



Delivering for America

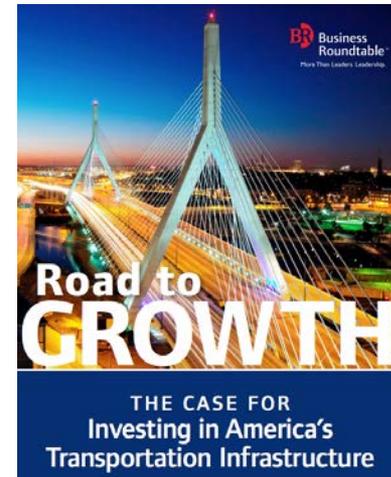
Economic Benefits of Reinvesting in U.S. Infrastructure

April 24, 2019
Matt Sonnesyn
Vice President

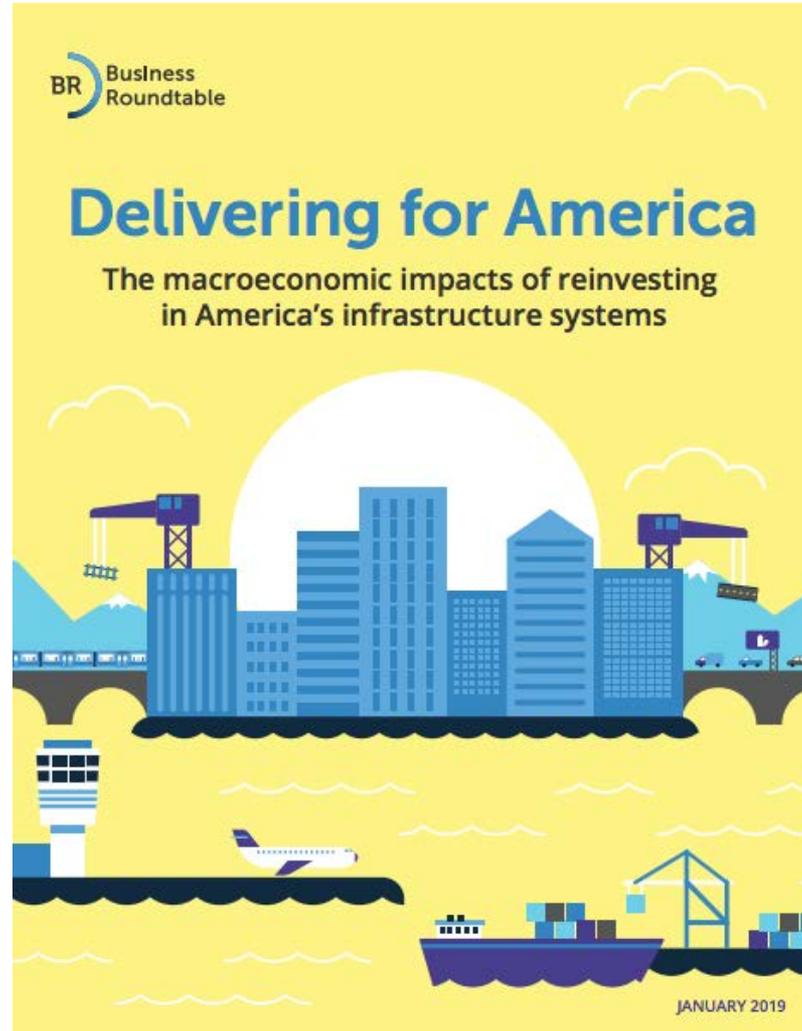
Business Roundtable's Work on Infrastructure

INFRASTRUCTURE

On Infrastructure, 'The Time to Act is Now'



