Good morning, everyone. Thank you for the kind introduction. I’m grateful to be here in Louisiana. There is no better place to speak about the economic future we are building than in the New Orleans area – known for its energy and dynamism. I am thankful for the warm welcome from Ben, Tom, and the PosiGen team.

I’m here to speak about President Biden’s historic economic agenda. Over the past year and a half, the President has signed three consequential bills into law: the Bipartisan Infrastructure Law, CHIPS and Science Act, and Inflation Reduction Act. The passage of one of these laws by itself would be a significant accomplishment. But as the President laid out in his speech on Wednesday, these laws together constitute one of the most important economic investments our country has ever made.

During my travels across the country, I have already seen the early impacts of these laws on American families and businesses. I see them here in Louisiana too. The President’s economic agenda advances a wide range of goals: bolstering our nation’s manufacturing and infrastructure, boosting competition, enhancing resilience and security, extending our nation’s global technological leadership, and mitigating climate change. But today, I want to focus on how it is creating good jobs, broadening economic opportunity, and improving our long-term economic outlook. The President’s agenda – “Bidenomics” – is rooted in an economic framework that I call “modern supply-side economics.” This framework is aimed at expanding the productive capacity of the American economy.

Before I discuss these investments, it’s worth first speaking about what made them possible to begin with: our historic economic recovery from the pandemic.

**OUR HISTORIC ECONOMIC RECOVERY**

As the President said on Wednesday, our Administration came into office at a moment of unprecedented uncertainty about the American economy. A once-in-a-century pandemic had
triggered a once-in-a-generation economic collapse. There was no tried-and-true playbook for how to manage the dual public health and economic crises that we faced. But the President knew that decisive action was necessary. So, our Administration acted. We launched a vaccination campaign to put shots in arms. And we enacted the American Rescue Plan to enable households, businesses, and state and local governments to weather the economic storm.

Our economy has endured numerous recessions over the past few decades. During every downturn, one of the biggest fears is scarring in the labor market – that is, that Americans who were thrown out of work during the immediate crisis would stay unemployed for the long term. It’s a crippling fate that plagued millions of Americans in the aftermath of the Great Recession.

But we saw very few signs of scarring during this recovery. In fact, our nation’s unemployment rate has fallen to historic lows. Over the past two and a half years, over 13 million jobs have been created – including nearly 800,000 manufacturing jobs. Here in Louisiana, employment is up over 110,000 jobs from January 2021. The portion of prime working-age Americans in our workforce is the highest it has been in over 15 years. And that measure for women recently reached an all-time high. Importantly, our recovery has been broad-based and inclusive. Today, the unemployment rates for Black and Hispanic Americans are at among their lowest points on record. I’m looking forward to speaking more about our historically equitable recovery later today at the Essence Festival in New Orleans.

Of course, we still face serious challenges – including some in the short term. But our Administration has stayed laser-focused on them. While inflation remains too high, we have seen meaningful progress. Annual headline inflation is down 11 months in a row, even as our labor market remains especially resilient. This means that Americans are getting a bit more breathing room from the higher price increases that plagued us last summer. Of course, our work is not over. We will continue to take actions to expand overall supply and provide cost relief to Americans where we can.

As I’ve said, our goal is to tackle inflation while protecting the economic gains of the past two and a half years. For a year now, we have heard our fair share of predictions about an imminent U.S. recession – with forecasters projecting one by the end of 2022, then by the start of 2023, then by the middle of this year. But our economy has proven more resilient than many had thought. I continue to believe that there is a path to reducing inflation while maintaining a healthy labor market. Without downplaying the significant risks ahead, the evidence that we’ve seen so far suggests that we are on that path. This sentiment is echoed by business executives I’ve met with, who have increasingly voiced confidence in our economy. While there are parts of our economy that are slowing down, households are spending at a robust pace and businesses continue to
invest. Going forward, I expect the current strength of the labor market and robust household and business balance sheets to serve as a source of economic strength, even if our economy does cool a bit more as inflation falls.

Of course, significant uncertainty remains. But the American economy is in a better place than many would have thought at this time last year. And it’s certainly in a better place than most reasonable people would have expected when we entered office in January 2021.

**OUR LONG-TERM ECONOMIC INVESTMENTS**

As our economy continues to transition to steady and healthy growth, I believe that we are uniquely positioned to capitalize on the future. Last year, I laid out an economic framework that encapsulates my views about how the President’s economic agenda will grow our economy. It’s called modern supply-side economics. Our Administration’s modern supply-side policies prioritize investments in our workforce and its productivity – in order to raise the ceiling for what our economy can produce.

As the President outlined on Wednesday, our economic approach sits in steep contrast with traditional supply-side economics, which focuses primarily on providing tax cuts to spur greater private investment. In many cases, this approach has not only failed to boost growth as promised. It has also contributed to deepening income and wealth disparities and environmental damage. Unlike the traditional approach, modern supply-side policies focus both on a range of productivity-boosting investments – as well as its distribution across people and places.

President Biden has advanced a significant core of the modern supply-side agenda through the enactment of three historic laws: the Bipartisan Infrastructure Law, CHIPS and Science Act, and Inflation Reduction Act. We are already seeing their early results. This week, Treasury released a study that shows that real construction spending in manufacturing has doubled since the end of 2021. Importantly, that’s not driven by the impact of higher prices. We are actually seeing a remarkable surge in factory construction in the United States.

