

Speeches and Committee Statements

At Yellen Hearing, Waters Urges Caution on Interest Rates

Washington, DC, Jul 15

In opening remarks during today's semi-annual Humphrey-Hawkins hearing with Federal Reserve Chair Janet Yellen, **Congresswoman Maxine Waters** (D-CA), Ranking Member of the House Financial Services Committee, urged caution as the Federal Reserve considers raising interest rates before the end of the year. Waters touted the importance of the Dodd-Frank Wall Street Reform Act in ensuring stability in our financial system, and mentioned the significant work that needs to be done to ensure that communities of color and women also reap the benefits of our nation's economic recovery.

She gave the following statement:

Thank you, Mr. Chairman and welcome back, Chair Yellen. I'm pleased you're here this month – as we commemorate the five-year anniversary of the enactment of the Dodd-Frank Wall Street Reform Act.

Dodd-Frank was signed into law just as we had emerged from the worst economic collapse in a generation – one which destroyed nearly \$16 trillion in household wealth and 9 million jobs, displaced 11 million Americans from their homes, and doubled the unemployment rate.

But since those dark days, we have seen improvement. Dodd-Frank made significant progress correcting the practices that helped lead to the crisis. It has delivered billions to victimized consumers, brought greater transparency to the once opaque banking practices that helped cause the crisis, and put in place clear rules of the road that foster stability in our financial system.

That stability, along with the help of extraordinary monetary policy accommodation, has led to growth, including the creation of nearly 13 million private sector jobs, unemployment falling to its lowest rate since September 2008, a recovering housing market, and significant increases in 401(k) balances and the S&P 500.

But these improvements do not paint a picture of an economy that has fully recovered. The gap between communities of color and women versus their white, male counterparts remains dramatic. A lackluster first quarter and a strong dollar – coupled with economic instability and slowing growth abroad – have sapped momentum for job creation and economic expansion here at home.

As such, I hope the Board of Governors will continue its slow and cautious approach to raising interest rates. Chair Yellen, as you know, raising rates does not itself create a strong economy – it is a strong economy that must be the impetus for

raising rates.

With inflation continuing to hover near zero, and numerous indicators of slack in the labor market, it is my hope that the Federal Reserve will give careful consideration to the impact of any potential interest rate increase on the middle class – and those communities that have yet to benefit from the economic recovery.

So thank you again Chair Yellen, I look forward to your testimony and I yield back.