grow up and become financially self-reliant.

We want the children of renters to be able to own their own homes if they wish.

We want children whose parents struggled to put food on the table to be able to afford a full pantry and even a few meals out every month.

We want children who survived homelessness to grow up with an income adequate to not just pay the rent but save for their children's college education and their own retirement.

We want workers retiring from one career to be able to open a small store and have it thrive.

Yet, those dreams – the American Dream - are unattainable for too many.

Parents who lack affordable bank accounts end up with financial products that can lead to a debt trap. As they struggle with bank fees, they may see their car repossessed, resulting in getting fired from their job and getting evicted from their home.

The average college senior graduates with more than \$30,000 in debt, and total student debt nationwide has topped \$1.5 trillion dollars.

And some college graduates cannot find jobs that pay enough to manage their crushing student loan debt. They delay starting a family, buying a home, and saving for retirement for a decade or more.

An entrepreneur buys a franchise business but finds the business never earns as much as she was promised. As she struggles to keep her store in the black, she does it all on her own - she can't afford to hire employees and pay them a living wage. That's wrong.

It is wrong that the zip code where a child is born and grows up affects their future income and financial success more than that child's education, aptitude or work ethic.

It is wrong that a lack of affordable financial products prevents families from building up savings to respond to a broken arm or a broken car without a major financial crisis.

It is wrong that corporations use non-compete clauses, union busting and arbitration clauses to keep wages low and corporate profits high.

It is wrong that high housing costs, lack of affordable child care and inadequate transit restrain economic mobility for struggling families and young adults.

It is wrong that entrepreneurs who purchased a franchise – many of them immigrants, retirees and veterans – were misled by unfair contracts, deceptive financial information, and non-disparagement clauses.

We need solutions.

And we know many of them are already out there.

In their written testimonies, the witnesses have suggested significant investment in education, health, and other public services. They want to empower workers and franchise owners. They recommend tackling monopolies and corporate concentrations that drive out competition and result in lower wages for workers.

We have seen how government can protect homeowners, small business owners and entrepreneurs from predatory and abusive practices and financial products.

I want to especially thank Mr. Keith Miller who took the red eye from California to be here today.

Mr. Miller has helped Nevada franchise owners who have seen their incomes plummet when they bought a franchise. These entrepreneurs were upper-middle class but now face foreclosure and bankruptcy in a few months or years only because they bought a franchise.

Later this month, I plan to introduce legislation to ensure prospective franchise owners receive accurate revenue and default information from the franchise corporation before the franchisee receives a guaranteed loan from the Small Business Administration. I encourage others to join my bill.

In closing, I look forward to hearing from today's witnesses.

It is my hope that today's hearing will jumpstart a discussion on the Senate Committee of Banking, Housing and Urban Affairs about how we can improve economic mobility for current and future generations.

I hope to work with my colleagues in the Senate on solutions.

Because every family in America hopes for the same thing: that their children's lives will be more stable, safer, and more prosperous than their own.