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Bidenomics: *Laying the Foundation for Strong, Sustainable, and Equitable Growth*

Heather Boushey
September 2023

2020 Recovery: Strong!



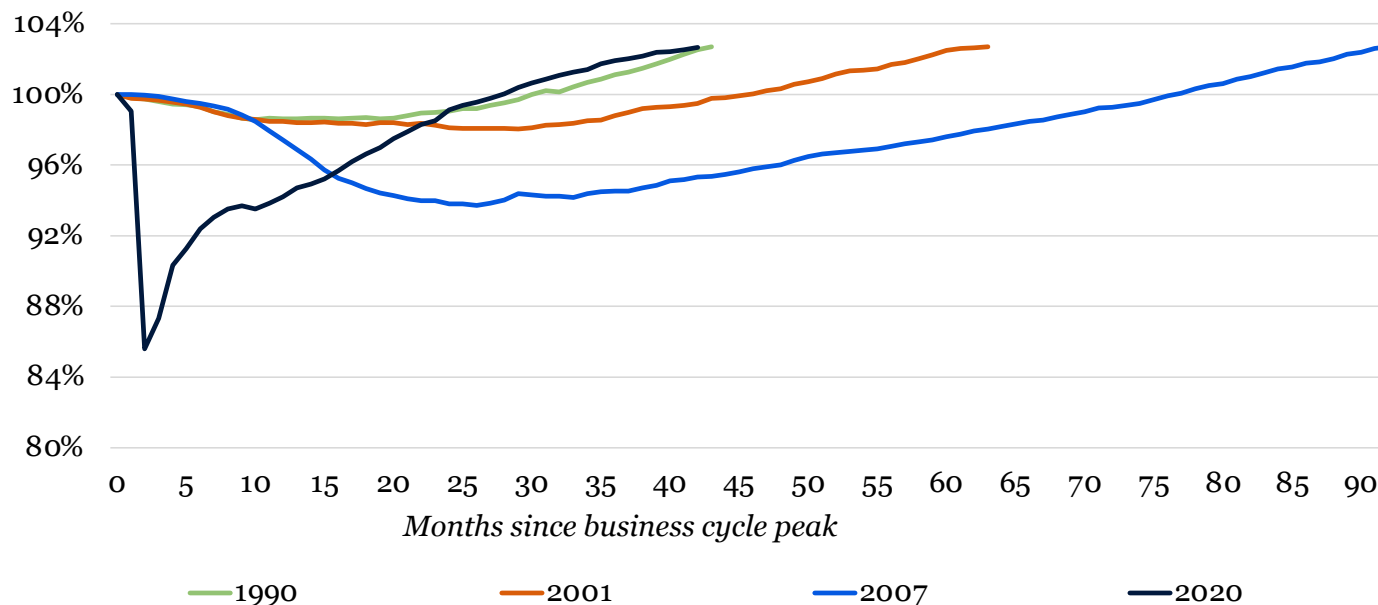
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After a deep recession, the economy has experienced one of the fastest—and most equitable—recoveries in decades

Jobs relative to business cycle peak, 1990-2023

Nonfarm payroll employment (peak month = 100 percent)

