

Chairman Dave Brat
Subcommittee on Economic Growth, Tax, and Capital Access
“The Local Impact of Economic Growth”
September 27, 2018

AS PREPARED FOR DELIVERY

Good morning, I call this hearing to order.

As you might know, I used to teach economics for a number of years, and I think this Subcommittee has done an excellent job this Congress of having both sides of the aisle coming together to examine and promote policies that promote economic growth.

At the beginning of this Congress, this Subcommittee held a hearing examining the state of the small business economy. The economy had just come off of a 1.6 percent growth rate in 2016, and there were a lot of economists beginning to ask the question, have we reached a new normal of about 1 to 2 percent growth rates?

However, 2018 has marked a stark difference to those years of slow growth. In the second quarter of 2018, economic growth hit 4.2 percent, and according to the Council of Economic Advisors, GDP is on track to hit its highest mark since 2005 this year.

This growth is also allowed companies to make long term investments. According to UBS, Capital spending rose 21 percent in the first quarter and 24 percent in the second quarter this year, which were both the highest increases seen since 2011. Increased capital spending means that businesses are using more resources to make a needed renovation, research the next great idea, and maximize economic growth.

This recent expansion has not just benefited a select few, but rather, helped Americans and small businesses across a variety of economic and demographic backgrounds. Unemployment rates across every demographic or at or near historic lows. Wage growth since the beginning of 2017 for non-white Americans has outpaced the national average. And furthermore, minority-owned small businesses are growing faster than the national average, and their impact will continue to grow even greater in the years to come.

This morning we have an excellent panel to discuss how the recent surge in economic growth, and the policies enacted this Congress, have impacted minority-owned small businesses. By hearing their stories, we hope to further understand how Congress can continue to promote pro-growth policies to help small businesses of all industries and backgrounds.

I now yield to the Ranking Member for his opening statement.

