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FACT SHEET:
Background on President Biden's Remarks on the Economy
During His First State of the Union Address

President Biden ran for office with a new economic vision: to grow the economy from the bottom up and the middle out, not the top down. On Tuesday, the President will make a strong case that the Biden-Harris economic strategy is producing historic results, and lay out his plan to tackle the economic challenges ahead. He will underscore that during his first year in office, due in large part to the American Rescue Plan, entrepreneurship and business investment rebounded, the economy achieved its fastest job growth in American history, the fastest economic growth in nearly 40 years, and a faster recovery than every other advanced economy. And, he will emphasize that this progress is occurring amidst an historic shift from the old, outdated trickle-down approach to one that centers on workers, families, and small businesses.

During his first State of the Union Address, the President will also make clear that there is more work to do to rebuild the economy towards resilience, security, and sustainability. Too many families continue to feel the squeeze of higher costs. The President will make clear that price increases that become entrenched are pernicious, and eat away at the economic progress the country is making. The President will lay out his plan to lower costs for American families while continuing an historically strong economic recovery by:

1. Making more things in America, strengthening our supply chains, and moving goods faster and cheaper;
2. Reducing the cost of everyday expenses working families face and reducing the deficit;
3. Promoting fair competition to lower prices, help small businesses thrive, and

protect consumers; and

4. Eliminating barriers to good-paying jobs for workers all across America.

Making more things in America, strengthening our supply chains, and moving goods faster and cheaper:

President Biden will make clear that he believes one of the best ways to lower costs over the long run is to increase the productive capacity of our economy—put simply, to make more things in America with more American workers contributing and earning a good living. He will describe the emerging manufacturing comeback, with American companies betting on America again because of the Administration’s commitment to domestic industrial revitalization and technological development. He will note that in just the last year, the economy added 375,000 manufacturing jobs and companies announced nearly \$200 billion in investments for semiconductor, electric vehicle, battery, and critical mineral production and manufacturing in the United States. He will recount how Intel recently announced a new \$20 billion factory outside of Columbus, Ohio that will create 7,000 construction jobs and another 3,000 permanent jobs – another sign of the strength of the American economy.

President Biden will also announce specific goals for implementation of his landmark Bipartisan Infrastructure law (BIL), a once-in-a-generation investment in our nation’s economic competitiveness that will strengthen supply chains and move goods to market faster and more efficiently, encouraging more companies to choose America. Over the next year:

- States, territories, Tribes and local governments will start to improve 65,000 miles of roads and 1,500 bridges with federal funding, representing a 44% and 50% increase respectively from average annual improvement levels over the past six years.
- The Federal Aviation Administration will be able to invest in over 600 airport infrastructure projects, including preserving 400 pavement projects on taxiways and runways.
- Communities will invest in an estimated 15,000 new buses, ferries and subway cars, improving commutes for working Americans, families, and students across the country and reducing greenhouse emissions.
- The U.S. Army Corps of Engineers will advance over 500 projects across 52 states and territories to strengthen supply chains, improve waterways, and reduce flooding.
- The Environmental Protection Agency will work with state and local governments to fund more than 400 new water projects from replacing lead service lines to improving drinking water systems.

- States, Tribes, and other partners will use BIL funds to reclaim over 15,000 acres of abandoned mine lands, as well as launch new reclamation efforts that will ultimately address tens of thousands of additional acres across the country.
- The Interior Department's new Orphan Well Program will start work plugging, capping, and remediating over 8,000 abandoned oil & gas well sites in communities across the country.
- The Interior Department will increase its work to reduce the risk of wildfires to communities by more than 30 percent – removing over 300,000 acres of burnable fuels in the places where communities and wildlands meet – as well as the start of work to reduce wildfire risk on an additional 250,000 acres across the country.
- The Department of Energy will take steps to launch a first-of-its kind \$140 million demonstration facility to extract and separate rare earth elements and other critical minerals from coal ash, mine tailings, acid drainage, and other legacy fossil fuel waste to sustainably produce materials key to next-generation clean energy technologies.
- The Department of Energy will make available nearly \$3 billion to bolster domestic manufacturing of advanced batteries for electric vehicles and energy storage.

To build on these investments and spur more private-sector investment in the United States, the President will also call on Congress to send him bipartisan competitiveness legislation like the COMPETES and USICA bills that have passed the House and the Senate to invest in innovation, manufacturing, and economic development capacity across all of America so America can outcompete China and the rest of the world in the industries of the future.