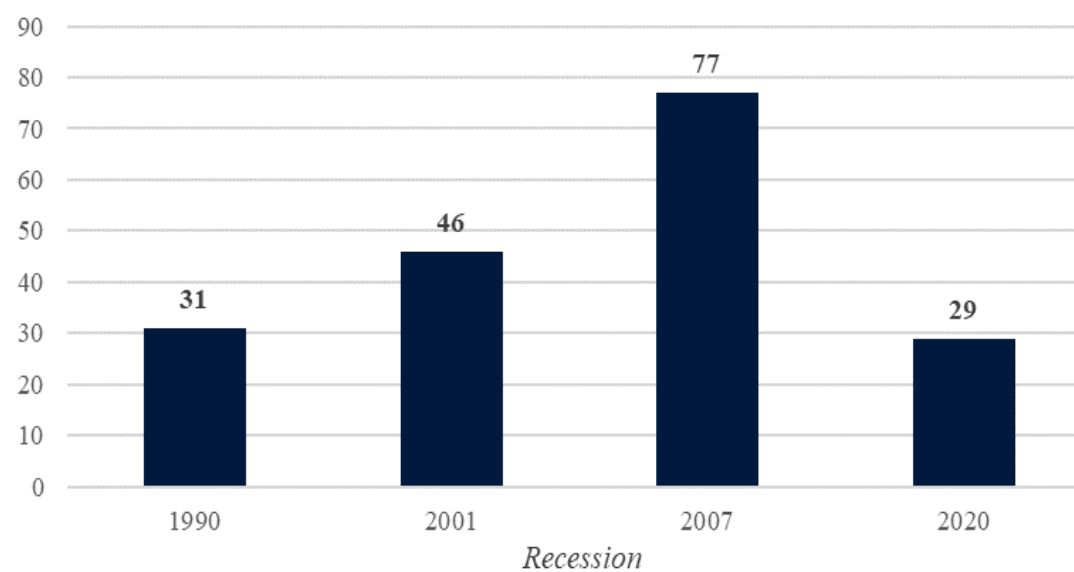


Source: BLS, CEA calculations



Months to return to business cycle peak payroll employment

Months

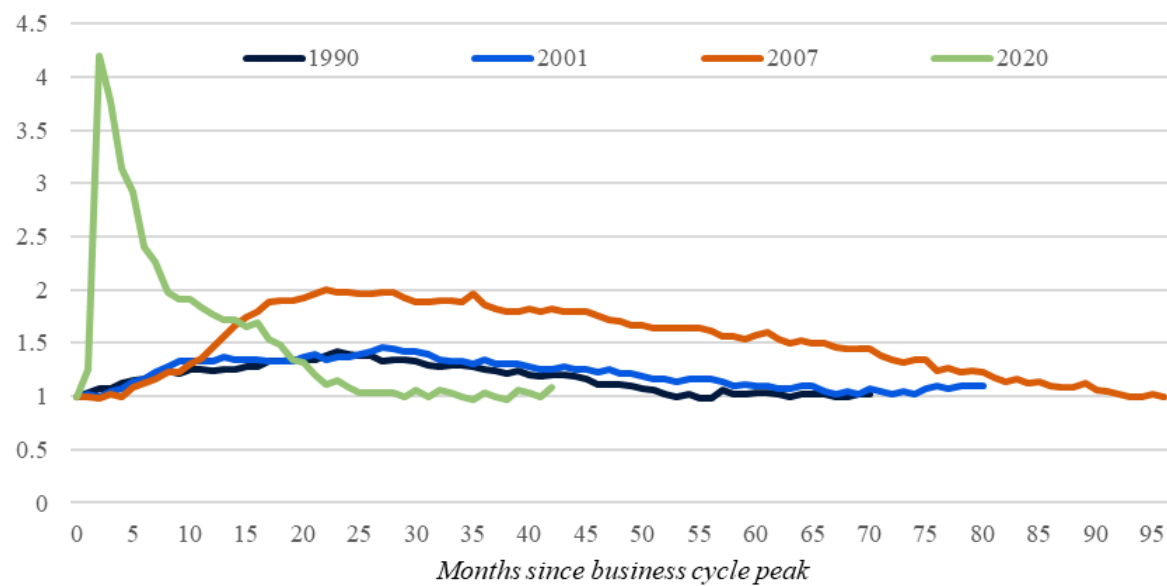


Source: BLS, CEA calculations



Trends in unemployment rate relative to business cycle peak, 1990-2020

Unemployment rate, business cycle peak month = 1

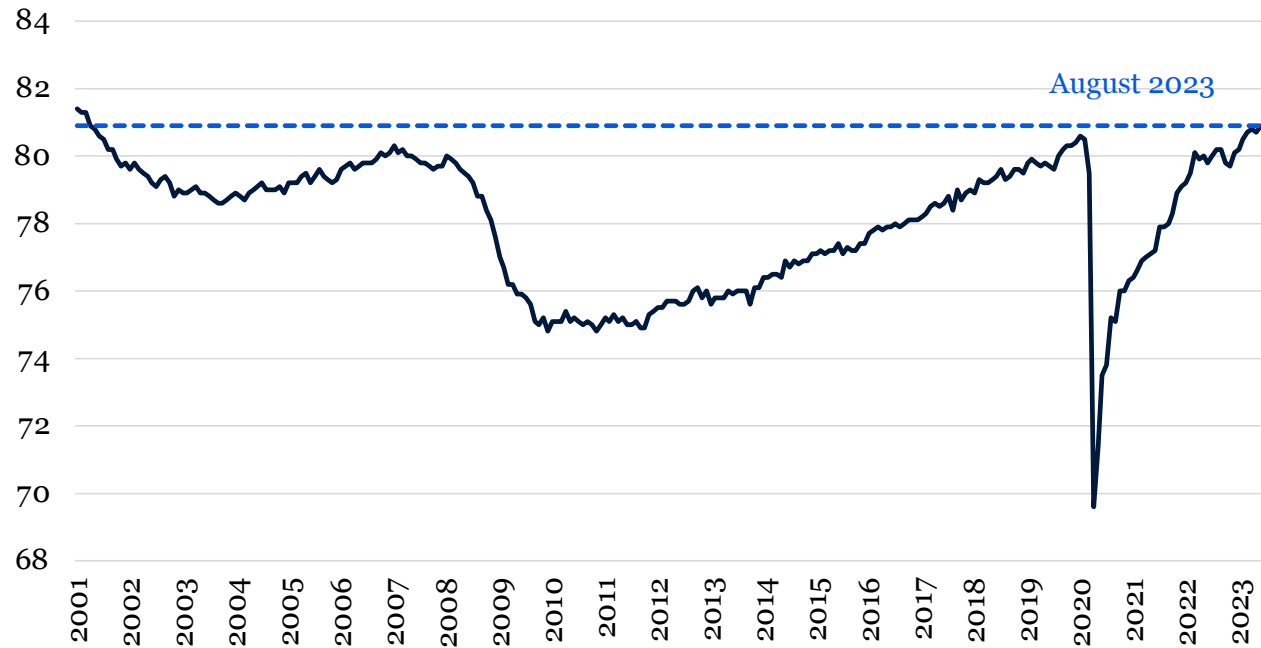


Source: BLS, CEA calculations



Prime-age employment-to-population ratio, 2001-present

Employment-to-population ratio (25-54 yrs), percent



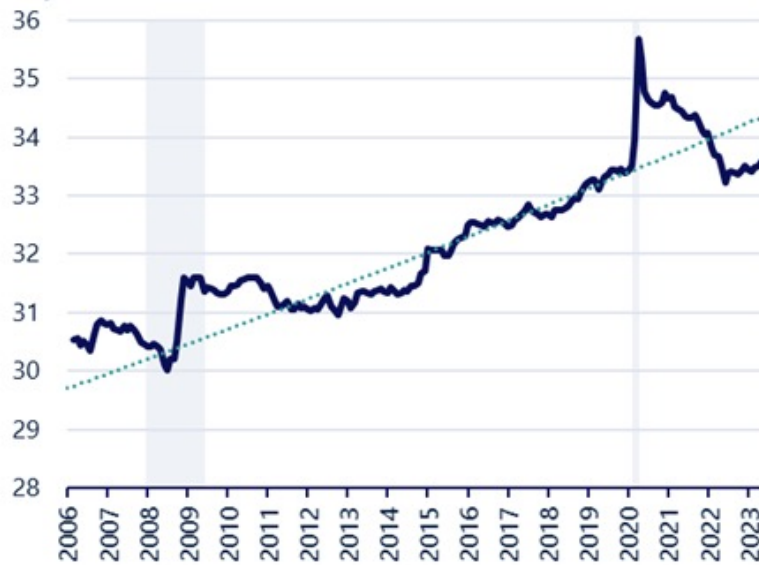
Source: Bureau of Labor Statistics



Figure 4. Real Average Hourly Earnings, January 2006 - Present

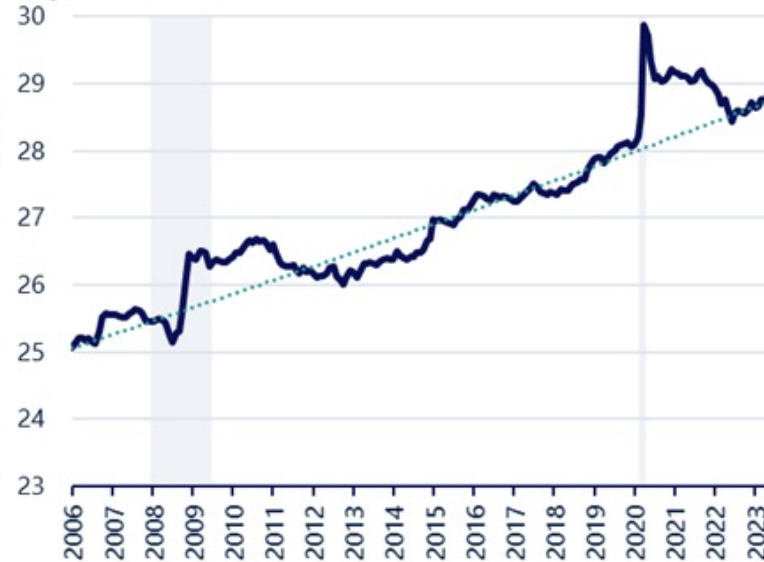
A. All Employees

July 2023 dollars



