

# Fact Sheet: The Manufacturing Renaissance That Will Drive the Economy of the Future

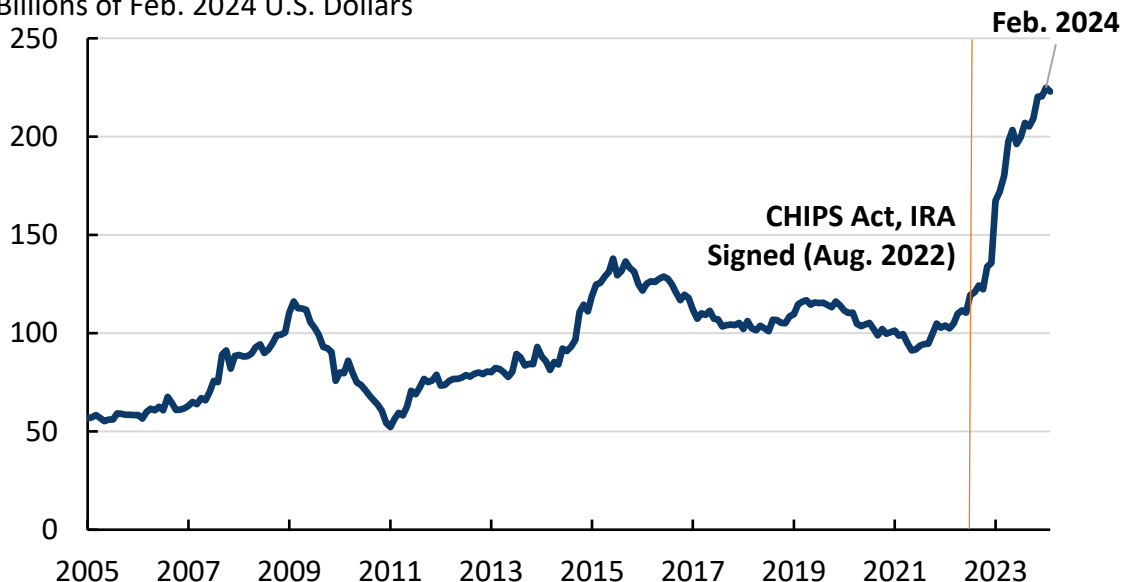
As of February 2024, annual investment in new manufacturing facilities hit nearly \$225 billion dollars, a record high even after adjusting for inflation. This spike in private investment is the direct result of bipartisan investments in infrastructure and semiconductor production and Democrats' bold action to invest in American-made clean energy and manufacturing. This made-in-America manufacturing boom is already supporting jobs and communities across the country.

**Democrats passed supportive policies that have directly led to record levels of manufacturing investment, even after adjusting for inflation.**

- The Inflation Reduction Act (IRA), Bipartisan Infrastructure Law (BIL), and CHIPS and Science Act (CHIPS Act) are driving investment in domestic manufacturing of things like semiconductors, electric vehicle (EV) batteries, and wind turbines.
- This boost in support has led to a boom in manufacturing construction investment. As of February 2024, there was nearly **\$223 billion** in inflation-adjusted annual U.S. manufacturing construction investment, more than twice the investment in February 2020 or January 2021.

## Surge in Real Total Manufacturing Construction Investment After the Passage of the CHIPS Act and IRA

Billions of Feb. 2024 U.S. Dollars



Source: FRED Total Manufacturing Construction Spending, monthly at a seasonally adjusted, annualized rate using FRED Price Index of Materials and Components for Construction



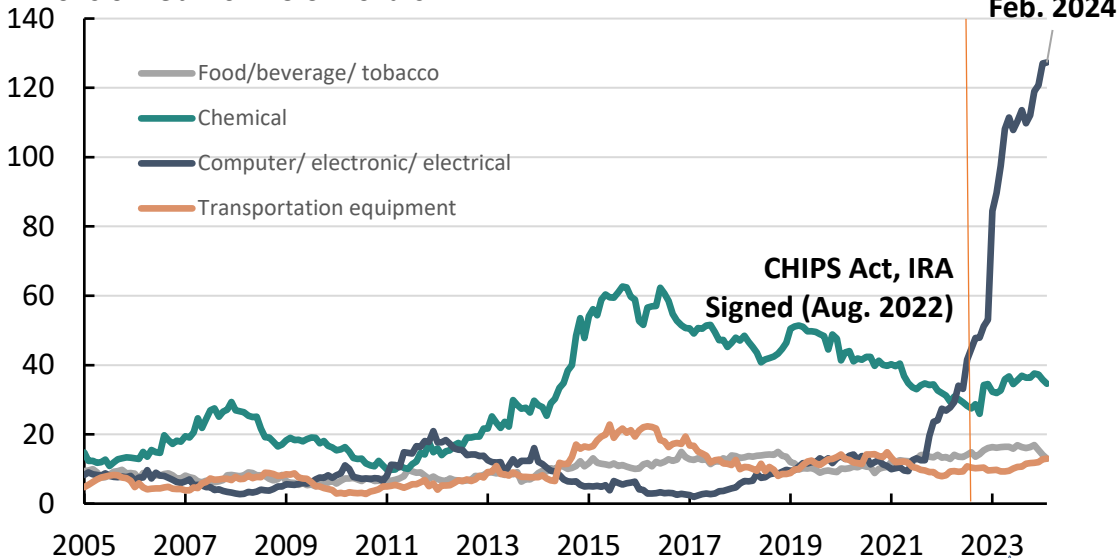
- [Treasury](#) reported on the initial increase in real total manufacturing construction as of April 2023, and spending has continued to rise in the months that followed.
- Though the previous president often [bragged](#) about reshoring American manufacturing, annual investment actually fell during his time in office.

