



Written by [Bob Adelman](#) on December 23, 2024

Biden's Effort to Grow US Manufacturing Is an Epic Fail

Reports from the [Federal Reserve](#) and [S&P Global](#) put the lie to Joe Biden's "[Manufacturing Boom](#)" the administration celebrated during October, "Manufacturing Month."

The Department of Commerce announcement celebrating the "boom" quoted Biden:

Our manufacturing future, our economic future, our solutions to the climate crisis are all going to be made in America, creating good jobs.



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That mantra was reiterated by Commerce Secretary Gina Raimondo:

There is no one who cares more about revitalizing American manufacturing than President Biden.... He believes that America is a place where we should make things. And that is what his Investing in America agenda is all about.

The report from the Commerce Department celebrated taking money from people who earned it and giving it to people who didn't. It's the work of the EDA — the U.S. Economic Development Administration — the part of the Commerce Department that disburses those taxpayer funds according to its wish list:

Since January 2021, EDA has invested \$2 billion in 732 projects that support Manufacturing or Advanced Manufacturing [whatever that is], with more than 300 of those projects dedicated to helping communities and regions upskill [?] and build the capacity for economic development.

It Isn't Working

Unfortunately, it isn't working. S&P Global's US Manufacturing PMI (the purchasing managers report, or index) fell in December to "well below market expectations" and "extended the contractionary momentum for US factory activity for the sixth month in a row." It added: "Looking forward, factories expressed concern over the lack of demand and higher input prices [inflation]."

The Federal Reserve released its production and capacity utilization report last week. It also contradicted Biden's rosy assessment of manufacturing:

Industrial production ... moved down 0.1 percent in November after declining 0.4 percent in October.... Output in every category of nondurable consumer goods declined in November.... Capacity utilization stepped down to 76.8 percent in November, a rate that is 2.9 percentage points below its long-run (1972-2023) average.



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The Philadelphia Fed's [report](#) on manufacturing in its district reported even worse news about manufacturing:

The Philadelphia Federal Reserve Manufacturing Index ... has reported a significant drop ... a sharp decline that suggests worsening conditions for manufacturers in the region. This figure starkly contrasts with the forecasted [higher] number ... highlighting a more severe downturn than initially predicted.

It added: "Analysts had anticipated a positive shift, indicating improving conditions, but the actual data presents a different, more concerning situation."

Consumers Are Suffering

Coming into the holiday spending season, just one in six shoppers are expected to spend more than they did last season, while more than a third of them are planning on spending less.

According to [Bank of America](#), almost a third of all households "spend more than 95% of their disposable income on necessities such as housing costs, groceries, and utility bills." Lending Tree reported that a quarter of all Americans were unable to cover their entire utility bill at least once over the last year. [Said LendingTree](#): "Needing to cover utility bills prompted 34.3% of Americans to curb their spending on necessary things — or eliminate some altogether — in at least one instance in the prior year."

Because of their suffering, consumer retail stores are closing across the country. Party City is closing. And Big Lots will begin its "going out of business" sales at all 936 of its remaining stores the day after Christmas.

So far this year, more than 7,000 retail stores have closed, an increase of 69 percent over last year.

So much for Biden's highly touted and highly misleading celebration of the manufacturing sector, the performance of which he is so proud.

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