B. Production & Nonsupervisory Workers

July 2023 dollars



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Sources: Bureau of Labor Statistics; CEA calculations.

Note: Dotted lines indicate 2015-2019 trend.

As of August 10, 2023 at 8:30am.

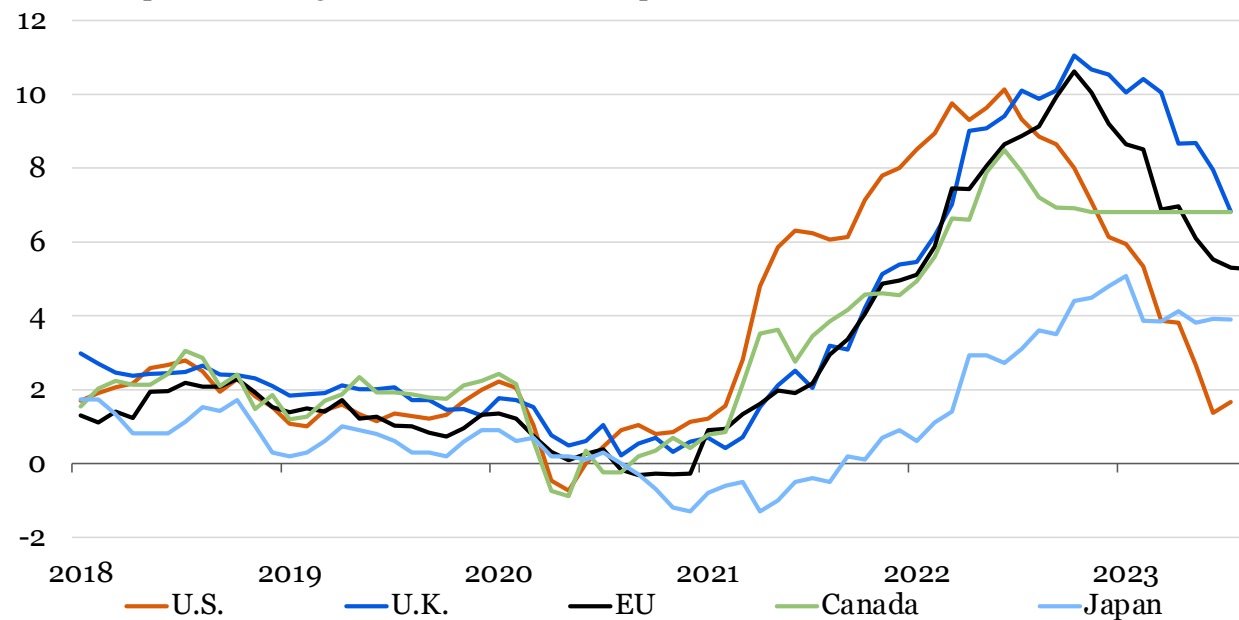


2020 Recovery: While inflation remains a concern, it's come down *and* the United States' recovery has outpaced peer nations



Global Measures of Consumer Price Inflation

12-month percent change in national consumer price indices



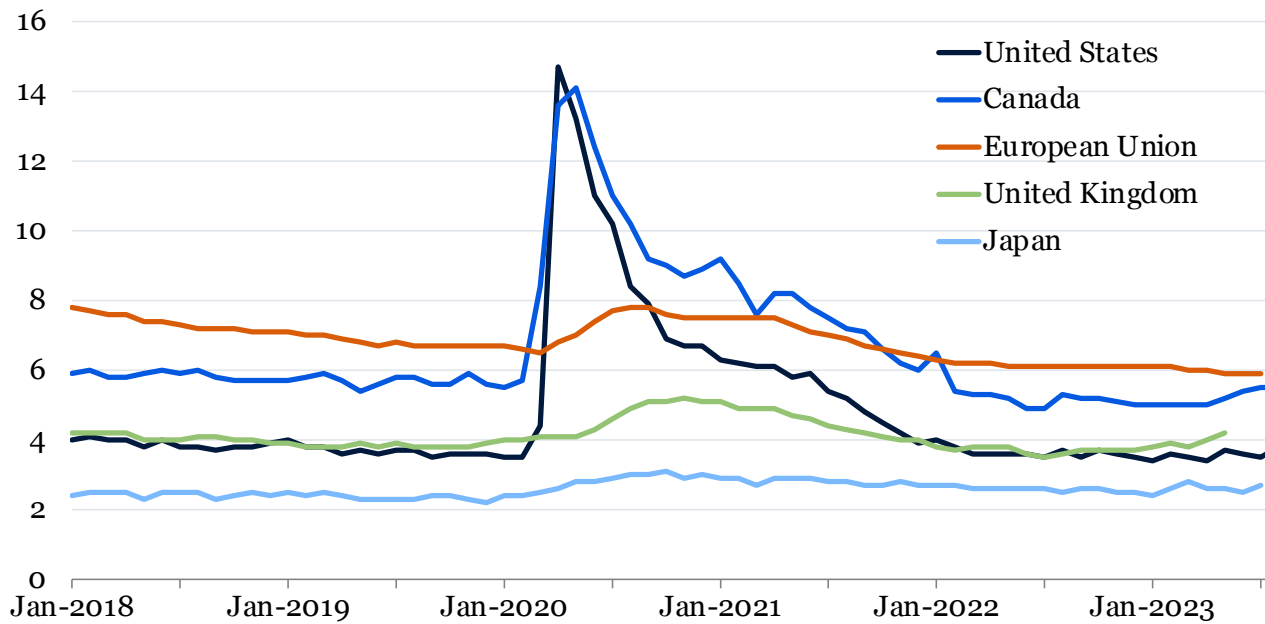
Sources: U.S. Bureau of Labor Statistics; U.K. Office for National Statistics; Eurostats; Japanese Ministry of Internal Affairs and Communications; Statistics Canada, CEA calculations.

