



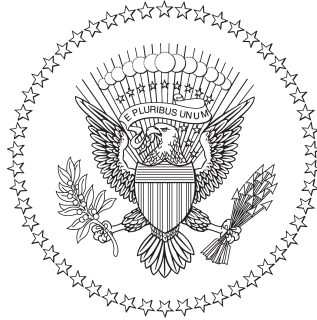
ECONOMIC
REPORT
OF THE
PRESIDENT

TRANSMITTED TO CONGRESS | MARCH 2023

TOGETHER WITH THE ANNUAL REPORT
OF THE COUNCIL OF ECONOMIC ADVISERS



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Economic Report of the President



Economic Report of the President

To the Congress of the United States:

Our Nation has faced tremendous challenges in recent years. A deadly pandemic and unprovoked war in Ukraine have tested our economy unlike any time since the Great Depression. When I was sworn into office, COVID-19 was raging and our economy was reeling. Millions of workers were out of a job, through no fault of their own. Hundreds of thousands of businesses had closed, our supply chains were snarled, and many schools were still shuttered. Families across the country were feeling real pain.

Today, two years later, 230 million Americans have been vaccinated, and COVID no longer controls our lives. We have created a record 12 million jobs, which constitute the strongest two years of job gains on record. Unemployment is at a more than 50-year low, with near-record lows for Black and Latino workers, and manufacturing jobs have recovered faster than in any business cycle since 1953. Growth is up, wages are up, and inflation is coming down. At the same time, a record 10 million Americans have applied to start small businesses—each of their applications an act of hope. More Americans have health insurance today than ever before in our history, and real household wealth is 10 percent above what it was before COVID. It is safe to say: Our economic plan is working, and American families are starting to have a little more breathing room.

It is important to remember, however, that the economic anxiety so many have felt did not start with the pandemic. For decades, the backbone of America, the middle class, has been hollowed out. Too many American jobs have been shipped overseas. Unions have been weakened. Once-thriving cities and towns have become shadows of what they used to be, robbing people of hard-earned pride and self-worth.

I ran for President to rebuild our economy from the bottom up and middle out, not from the top down—because when the middle class does well, the poor have a ladder up and the wealthy still do well. We all do well. And that is what we have been working for. This past year, we made critical investments to secure America's future. Together, the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act represent the biggest public investments in our history—expected to draw more than \$3.5 trillion in public and private funding for infrastructure, the digital economy, and clean energy over the next decade.

First, the Bipartisan Infrastructure Law is an investment in America and our competitiveness. You cannot be the number one economy in the

world unless you have the best infrastructure in the world. That is why this once-in-a-generation law is finally rebuilding our roads, bridges, railroads, ports, airports, and more—to keep our people safe, our goods moving, and our economy growing. Families across the Nation will have safe drinking water and high-speed Internet. A network of electric vehicle charging stations will allow more of us to drive cleaner cars. To date, we have funded over 20,000 construction projects all across the country, creating tens of thousands of well-paying new jobs. Americans everywhere can take pride in seeing shovels in the ground.

Second, the CHIPS and Science Act, which I signed in August, will make sure that America once again leads the world in developing and manufacturing the semiconductors that power everything from cars to refrigerators to smartphones. The United States invented these chips; it is time to again manufacture them at home, and to make sure our economy never again relies so heavily on foreign chipmakers. Private companies have already announced more than \$300 billion in new investments in American manufacturing in the last two years, many of them thanks to this law, creating tens of thousands more jobs of the future in every corner of the country.

Third, the Inflation Reduction Act, also enacted last August, takes on powerful special interests to cut costs for working families. It lowers health care and prescription drug costs—for example, capping insulin at \$35 a month for seniors on Medicare, and capping drug costs at \$2,000 a year for seniors with Medicare Part D starting in 2025. It extends the Affordable Care Act’s subsidies, saving families an average of \$800 a year. It also makes the Nation’s most significant investment ever in combating the existential threat of climate change, investing in everything from climate-smart agriculture to more resilient electric grids. It builds a new clean energy economy, creating thousands of green jobs in communities too often left behind, while also lowering home energy bills for families.

Meanwhile, my Administration has taken wide-ranging executive actions to help level the playing field and promote competition. From easing the burden of crippling student debt, to providing relief to families at the gas pump, to cracking down on unfair junk fees, we are building an economy that gives everyone a fair shot and a little more breathing room.

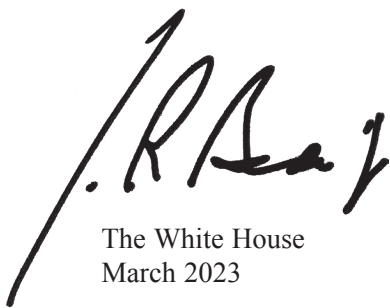
Throughout, we have shown that we can invest in our future and be fiscally responsible at the same time. We are helping to pay for these historic programs by finally making the wealthy and corporations pay their fair share, without raising taxes on anyone making under \$400,000 a year. And we cut the deficit by \$1.7 trillion during my first two years in office, the largest reduction in history, with more to come.

I have often said that a job is about more than a paycheck; it is about dignity and respect. This is why we are not only investing in record job growth; we are also providing historic support for workers and unions at a

time of big shifts in our workforce. We plan to ban noncompete agreements for 30 million workers who have been unfairly locked in their jobs, giving them the right to be paid what they are worth. We have boosted pay and labor protections for Federal contractors, we have pushed to extend these same protections to all workers, and we have passed laws to ensure safe and fair workplaces, including for pregnant and nursing workers and workers who face sexual assault and harassment on the job. We are investing in job-training programs and registered apprenticeships, which give so many people a ladder up to well-paying jobs on which they can raise a family without a college degree.

Now, it is time to finish the job. We have much more to do to build an economy that benefits everyone—from cracking down on the deadly fentanyl epidemic and investing in mental health care and recovery, to fighting for childcare and paid family leave for millions of working families struggling to care for their loved ones, so no one ever again has to choose between the paycheck they need and the family they love.

Our Nation is at an inflection point that will determine our future for decades to come. But today, because of the choices and investments we have made, jobs are coming back, pride is coming back, and the United States of America is better positioned to lead than any other country on Earth. Our blue-collar blueprint to rebuild America is proving that democracy can deliver, building an economy that is fairer and stronger and leaves no one behind.

A handwritten signature in black ink, appearing to read "Joe Biden", with a long, sweeping diagonal line extending from the top left of the signature.

The White House
March 2023



**The Annual Report
of the
Council of Economic Advisers**



Letter of Transmittal

Council of Economic Advisers
Washington, March 20, 2023

Mr. President:

The Council of Economic Advisers herewith submits its 2023 *Annual Report* in accordance with the Employment Act of 1946, as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely yours,

Cecilia Elena Rouse
Chair

Jared Bernstein
Member

Heather Boushey
Member