

TIME: _____

Thank you for the invitation to testify.

- The subjects today -- education, jobs and the economy -- are vitally important to all Americans.
 - I will very briefly discuss them, but we have also provided you with written testimony that addresses them in greater detail, along with some excellent graphics attached.

Better Markets fights for the economic security, opportunity and prosperity of the American people by ensuring that finance serves society and is not a threat to it.

- Our mission is to protect the American Dream of homes, jobs, savings, education, a secure retirement and a rising standard of living,
 - rather than those priorities being subordinated to the interests of finance and threatened by an unstable and unbalanced financial system.
 - We do that by being a Wall Street watchdog and a counterweight to the industry in when they are bending laws and rules their way in
 - Rulemaking
 - Public Advocacy
 - Litigation
 - Legislation
 - Independent Research

The financial crash of 2008 was the worst since the Great Crash of 1929,

- **and it produced the worst economy our nation has seen since the Great Depression of the 1930s.**
- The economic wreckage was devastating
- Within a year of Lehman collapse, 27 million Americans were unemployed or forced to work part time because they couldn't find full time work
 - Many of them were heads of households so the employment wreckage alone touched more than 50 million Americans
- More than 16 million foreclosure filings happened as a result of the crash
- Almost 1/3rd of all homes in the country were underwater where the mortgages were higher than the homes could be sold for

- Businesses large and small were collapsing as credit was cut and consumers couldn't spend
 - The American Dream rapidly became a nightmare of economic anxiety for tens of millions of Americans due to no fault of their own
- Stopping the collapse of the financial system and stopping a second Great Depression was necessary but was historically costly
 - A Better Markets study showed that those costs for the US alone are going to be more than \$20 trillion
 - That's more than \$170,000 for every woman, man and child living in the US today
- And, one of the biggest but unseen and unacknowledged costs is the fact that all the other priorities of the American people have been underfunded as a direct result of resources being diverted from those priorities
 - Trillions of dollars were spent on the crash and not on
 - Education
 - Health care
 - Job training
 - Research and development
 - Environmental protection
 - And all the other cares and concerns of the American people

Let me give one specific example relating to education and student loans:

- There is \$3.5 trillion of non-mortgage personal debt in the US today, more than \$1 trillion of which is student loans.
 - Much of that is an unacknowledged but direct result of the financial crash of 2008.
 - Every student graduating since 2007 has entered the worst job market since the Great Depression.
 - Not only were they competing against other graduates, but they were also competing against 27 million underemployed workers looking for work as well as the millions who would have retired and wanted to retire but no longer could.
 - That was the employment environment they graduated into and it got worse every year and millions more graduating students entered the

workforce, competing for fewer and fewer jobs and facing lower and lower wages.

- As a direct result, their ability to repay their student loans got worse every year and continues to this day.
 - Moreover, it's not going to get better because research shows that it takes decades – if ever – to regain the income lost due to unemployment and stagnant wages.
 - That's all due to Wall Street crashing the financial system and economy
- **That is why no matter what issue you care about most,**
 - **you must also prioritize making sure our country never again suffers another financial crash**
 - And on rebalancing and re-focusing our financial sector on supporting the real economy, jobs and growth and serving society.

Quickly, how to do that:

First, finalize, implement, and enforce all the financial reform protections in the Dodd-Frank law

- We must end too big to fail once and for all, including effective living will resolution plans or require the dozen or so biggest banks to dispose of businesses and activities so they can go bankrupt like every other business in the US
- We must fully fund the regulators who are the cops on the Wall Street beat and the only way to stop the Wall Street crime spree
- And, we must end the double standard of justice where Wall St banks and executives get special treatment and Main Street gets the book thrown at them

Second, Defend the reforms that are in place

- Preventing Wall Street's allies from rolling back financial reform protections at the Consumer Financial Protection Bureau and elsewhere is vital

Finally, we must move forward with important new reforms

- End the derivatives dealers club where just 4 banks control more than 90% of the \$250 trillion US derivatives markets
- Regulate the new and emerging parts of the shadow banking system
- End predatory HFT that is threatening the stability of our capital markets while victimizing investors

These are all detailed in my written testimony

In closing, capital markets and finance are critical for our economy to grow, create jobs, and raise living standards.

- However, they have lost their way and serve themselves more than the real economy or the needs of the American people.
 - A safe, sound, balanced and stable financial system is the foundation for a sustainable, growing economy that produces good jobs and rising standards of living

That's what will enable us to direct our resources to the priorities of the American people and to make the American Dream a reality for everyone.

Thank you