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Continued federal infrastructure investments will save jobs and grow the economy over the next decade: economic study

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New report from ASCE says American consumers are saving \$700/year if infrastructure investments continue

Washington, D.C. — Recent federal legislation addressing the nation’s rapidly accelerating infrastructure needs, including the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA), will save American families an average of nearly \$700 per year and save U.S. industries more than \$1 trillion in gross output including \$637 billion in savings to GDP, if these newly-established funding levels are maintained through 2033, according to a new economic study released today.

The report from the [American Society of Civil Engineers](#) (ASCE), *Bridging the Gap*, analyzes two possible scenarios over 10- and 20-year timeframes: one in which recent federal spending levels remain in place, referred to as the “Continuing to Act,” scenario, and the other in which federal infrastructure investment returns to pre-IIJA levels when the bills expire in 2026, or the “Snapback” scenario. The report finds that Continuing to Act greatly reduces infrastructure inefficiencies over time, leading to additional industrial output and household disposable income; however, reverting back to pre-IIJA levels, or “Snapback,” will have a cascading effect on the economy, reducing disposable income for families, and hampering business productivity and overall GDP year after year.

Infrastructure inefficiencies — such as power outages, uneven roads, sitting in traffic, posted load restrictions on bridges, leaking water pipes, and congestion or delays at airports and seaports — have consequences for businesses and, ultimately, consumers. In the Continuing to Act scenario, each U.S. household is losing \$2,000 per year due to these inadequate systems, while the Snapback analysis predicts nearly \$2,700 in individual household losses annually, meaning American families save nearly \$700 annually when we invest in infrastructure. These are marked improvements from ASCE’s last economic report, *Failure to Act*, which was issued prior to IIJA and estimated households lose \$3,300 per year due to faulty infrastructure. However, while American families and businesses benefit when the federal government continues to act, the federal government cannot solve this problem that was decades in the making alone. State and local governments, in addition to the private sector, must prioritize infrastructure to further reduce costs to households, the report says.

“We failed to prioritize America’s infrastructure systems for decades, and those costs were passed down to businesses and consumers alike,” **said Marsia Geldert-Murphey, ASCE President.** “Federal action has made substantial progress stopping the growth of our needs, but this is just the beginning. We need continued action at the federal level and collaboration from state and local governments and the private sector if we are going to succeed in transforming our aging infrastructure network to be more sustainable, resilient, and best suit the future needs of American households and businesses.”

“For decades, America has failed to adequately invest in our infrastructure, costing American families more than \$3,000 each year,” **Ranking Member Larsen said.**

“Luckily, the Bipartisan Infrastructure Law is making a significant difference in communities across the country. This report from the American Society of Civil Engineers confirms what we already knew: making these long overdue investments in our transportation infrastructure creates jobs, lowers costs for families, and sets our economy up to succeed both now and in the generations to come. Now, Congress must continue to build on the investments in the BIL.”

According to the study, major sectors like manufacturing, finance and real estate, health care, utilities, and agriculture are the most heavily impacted by infrastructure deficiencies. U.S. manufacturers are especially vulnerable to underinvestment because the production of goods — such as cars, chemicals, foods and metals — requires reliable energy, clean water, modern transportation systems and dependable ports for those goods being shipped, including to international markets. By 2033, the manufacturing sector would lose \$1.15 trillion due to inefficient infrastructure in the Snapback scenario, compared to \$877 billion in the Continuing to Act scenario, a difference of \$276 billion. The difference in the two scenarios until 2033 is \$198 billion for the finance, insurance, and real estate industries; \$81 billion for healthcare; and \$37 billion for mining, utilities, and agriculture.

Significant federal investments, including \$550 billion over the five-year cycle of the IIJA, have stopped the investment gap from continuing to grow, but changes to the infrastructure landscape have raised baseline spending needs and prevent the investment gap from being noticeably reduced. Examples of changing circumstances are not limited to but include:

- **Transportation:** transit ridership is just 73% of pre-pandemic levels, and roadway travel patterns have changed since 2020 with vehicle miles traveled (VMT) increasing due to a 15% spike in private car trips as work from home or hybrid work arrangements have become more common.
- **Energy:** Currently 22 states and the District of Columbia have implemented net-zero carbon emission goals while 29 states and D.C. have adopted Renewable

Portfolio Standards (RPS), requiring providers to “re-wire” America’s electric grid, which has caused energy investment needs to soar.

- **Ports and Inland Waterways:** Supply chain instability, emerging trade patterns and technological advancements and environmental regulations have heightened the needs for ports and inland waterways if the U.S. is to maintain efficient international trade.
- **Resilience** (all sectors): Increasingly severe weather events have significantly impacted each sector as engineers adopt necessary changes to construction methods and safeguard existing structures.

The influx of federal investments have either reduced or maintained the investment gaps in the transportation, water, water transportation, and aviation sectors, but policy changes and underinvestment in brick and mortar energy structures have caused the energy investment gap to skyrocket since 2020, from \$208 billion over 10 years pre-IIJA to \$578 billion in the Continuing to Act scenario and \$702 billion in the Snapback scenario over 10 years.

Between now and 2033, the ASCE report estimates that nearly \$7.4 trillion is needed across 11 infrastructure areas: highways, bridges, rail, transit, drinking water, stormwater, wastewater, electricity, airports, seaports and inland waterways. Under the Continuing to Act scenario, approximately \$4.5 trillion in investment is anticipated which covers approximately 60% of total needs, leaving a gap of \$2.9 trillion. Under the Snapback scenario, \$3.7 trillion is anticipated, which covers less than 50% of total needs and leaves a gap of more than \$3.7 trillion by 2033.

Further benefits to the American economy from Continuing to Act include:

- More than \$1 trillion in gross output by 2033 and \$5 trillion by 2043
- More than \$45 billion in U.S. exports by 2033 \$244 billion by 2043
- Saving 237,000 jobs in 2033 and 344,000 jobs in 2043

“The ASCE report makes clear that big increases in public funding delivered under bipartisan infrastructure bills must continue. But that alone is not enough. Private investors see a huge opportunity to help State and city governments with the private finance and expertise they need to fix their problems,” **said Jon Phillips, CEO, Global Infrastructure Investor Association (GIIA)**. “These global investors have decades of experience of working with public sector partners to finance and manage high-quality infrastructure in countries like Canada, the UK, mainland Europe and Australia. They now see the opportunity to help in the U.S. and are willing and ready to play their part.”

A research team comprised of EBP, Downstream Strategies, Daymark Energy Advisors and the Interindustry Forecasting Project at the University of Maryland (INFORUM) worked with ASCE to develop this study.

[View the full report and additional data.](#)

About the American Society of Civil Engineers

Founded in 1852, the American Society of Civil Engineers represents more than 150,000 civil engineers worldwide and is America's oldest national engineering society. ASCE works to raise awareness of the need to maintain and modernize the nation's infrastructure using sustainable and resilient practices, advocates for increasing and optimizing investment in infrastructure, and improve engineering knowledge and competency. For more information, visit www.asce.org or www.infrastructurereportcard.org and follow us on Twitter, [@ASCETweets](https://twitter.com/ASCETweets) and [@ASCEGovRel](https://twitter.com/ASCEGovRel).

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