Note: Measures are of headline inflation less owner-occupied housing (sometimes called HICP).



Global Unemployment Rates

Percent



Sources: U.S. Bureau of Labor Statistics; U.K. Office for National Statistics; Eurostat; Japanese Ministry of Internal Affairs and Implementation; Statistics Canada.

Note: All inflation measures are calculated from consumer price indices.

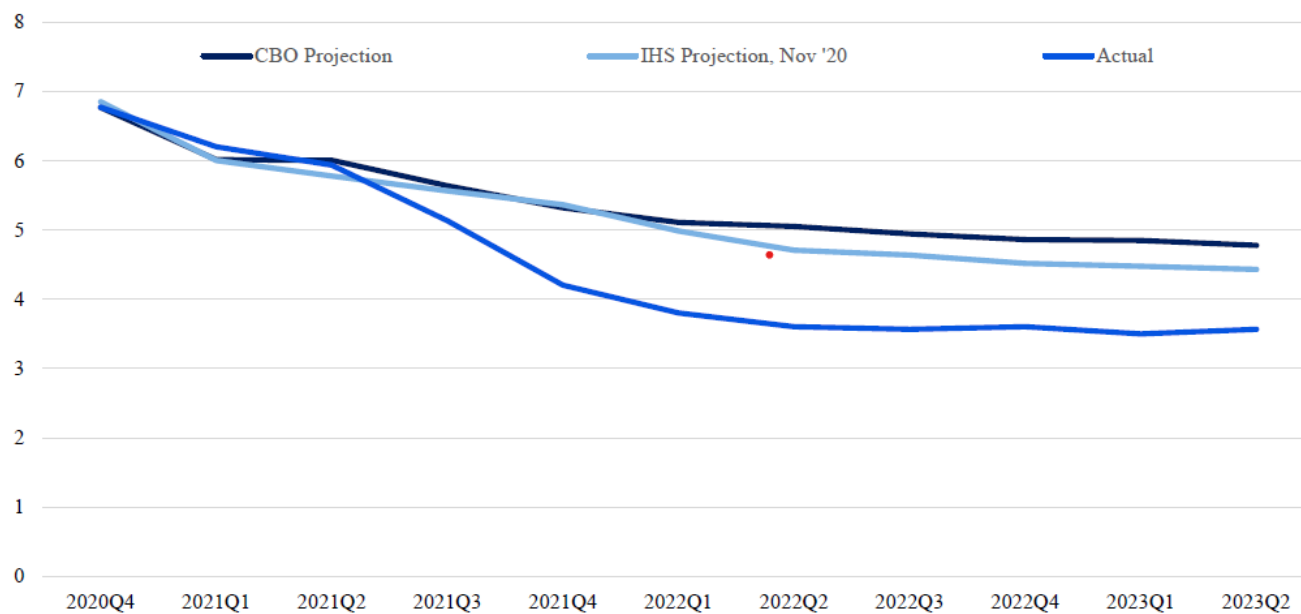


2020 Recovery: Stronger than experts predicted



Unemployment rate: pre-Rescue Plan projection and actual

Percent (quarterly average)



Source: Congressional Budget Office, Bureau of Labor Statistics, IHS Markit.