New Economic Study



Delivering for America: Falling Behind

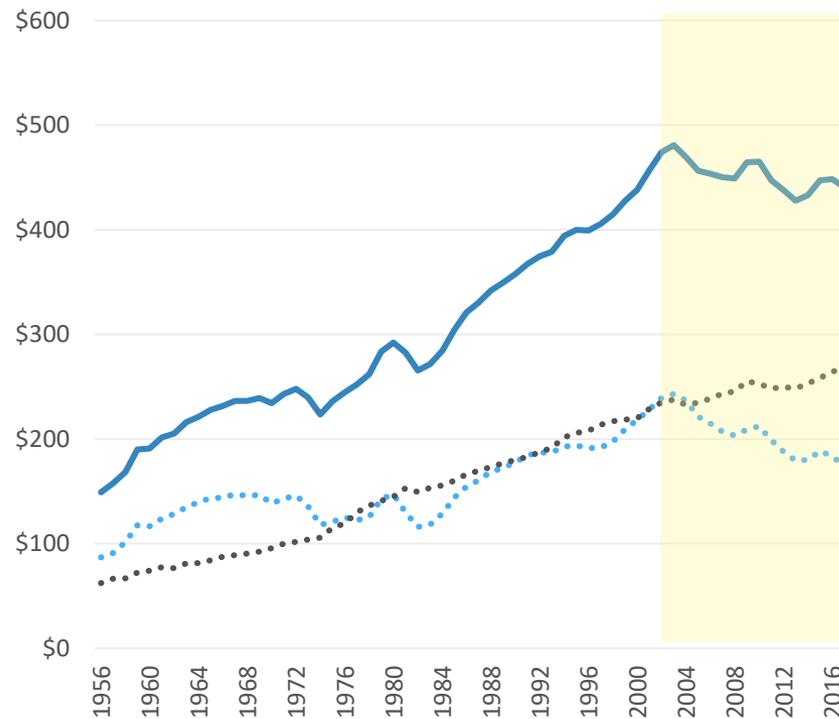
Infrastructure Systems are Falling Behind

- **44 percent** of the country's major roads are in poor or mediocre condition and **45 percent** of major urban highways are congested.
- More than **one in five** bridges (23 percent) in the national highway system is either structurally deficient or functionally obsolete.
- There were approximately **144,000 hours** of lock shutdowns along U.S. waterways as a result of maintenance and unexpected delays in 2016.
- **240,000 water main breaks** occur every year, and **6 billion gallons** of treated water is lost every day due to leaking pipes.

Delivering for America: Investment Down

Public spending on infrastructure fell by 8 percent from 2003 to 2017

Spending by Category
(Bil. 2017\$, adjusted
for inflation using
infrastructure-
specific price indexes
as specified by CBO)



Source: Congressional Budget Office, "Public Spending on Transportation and Water Infrastructure, 1956-2017", October 2018, p. 6.

Delivering for America: Costs of Inaction

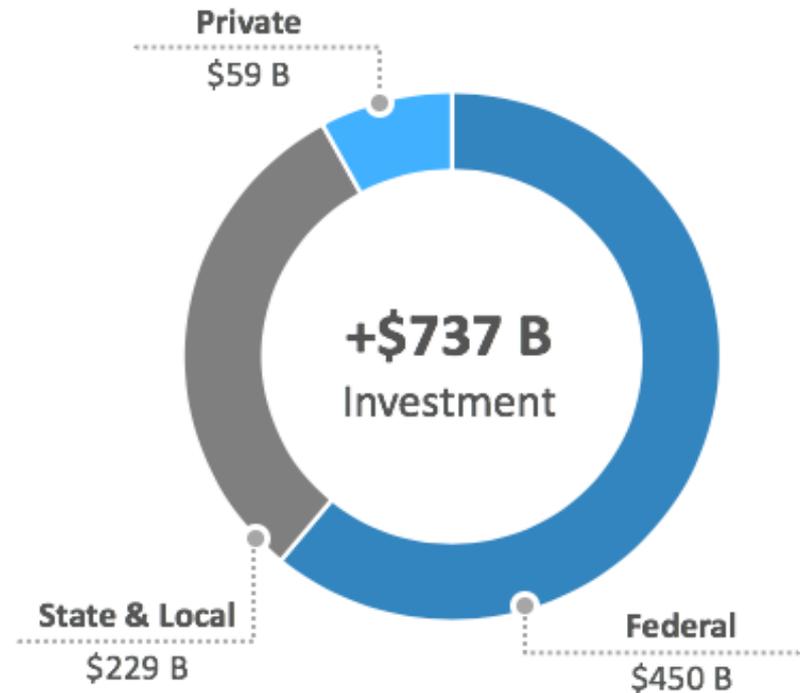
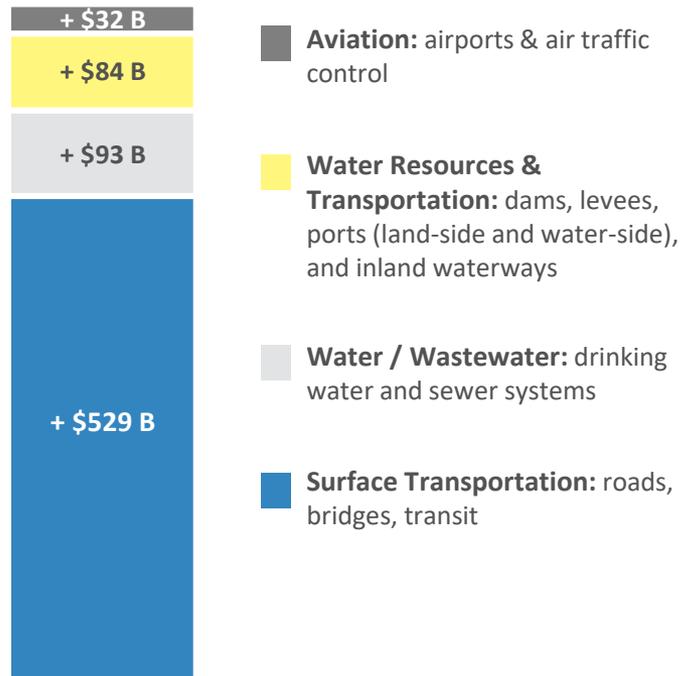
Costs to U.S. Households and Businesses