**A. Productive Capacity and Economic Resilience**

President Biden’s economic agenda will expand our economy’s productive capacity and bolster our economic resilience. Take infrastructure. Economists broadly agree that investing in public infrastructure can boost productivity and growth. Yet one in five miles of highways and major roads in America are in poor condition. Your former mayor, Mitch Landrieu, is coordinating an Administration-wide effort to rebuild not only traditional infrastructure like roads and bridges, but
also digital infrastructure like high-speed Internet. Louisiana was the first state to be awarded broadband funds from the Bipartisan Infrastructure Law. And major projects like the replacement of the I-10 Calcasieu River Bridge are being made possible with federal funds. These efforts will facilitate the efficient movement of people, goods, and ideas. It will boost our long-term economic outlook – with broad benefits for American families, workers, and businesses.

Our agenda is also investing in economic resilience. Semiconductors are tiny inputs that have large implications for our economy and national security. Conventional technologies like toasters, refrigerators, and cars rely on a steady supply of semiconductors. So too do cutting-edge military technologies. But the United States only makes up 12 percent of global semiconductor production. That’s down from 37 percent three decades ago. We have seen the acute impacts of a disruption to chip supply on our economy. A chip shortage during the pandemic cost the U.S. economy an estimated $240 billion in 2021 alone. To mitigate future shocks, we are building a semiconductor ecosystem here at home. And that ecosystem is already growing. The recent boom in manufacturing construction is principally driven by computer, electronic, and electrical manufacturing, which has nearly quadrupled since the start of last year. Our economic agenda is helping close the financing gap between chip manufacturing in the U.S. and abroad. Put simply, we are helping companies build the case for investing here at home.

Importantly, our resilience agenda is transforming communities across America. Expansions of their domestic footprint by companies like Intel, IBM, and Micron are having significant implications for local communities. One analysis shows that nearly half of the jobs in the semiconductor industry do not require a bachelor’s or graduate degree. According to one estimate, over 50 new semiconductor ecosystem projects have been announced in the wake of the CHIPS Act. These projects will create thousands of good-paying jobs. Treasury took a big step this month to provide manufacturers with even greater certainty to invest in America – by setting clear rules of the road for investors seeking to take advantage of the CHIPS investment tax credit. American workers have long been part of a proud tradition of science and innovation. We are now cementing their leadership at the forefront of one of this century’s most significant technologies.

**B. Economic Opportunity**

As we implement these laws, our guiding principle has been to make sure that these investments broaden economic opportunity – not just on the East and West Coasts, but across the entire country. Treasury is leading the implementation of the clean energy provisions in the Inflation Reduction Act. The IRA is a historic environmental law: the boldest climate action this country has ever taken and a crucial step toward building true energy security. But it’s also a generational
economic law. Clean energy presents one of the most transformative economic opportunities in modern history. We are making sure that the clean energy transition will bring along every community – particularly those that were at risk of being left behind.

Since the law passed last summer, we have seen tens of billions of dollars in investments up and down the clean energy supply chain. I’ve seen how the green economy is driving a renewal in many communities firsthand during my travels across the country – from a solar panel company in North Carolina to an EV battery plant in Tennessee. Communities in the Midwest and the South are seeing such a boom in gigafactory investments that commentators are speaking of the rise of an EV “battery belt.” Here in Louisiana, companies like PosiGen are benefiting from the greater certainty that the IRA provides for their future business plans, as well as increased demand for their products. Earlier this week, GM announced a deal with Element 25 to process critical minerals from Australia right here in Louisiana. It will be the first plant of its kind in the United States. And it will help GM scale the production of its electric vehicles in North America beyond one million units annually.

This broad progress has not come by happenstance. It is the result of deliberate policy design and execution. The Inflation Reduction Act incentivizes companies to invest in underserved communities. It also incentivizes investments in communities that have been at the forefront of energy production and experienced job loss, including many communities here in Louisiana. We are also making sure that the workers building the clean energy economy actually benefit from it. For the first time, companies must satisfy strong labor standards to qualify for an enhanced tax credit. That means paying their workers prevailing wages and hiring registered apprentices. President Biden has been an ardent champion for American workers throughout his career. The Inflation Reduction Act’s strong labor provisions build on other work that we are doing to empower and train workers – including through the American Rescue Plan, Bipartisan Infrastructure Law, and CHIPS and Science Act.

This month, Treasury took a major step toward expanding the reach of these clean energy tax incentives. We know that the clean energy transition will take trillions of dollars. The federal government cannot do it alone. We recently issued proposed rules that extend the benefits of clean energy credits directly to states, cities, and towns – and to tax-exempt organizations like hospitals, schools, charities, and other nonprofits. And we also created new opportunities for many more startups and early-stage companies to take advantage of these incentives. These steps serve as a force multiplier. They mean that more clean energy projects will be built quickly and affordably. More communities will feel the IRA’s massive economic benefits.

**CLOSING**
To close: I am proud of what the President and our Administration has accomplished in the two and a half years since taking office. We have rescued the economy from the depths of an unprecedented crisis. Now, we are investing in our future. To do so, we are capitalizing on the greatest strengths of our nation and our people: we are building. We are innovating. And as the President likes to say, we are working to grow the economy “from the bottom up and the middle out.” As modern supply-side economics demonstrates, that’s not just a talking point: that’s smart economics.

While we face significant challenges, I hope you feel proud – as I do – about how far we’ve come, as well as the possibility that lies ahead. I am hopeful of the America that we are building together.

Thank you.

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