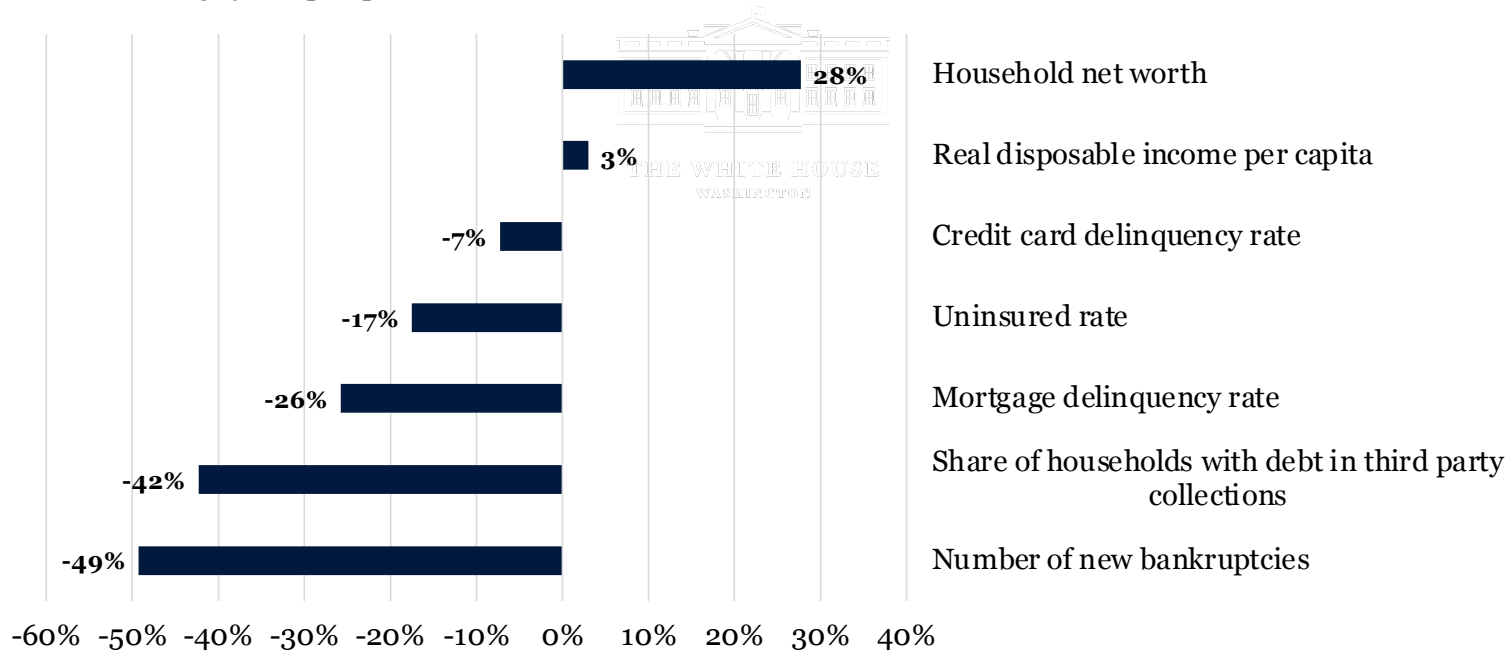
2020 Recovery: Keeping families—and small businesses and state and local governments—afloat and limiting inequities



Household balance sheets are stronger than pre-pandemic

Household finance indicators

Percent change from pre-pandemic

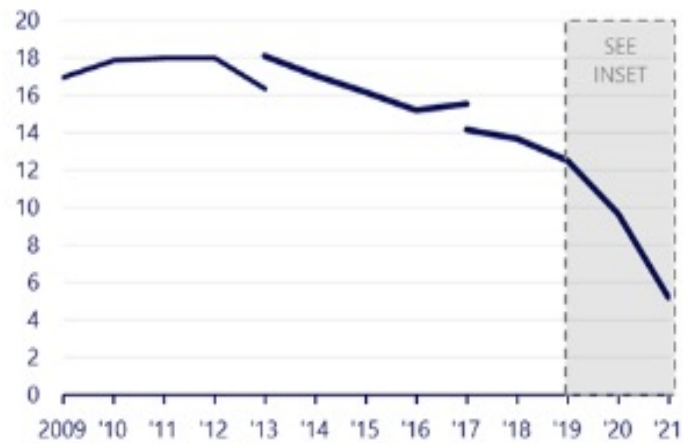


Source: Federal Reserve Board of Governors, Federal Reserve Bank of New York, National Health Interview Survey, Realtime Inequality

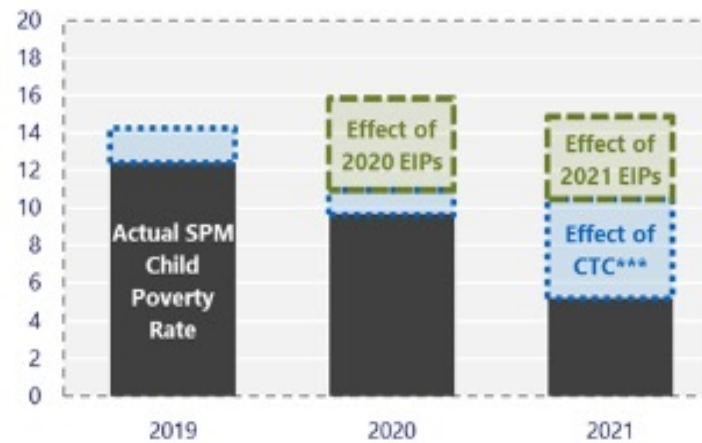


Figure 1. SPM Child Poverty Rate, 2009-21

*Percent of individuals under 18 years old in poverty**



*Actual rate and effects of selected policies since 2019***



* Discontinuities shown in 2013 and 2017 due to methodological changes.

** Policy effects shown are the average of all stacking order combinations for each year.

*** Refundable portion of the CTC.

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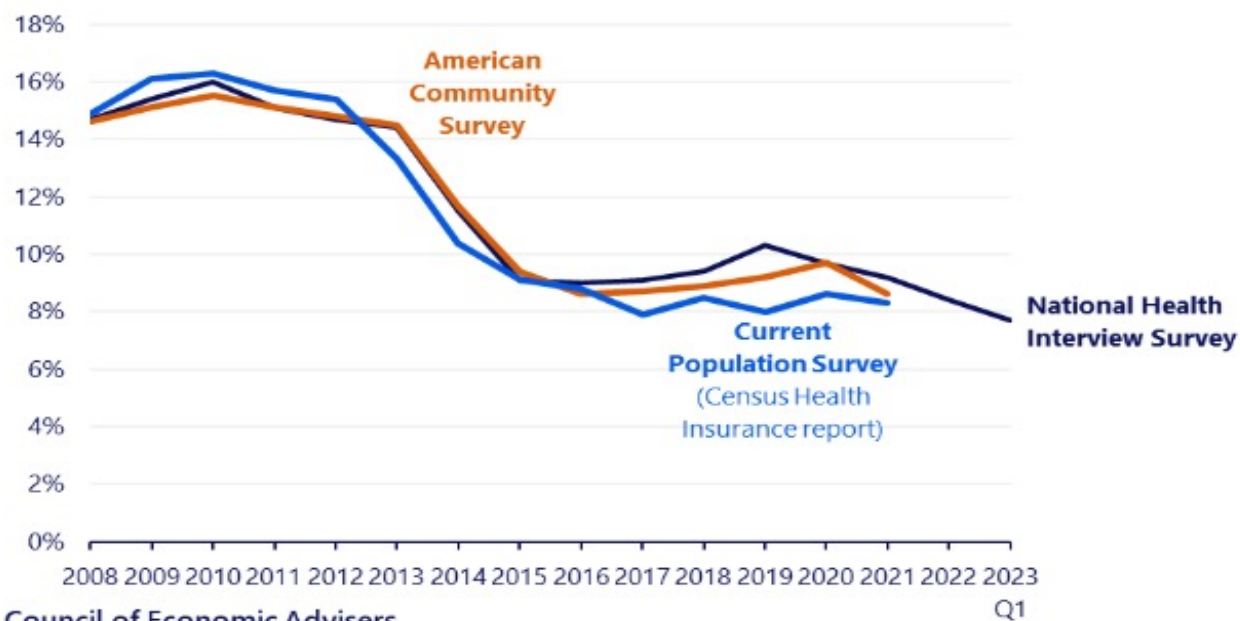
Source: Census, IPUMS-CPS, University of Minnesota, CEA analysis.