- Inadequate infrastructure costs American businesses **\$27 billion** per year in extra transportation costs.
- Approximately **38 million people** avoided domestic plane trips due to prior air travel complications in 2013, costing the U.S. economy nearly **\$36 billion**.
- Congestion on major urban roadways cost the average commuter **\$960 and 42 hours of travel time** in 2014.
- If policies and funding go unchanged, wasted fuel will increase from **3.1 billion gallons** in 2014 to **3.8 billion gallons** in 2020.

Delivering for America: Investment Scenario

Policy Scenario: Investment by System

+ \$737 B in *additional public investment over 10 years*



Sources of Funding / Financing (2018\$)

Delivering for America: Key Results



Every additional **\$1** invested in infrastructure delivers roughly **\$3.70** in additional economic growth over 20 years.

Additional **\$5.9 trillion to real GDP** over 20 years via a 0.10 percentage point increase in the average annual real GDP growth rate over that period.

Investment would create **1.1 million additional jobs** in year 10 of the policy scenario (2028)



Over 20 years, average annual **labor productivity is 0.56 percent higher** than baseline, and the gap widens with time.

Delivering for America: Key Results

Investment raises **worker wages**, adding **\$1.34** to average real hourly wages by 2038.



It adds to bank accounts, boosting **household real disposable income** by an average of **\$1,400** every year.



It catalyzes **private investment**, adding an additional **\$1.9 trillion** in investment over 20 years.

Report Highlighted in the Press

POLITICO

By SAM MINTZ (smintz@politico.com; [@samjmintz](https://twitter.com/samjmintz))02/05/2019 10:00 AM EST

Some other numbers to think about: A new [study](#) from the Business Roundtable maps out a “fiscally responsible” but effective plan that totals \$737 billion in investment, less than half of the number Trump gave last year. Of that, \$450 billion would be federal spending (funded by a mix of taxes, user fees and deficit financing), with \$229 billion coming from state and local governments and \$59 billion in private capital. The group says this would lead to a nearly \$6 trillion increase in real GDP and create more than a million jobs over 10 years.