Reducing the cost of everyday expenses working families face:

President Biden will call on Congress to send him legislation that lowers costs of everyday expenses working families face and lowers the deficit by rewarding work, not wealth. He will lay out specific, practical measures that would reduce costs for families right now, including prescription drug costs and health care premiums, child care and pre-k costs, and energy costs. He will point to the other ideas he has proposed on areas ranging from housing to care for seniors and people with disabilities to higher education affordability to direct tax relief for families. These efforts build on the support provided in the American Rescue Plan that has helped reduce the cost of health care, helped more than 5000 universities and community colleges make higher education more affordable, made work pay better for low-income workers through an expanded Earned Income Tax Credit, and provided historic middle class tax relief for tens of millions of working families through an expanded Child Tax Credit.

The President will make clear that we can lower costs while lowering the deficit by rewarding work, not wealth. He will outline proposals to make sure corporations and the wealthiest Americans pay their fair share, while making clear that no one making under

\$400,000 a year should see their taxes increased.

The President will call on Congress to send him a bill that lowers costs and lowers the deficit without delay. American families need relief from higher costs, and they need it now.

Promoting fair competition to lower prices, help small businesses thrive, and protect consumers:

President Biden will explain that we can also lower costs by promoting fair competition in the U.S. economy. The Administration has taken decisive actions in the first year to stop the trend of corporate consolidation, increase competition, and deliver concrete benefits to America's consumers, workers, farmers, and small businesses. He will also announce new actions the Biden-Harris Administration is taking this year to tackle some of the most pressing competition and consumer protection problems across our economy. Specifically, he will announce new steps to:

- **Lower consumer prices and level the playing field for American businesses in ocean shipping.** The President will explain that most traded goods—everything from the housewares you buy online to the agricultural products that American farmers market overseas—are transported by oceangoing vessels. However, the ocean shipping industry is now dominated by just a small number of giant, foreign-owned companies. Three global alliances—groups of ocean carriers that work together—now control 80% of global container ship capacity and 95% on the critical East-West trade lines. And, since the beginning of the pandemic, these carriers have been increasing shipping costs through higher rates and fees. The President will note that the foreign carriers are now seeing record profits, while prices for American consumers and businesses have risen. To combat this problem, the President will announce steps to lower consumer prices and level the playing field for American businesses in ocean shipping, including launching a new Federal Maritime Commission and Department of Justice initiative to promote competition in the ocean freight transportation system. He will also note that the Federal Maritime Commission is ramping up its oversight of the global shipping industry to address complaints about the unfair fees the carriers charge to American businesses. *Read the full Biden-Harris Plan to Lower Consumer Prices and Level the Playing Field in Ocean Shipping here.*
- **Protect seniors and other nursing home residents by cracking down on unsafe nursing homes.** The President will explain that while the federal government spends tens of billions of taxpayer dollars on nursing homes annually, these federal funds too often flow to nursing homes with bad track records and dangerous conditions. He will explain that [200,000 residents](#) and staff in nursing homes have died from COVID-19, representing nearly 23% of all COVID-19 deaths in the United States. He will also stress that despite well-documented, widespread health and safety violations, there has been little or no accountability. To protect seniors and crack down on unsafe nursing homes, President Biden will call on Congress to provide nearly \$500 million to CMS Survey and Certification, a 24%

increase, to support health and safety inspections at nursing homes. He will also announce that the Biden-Harris Administration will, among other new initiatives, establish a new minimum staffing ratio to protect residents, expand penalties for poor performing nursing homes and beef up scrutiny, improve transparency and Americans' ability to comparison shop for the best home, strengthen value-based payment to ensure taxpayers pay for quality care, and continue to provide COVID-19 testing and vaccinations at nursing homes across the country. *Read the full Biden-Harris Plan to Protect Seniors by Cracking Down on Unsafe Nursing Homes here.*

Eliminating barriers to good-paying jobs for workers all across America:

President Biden will reflect on one of the strongest labor market recoveries in American history. Specifically, the President will note that during his first year in office, the economy added more than 6.6 million jobs; the unemployment rate fell at its fastest pace on record; the number of workers filing for unemployment insurance declined by more than 70 percent; and millions of Americans have entered and reentered the labor force, with the largest increase in the labor force participation rate in more than 25 years. He will highlight the important role that the American Rescue Plan played in positioning employers to hire and workers to rejoin the labor force and find higher quality jobs. Earlier this year, he directed the Secretary of Labor to work with states to reinstate work search requirements for unemployment insurance recipients.