As of September 6, 2023 at 8:30am.



Figure 4. Uninsured Rate Since 2008

Percent of Americans without health insurance



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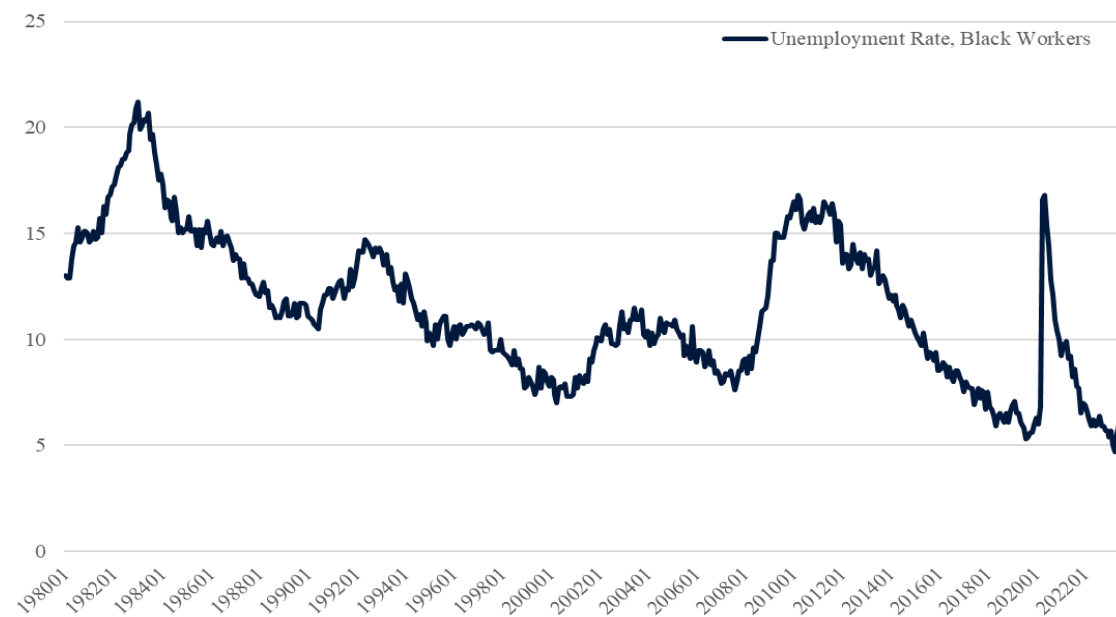
Source: Centers for Disease Control and Prevention, Census Bureau.

As of September 6, 2023 at 8:30am




Unemployment Rate of Black Workers, 1980-2023

Seasonally Adjusted Unemployment Rate, Percent



Source: BLS





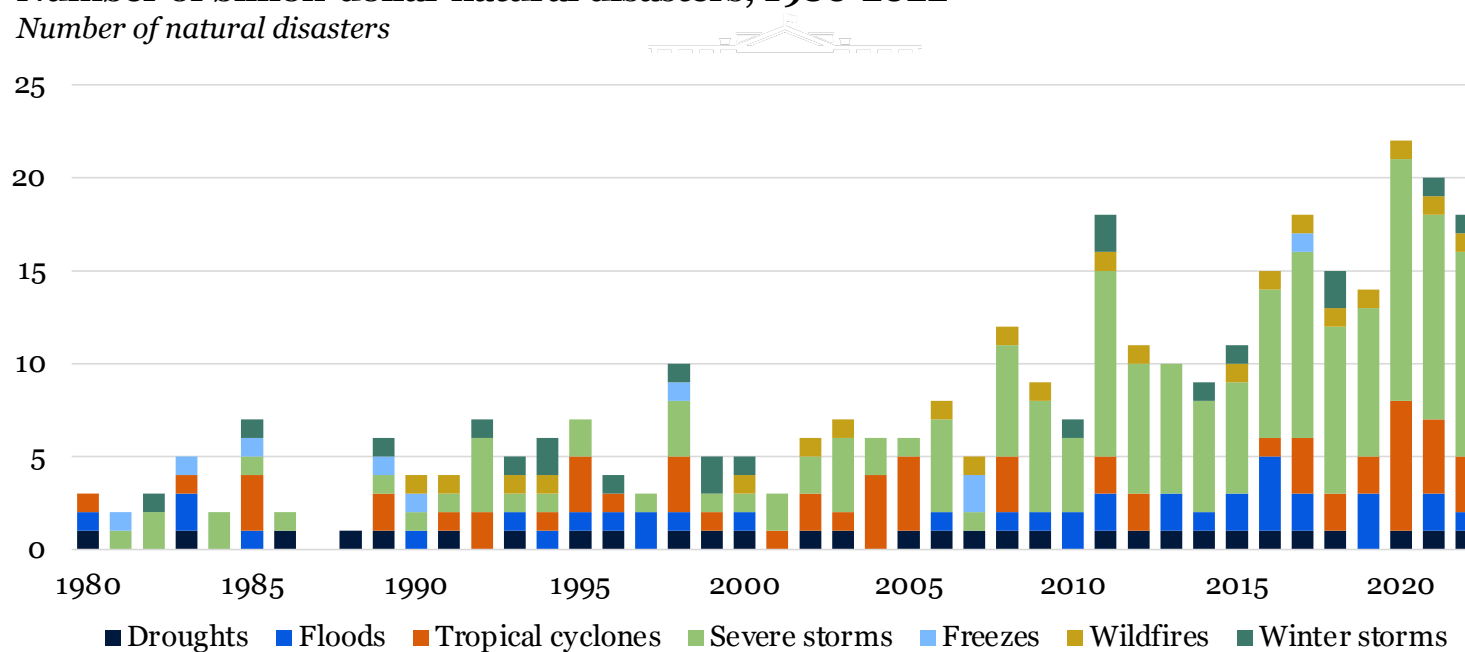
2020 Recovery: The President had a plan to address the immediate and long-standing crises, executed on the immediate crisis to great success and is now executing on the plan to address the longer-term crises