**The CHIPS Act and the IRA's targeted investments in science and technology continue to drive manufacturing investment in the electronics and battery industries.**

- With the promise of CHIPS Act support, [Intel](#) plans to invest over \$100 billion in semiconductor manufacturing, research, and development by expanding their facilities and creating new jobs in places like Oregon, Arizona, New Mexico, and Ohio.
  - Other chipmakers have [announced](#) major CHIPS Act investments across the [country](#).
- The IRA also included a significant investment in U.S. [battery](#) production to support demand for EVs and other clean power applications.
- These investments in computer, electronic, and electrical components have driven nearly the entire increase in manufacturing construction spending, clearly showing how supportive policies backed by Democrats have driven the U.S. manufacturing boom.

**Computer, Electronic, and Electrical Real Manufacturing Construction Investing Drives Overall Investment Increase**

Billions of Feb. 2024 U.S. Dollars



Source: U.S. Census Construction Spending by sector, monthly at a seasonally adjusted, annualized rate using FRED Price Index of Materials and Components for Construction



- The CHIPS Act also authorized [\\$800 million](#) for vital infrastructure upgrades to Sandia and Los Alamos National Laboratories in New Mexico to boost scientific and technological innovation.

**The Biden administration ensures that manufacturing investment legislation benefits low-income communities and workers to create good jobs for more Americans.**

- Due to legislative incentives aimed at helping low-income communities, economically [distressed](#) counties have received a higher share of investments in clean energy, semiconductors, electronics, and other industries.
- The CHIPS Act requires companies applying for funds of \$150 million or more to plan for affordable, high-quality [child care](#) for their workers and gives preference to companies that provide workforce training and education investments.

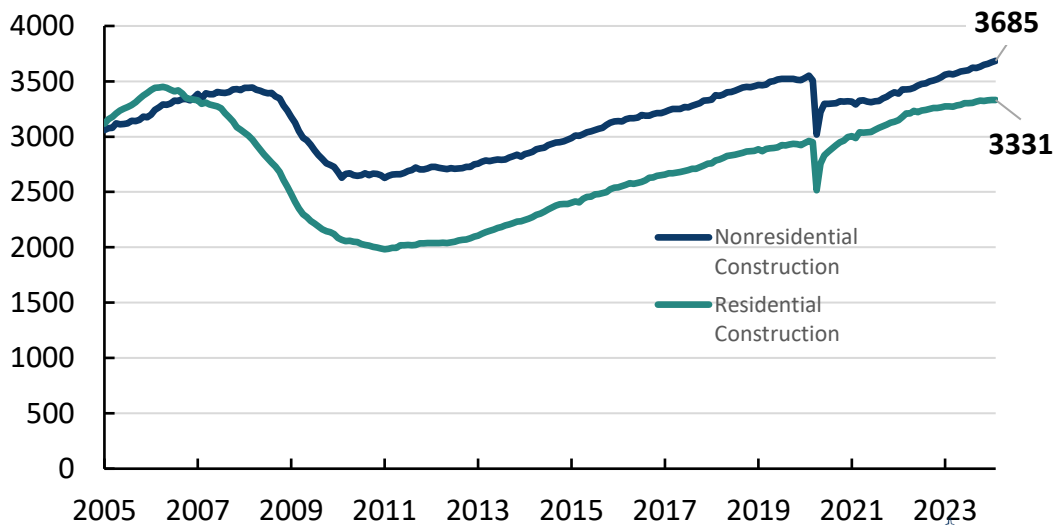
- The IRA supports workers by providing [increased](#) clean energy tax credits for projects that pay prevailing wages, use registered apprentices and are located in communities that currently or recently relied on fossil fuels to support their local economies.

**These investments also support continued strength in construction employment, which is rising steadily after years of slow growth following the Great Recession.**

- Construction employment has grown steadily since President Biden came into office, especially in the nonresidential sector, which covers people who build factories and other commercial structures.

### Construction Employment Has Risen Steadily Under Biden

Construction Jobs by Type, Thousands



Source: FRED Construction Employees, monthly, seasonally adjusted



- This broad job growth points to both the strong overall labor market and the boost in employment tied to booming manufacturing construction investment.

**The manufacturing investment boom is expected to continue as the Biden administration continues to provide support of funding through the CHIPS Act and IRA.**

- While the economy has already added nearly 800,000 manufacturing jobs during President Biden’s tenure, this number is expected to increase as these new facilities open up and start production.
- As part of the CHIPS Act, the Biden administration recently announced an estimated [\\$5 billion](#) investment to support research and development in advanced computer chips, including funding for the National Semiconductor Technology Center.
- The Biden administration’s third CHIPS Act award of [\\$1.5 billion](#) will help GlobalFoundries build a computer chip fabrication facility in New York and expand and upgrade two of its other facilities.

**As more CHIPS Act funding is awarded along with ongoing IRA and BIL funding, manufacturing investment will continue to grow, creating more jobs people can raise a family on while boosting economic growth.**