



The Daily Dish

Manufacturing and President Biden

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Yesterday the Institute for Supply Management released its Purchasing Managers Index (PMI) for March. The good news is that it registered at 50.3 percent in March, up from 47.8 percent in February. (See graph, below.) The bad news is that this represents the first expansion of manufacturing activity in 16 months. (A reading above 50 percent indicates that the manufacturing sector is generally expanding; below 50 percent indicates that it is generally contracting.)

That's a troubling economic record. It's also a troubling political sign as a manufacturing renaissance is at the heart of the Biden pitch for reelection. At the center of the Biden policy platform has been the notion that he will generate middle-class factory jobs at home and "reshore" manufacturing plants in strategic sectors such as semiconductors. The problem illustrated by the blue line is that the more time the president has had to implement his agenda, the worse the results have been.

Now, to be fair, even three full years is not a lot of time for an economic restructuring. But to be fair on the other side, his focus on vast taxpayer subsidies for manufacturing has been accompanied by a stifling [\\$500 billion regulatory burden](#) and a gale of pro-union headwinds.

The graph also displays the monthly employment in manufacturing (red line). Supporters point to the fact that all the jobs lost in the pandemic recession were recovered. Unfortunately, at that point, job growth stopped entirely and in three key election states – Michigan, Pennsylvania, and Wisconsin – employment is 39,000 fewer than five years ago.

Perhaps the lesson is that picking winners and losers, including among sectors of the economy, is not a successful economic strategy. That is certainly the lesson of history, and the president may suffer from his failure to remember it.

Manufacturing and the Biden Era
Blue Line -- Left Axis, Red Line -- Right Axis