But the United States faced long-standing challenges, including rising climate damages

Number of billion-dollar natural disasters, 1980-2022

Number of natural disasters



Sources: NCEI 2021, 2022.

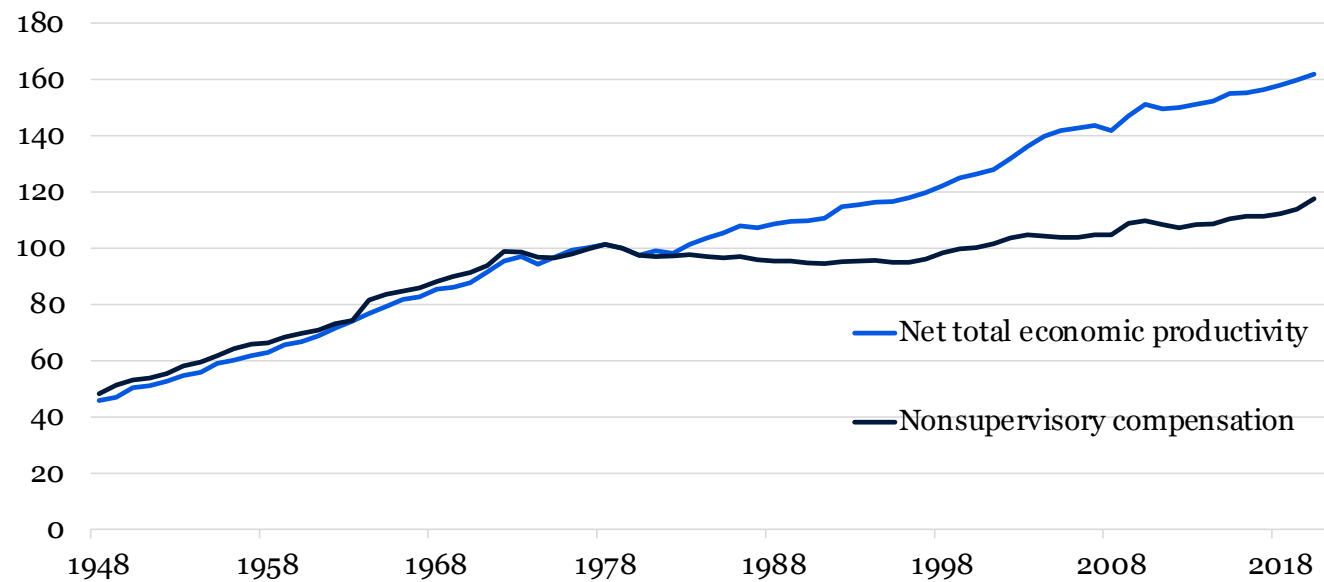
Note: Disaster costs are adjusted for inflation using the Consumer Price Index for All Urban Consumers.



And half a century of rising inequality...

Productivity and worker compensation growth, adjusted for inflation, 1948-2020

Cumulative change since 1948 (index: 1979 = 100)



Source: Economic Policy Institute, analysis of data from the Bureau of Labor Statistics and the Bureau of Economic Analysis



The fundamental idea: What we make in America and how we make it *matters*



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What we make: *strategic decisions about which industries to invest in*

How we make it: *using public investment in the public interest*



Clean energy manufacturing facilities are taking off across the country...

American-Made Batteries

New U.S. Battery Manufacturing and Supply Chain Investments Announced Under President Biden



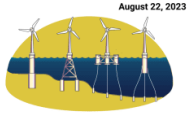
American-Made Solar

New U.S. Solar Manufacturing Announcements Under President Biden



American-Made Offshore Wind

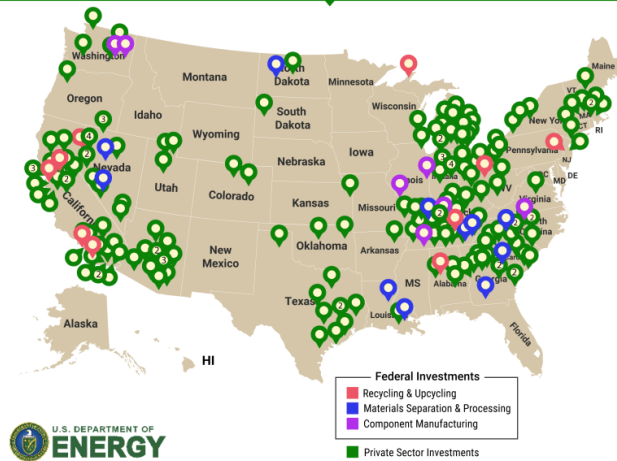
New US Offshore Wind Manufacturing Facility, Port, and Investments Announced Under President Biden



Over \$100 billion announced so far
Over 200 new or expanded minerals, materials processing and manufacturing facilities
Enough to power 10 million EVs each year
Over 75,000 new jobs