Impactful Local Coverage



Highlands News-Sun

Study suggests infrastructure improvements increase paychecks

By PHIL ATTINGER Staff Writer Feb 15, 2019 0

TRANSPORTATION TODAY

Driving Discussion on Transportation & Infrastructure

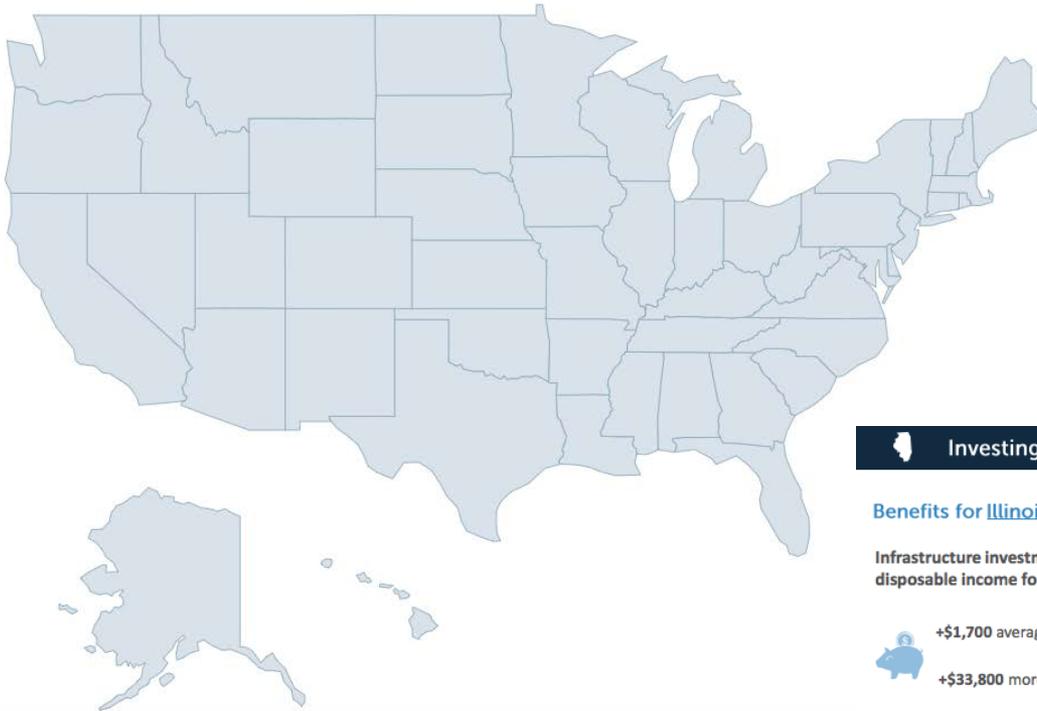
Study finds investing in public infrastructure would create jobs, boost average disposable income

BY MELINA DRUGA | FEBRUARY 5, 2019 | AIR

Resources for Your Advocacy Efforts

Compelling State Data

Select a State 



Investing in the nation's infrastructure benefits Illinois.

Benefits for Illinois Households

Infrastructure investment increases real disposable income for Illinois households.



+\$1,700 average more per year over 20 years

+\$33,800 more in total over 20 years

Benefits for Illinois Workers

Infrastructure investment creates more jobs for Illinois workers.



+44k additional Illinois jobs by 2028

Benefits for Illinois Businesses

Infrastructure investment drives productivity and boosts output in Illinois industries.

20-year Cumulative Addition to Real Output for Top Illinois Industries (2018\$)



+\$143B

Other Services*
(includes personal and non-tradable services)



+\$67B

Finance, Insurance,
& Real Estate



+\$49B

Trade

Shareable State Graphics



Business Roundtable on Drinking and Wastewater

Serious Challenges Ahead

- **56 million** new individuals to be added to wastewater treatment systems in next 20 years – requiring **\$271 billion** in funding.
- **Climate change** placing additional strain on water infrastructure systems.
- **Less than 5%** of federal infrastructure spending supports drinking and wastewater systems.
- Vast majority of systems **owned and operated by municipalities:**
 - 56,000 community water systems
 - 19,000 wastewater pipe systems
 - 14,000 wastewater treatment facilities.

Business Roundtable on Drinking and Wastewater

Policy Recommendations

- Incentivize utility **consolidation**.
- Accelerate the adoption of **innovative technologies**.
- Require **risk-based asset management**.
- Increase **funding for WIFIA** programs:
- Increase access to **innovative financing** sources for water infrastructure projects, including Private Activity Bonds (PABs).



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Thank You