

Statement of
Nominee for member of the Council of Economic Advisers
Austan D. Goolsbee
Before the
Committee on Banking, Housing, and Urban Affairs
Of the
United States Senate

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Let me start by thanking my senior Senator for his kind introduction. And what a thrill and how appropriate that Senator Durbin himself got his start in politics working for the late Senator Paul Douglas—a legendary figure in Illinois politics but also originally a famous economics professor from the University of Chicago (for those economists here today, none other than the namesake of the Cobb-Douglas production function).

Chairman Dodd, Senator Shelby, members of the committee, thank you for your time and the chance to be here today.

Before I begin, I would like to introduce you to my family. My wife Robin—the love of my life and, as you can see for yourself, prettiest girl in Chicago—is here with our three kids. Our daughter Aden is 8, our son Addison is 5 and our son Emmett is 2. Emmett is a lot more interested in trucks than he is in economics so he may not sit still in that seat for too much longer. Next to them there is my mom—Linda—and my dad—Arthur—who came up for this hearing all the way from Abilene, Texas. My Dad recently got ordained as a Deacon at the Church of the Heavenly Rest in Abilene and I especially appreciate his being able to take time out from his new duties to be here.

By way of background, I was born in Waco, Texas and spent most of my childhood in Whittier, California. I went to school at Yale and then M.I.T. before becoming a professor in 1995 at the Business School at the University of Chicago (recently named the Booth School of Business). I am currently the Robert P. Gwinn Professor of Economics and the co-director of the Initiative on Global Markets.

As a researcher, I am an empirical economist—one of the old-style data dogs. My research has covered public policy and taxation, the Internet, telecom and innovation, capital investment, and the study of industries in America and the world like manufacturing, airlines, media, computers and others.

Now given the expertise of the members of this committee and the situation Professor Romer just described, I don't think that anyone here needs further convincing that we arrive at a time of great moment in the nation's history and one as intimidating as any since the Depression.

But at a moment like this I cannot help but remember my old friend and mentor, the late Nobel laureate and former CEA member James Tobin. When I was a freshman I took the last class of Jim Tobin's career and he took me under his wing as a research assistant. He had grown up in the Great Depression and always believed that economics was more than just an interesting field of study, that it could make the world a better place. In 1961, President Kennedy asked him to join the Council of Economic Advisers. He used to say that he never worked harder in his life than those years at the CEA. He was proud to have served the country and given sound economic advice.

I think it's appropriate to remember Tobin these days because he spent his life teaching his students that economics could be used to fight catastrophes just like this. And as I sit before you now--almost a half-century later—as the nominee for Tobin's old seat at the CEA, it is my sincere hope that we will live up to the standard the CEA set back then in what most view as its Golden Age. If we are confirmed, Mr. Chairman, I can assure you that we will come to the job everyday ready to work hard, to bring the best economic thinking we have and to be motivated by the great CEA legacy that has come before us.

I thank you for the opportunity to be here and will be happy to answer any questions you might have.