



The Daily Dish

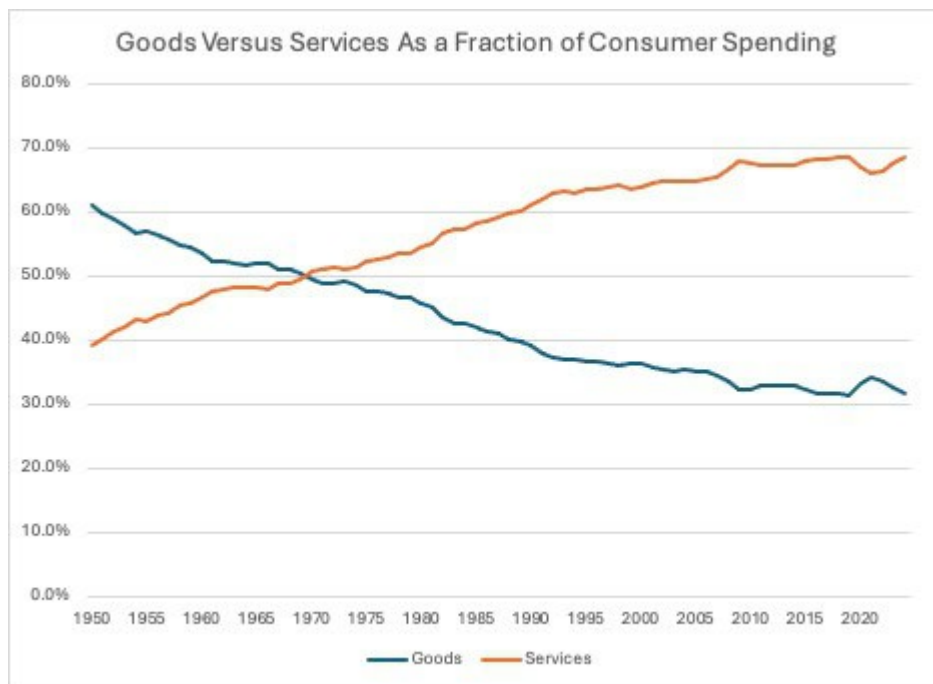
A Reality Check on Bringing the Jobs Back

DOUGLAS HOLTZ-EAKIN | MARCH 10, 2025

For four years Americans had to listen to then-President Biden make assertions about his efforts to create good manufacturing jobs. Now the focus of the Trump Administration is resetting the international order so that production takes place in the United States. In the [words](#) of Commerce Secretary Howard Lutnik:

We're going to bring manufacturing back, that's where we're going. ... Will there be distortions? Of course. Foreign goods may get a little more expensive but American goods are going to get cheap.

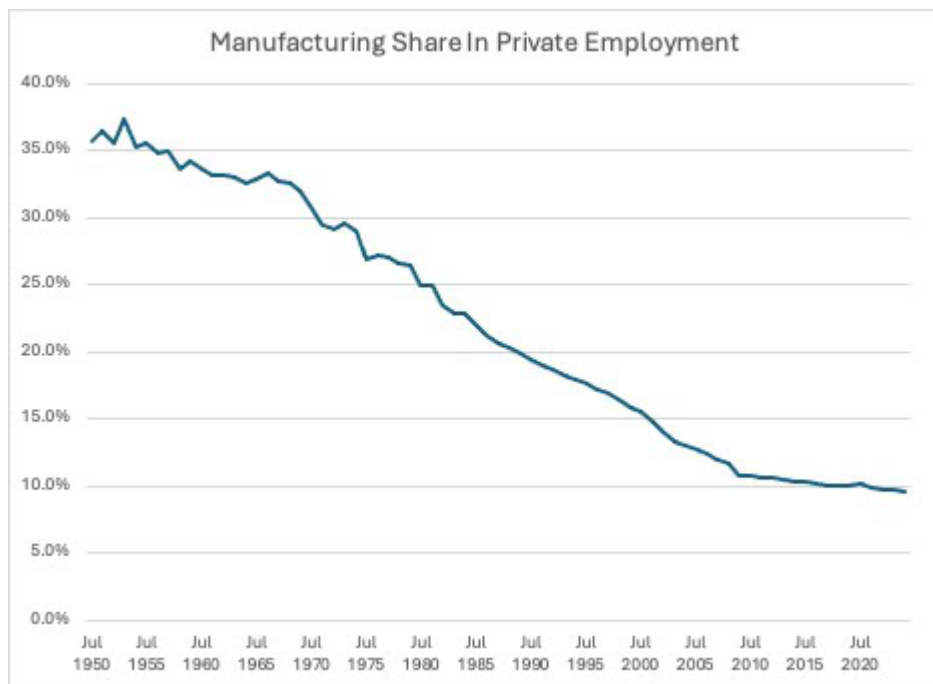
The problem with this logic is that it isn't the 1950s or 1960s anymore. In the 2025 U.S. economy, the vast bulk - nearly 70 percent - of consumer spending is on purchases of services. (See the chart below.) Services are made in the United States. Imports of services are not an issue. If you want to make things cheaper, focus on key services such as shelter services, as well as the affordable housing crisis.



Now, a response from the administration is that the focus is not just lower prices or inflation. It is about [jobs and opportunities](#) in the United States.

“Access to cheap goods is not the essence of the American Dream. The American Dream is rooted in the concept that any citizen can achieve prosperity, upward mobility and economic security,” Treasury Secretary Scott Bessent told the New York Economic Club on Thursday.

Trying to achieve this by focusing on manufacturing is a bad bet. As the chart below shows, manufacturing jobs have been declining for generations from a complex set of forces that cannot be offset by a simplistic reliance on tariffs.



Instead, the mistaken focus on tariffs runs the risk of creating a [recession](#), something even President Trump [refuses to rule out](#) for 2025.

There are no jobs to “bring back.” Half of the imports are intermediate goods for production in the United States, and manufacturing production is a small slice of the jobs picture and a minority of household purchases. Endangering the vast majority of the economy with wrong-headed tariffs simply doesn’t add up.