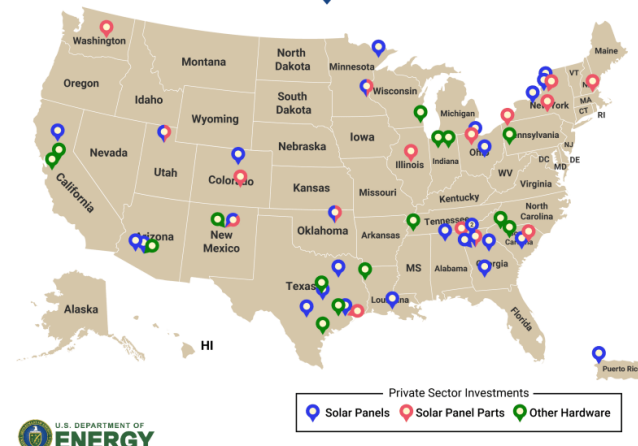
Nearly \$13 billion planned investment announced
76 new and expanded manufacturing plants (54 in map, 22 locations TBD)
Enough to power 13 million additional homes each year
Tens of thousands of potential new jobs

Nearly \$3.5 billion announced manufacturing, vessels, and port investments so far
Investments in 12 manufacturing facilities (7 states) and 13 ports (8 states)
19 new vessels being built in 7 different states
Thousands of potential new jobs



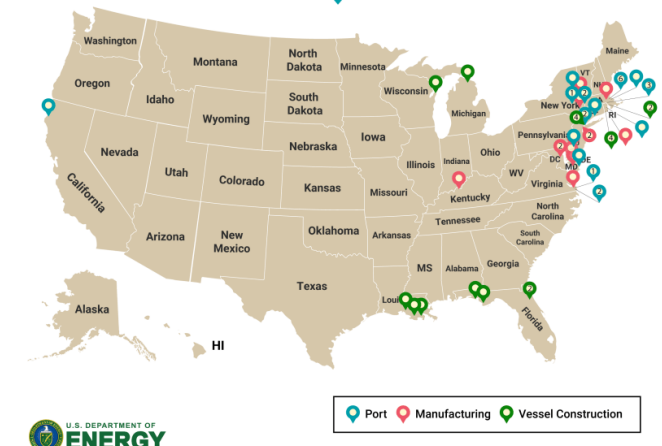
U.S. DEPARTMENT OF ENERGY
See Separate EV Manufacturing Map

Based on publicly available information. Many facilities are conditional on financing, funding, site control, and other factors.



U.S. DEPARTMENT OF ENERGY

Based on publicly available information. Many facilities are conditional on financing, funding, site control, and other factors.



U.S. DEPARTMENT OF ENERGY

Based on publicly available information. Many facilities are conditional on financing, funding, site control, and other factors. Not included in the map are facilities announced as explicitly conditional on winning a power-sales contract. Numbers within a single pin denote multiple investments or facilities at a single location.



Skyrocketing private investment in manufacturing construction...

Inflation-adjusted private manufacturing/industrial construction spending

Billions of 2022 dollars



Source: Census, BEA, BLS, CEA analysis.

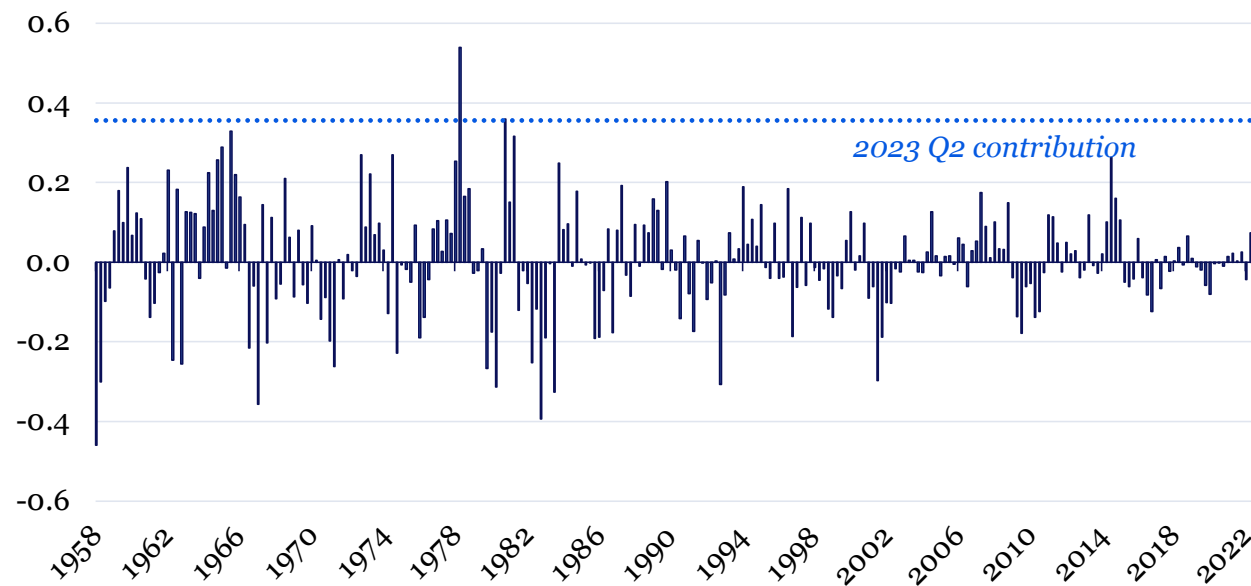
Note: Graph depicts manufacturing construction after 1993, industrial construction pre-1993. Deflated using the PPI Final Demand Construction for Private Capital Investment (post-2009), the Census implicit price deflator for Private Industrial construction (pre-2003), and an interpolation of BEA's implicit price deflator for private fixed investment in manufacturing structures (2003-2008).



... is spurring economic growth

Contribution of private nonresidential investment in manufacturing construction to real GDP growth, over time

Contribution to annualized real GDP growth, percentage point



Sources: Bureau of Economic Analysis; CEA calculations.
As of July 27, 2023 at 8:30am.





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Thank you!