To further our economic recovery and increase the productive capacity of our economy, the President will announce his Administration's plan to ensure everyone who wants to work should have the opportunity to find a high-quality job. Specifically, he will express his support for:

- **Enacting the Protecting the Right to Organize Act.** President Biden will express his firm belief that every worker in every state must have a free and fair choice to organize or join a union, and the right to bargain collectively with their employer, without fear of intimidation, coercion, threats, and anti-union propaganda. He will reiterate that the middle class built America and unions built the middle class. And, he will emphasize that empowering workers is central to the Biden-Harris strategy to grow our economy from the bottom up and the middle out. The President will call on Congress to pass the Richard L. Trumka Protecting the Right to Organize (PRO) Act and the Public Service Freedom to Negotiate Act, ensuring that more private-sector workers and many more public-sector workers nationwide have a genuine right to organize and bargain collectively.
- **Expanding skills-based hiring and increasing access to registered apprenticeships and training.** President Biden will reiterate his commitment to creating pathways to the middle class for all Americans. He will stress that millions of Americans without a college degree are needlessly disadvantaged in the pursuit of good jobs, even when they have the skills and knowledge employers need. To support skills-based hiring, President Biden will announce that his Administration will explore using federal and procurement dollars to by hire based on skills rather than educational qualifications alone, , including through boosting

hiring of people from Registered Apprenticeships and labor-management partnership training programs. Additionally, the Administration remains committed to strengthening the pipeline for more underserved communities to access these opportunities. As an example, the Administration has supported and increased access to quality trucking jobs by expanding Registered Apprenticeship programs for drivers; and developing more seamless paths for veterans and underrepresented communities, such as women, to access good driving jobs. He will state that the Administration is supporting and challenging employers to move towards skill-based hiring, including through a new budget proposal to invest in skills-based hiring research tools and technical assistance. This effort builds on the American Rescue Plan's critical workforce investments in the past year – with more than half of states already committing Fiscal Recovery Funds to training and apprenticeships and efforts to hire and retain critical workers – and catalyzing investments in place-based regional workforce strategies through the Commerce Department's Good Jobs Challenge.

- **Expanding programs in high-demand fields at Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and Minority-Serving Institutions (MSIs).** President Biden will explain that research has found that HBCUs, TCUs, and MSIs are vital to helping underrepresented students achieve economic mobility, including in STEM fields. However, he will also stress that these institutions have significantly fewer resources than other top colleges and universities, undermining their ability to grow and support more students. To address this persistent problem, and building on the progress made by the American Rescue Plan providing the largest investment through the Department of Education ever in these institutions, the President will call on Congress to expand existing institutional aid grants to HBCUs, TCUs, and MSIs, which can be used by these institutions to strengthen their academic, administrative, and fiscal capabilities, including by creating or expanding educational programs in high-demand fields (e.g., STEM, computer sciences, nursing, and allied health).
- **Providing up to more than \$2,000 in additional assistance to low-income students by increasing the Pell Grant award.** President Biden will note that broad access to education beyond high school is increasingly important for economic growth and competitiveness in the 21st century, but also remind us that higher education has become unaffordable for too many families. Over 6 million students depend on Pell Grants to finance their education, yet the amount of money in these grants has not kept up with the rising cost of college and DREAMers still do not have access. During his State of the Union Address, President Biden will call on Congress to increase the maximum Pell Grant award by more than \$2,000.
- **Supporting paycheck fairness.** President Biden will note that women in the U.S. who work full-time, year-round are paid only 83 cents for every dollar paid to their male counterparts, on average. He will also express his belief that ensuring

equal pay is essential to advancing America's values of fairness and equity as well as our economic strength here at home and our competitiveness abroad. President Biden will use his State of the Union Address as an opportunity to call on Congress to pass the Paycheck Fairness Act, which will take important steps towards the goal of ending pay discrimination.

- **Raising the minimum wage to \$15 per hour.** President Biden will recount that throughout the pandemic, millions of American workers have put their lives on the line to keep their communities and country functioning, including the 40 percent of frontline workers who are people of color. The President will express his belief that hard-working Americans deserve sufficient wages to put food on the table and keep a roof over their heads, without having to work multiple jobs. The President already issued executive actions to ensure 370,000 federal employees and employees of federal contractors are paid a minimum of \$15 per hour – because investing in workers also makes employers, including the government, work better and faster. The President will call on Congress to raise the minimum wage to \$15 per hour, and end the tipped minimum wage and sub-minimum wage for people with disabilities so that workers across the country can have a little breathing room and provide opportunity for their families.
- **Creating a national comprehensive paid family and medical leave program.** President Biden will stress that nearly four of five private sector workers – and 90 percent of the lowest wage workers – have no access to paid family leave, which is a critical input for economic growth and competitiveness in the 21st century. He will call on Congress to pass comprehensive paid family and medical leave legislation so millions of American workers can take time to bond with a new child, care for a seriously ill loved one or heal from their own serious illness.

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