

The Economic Benefits of Investing in Water Infrastructure



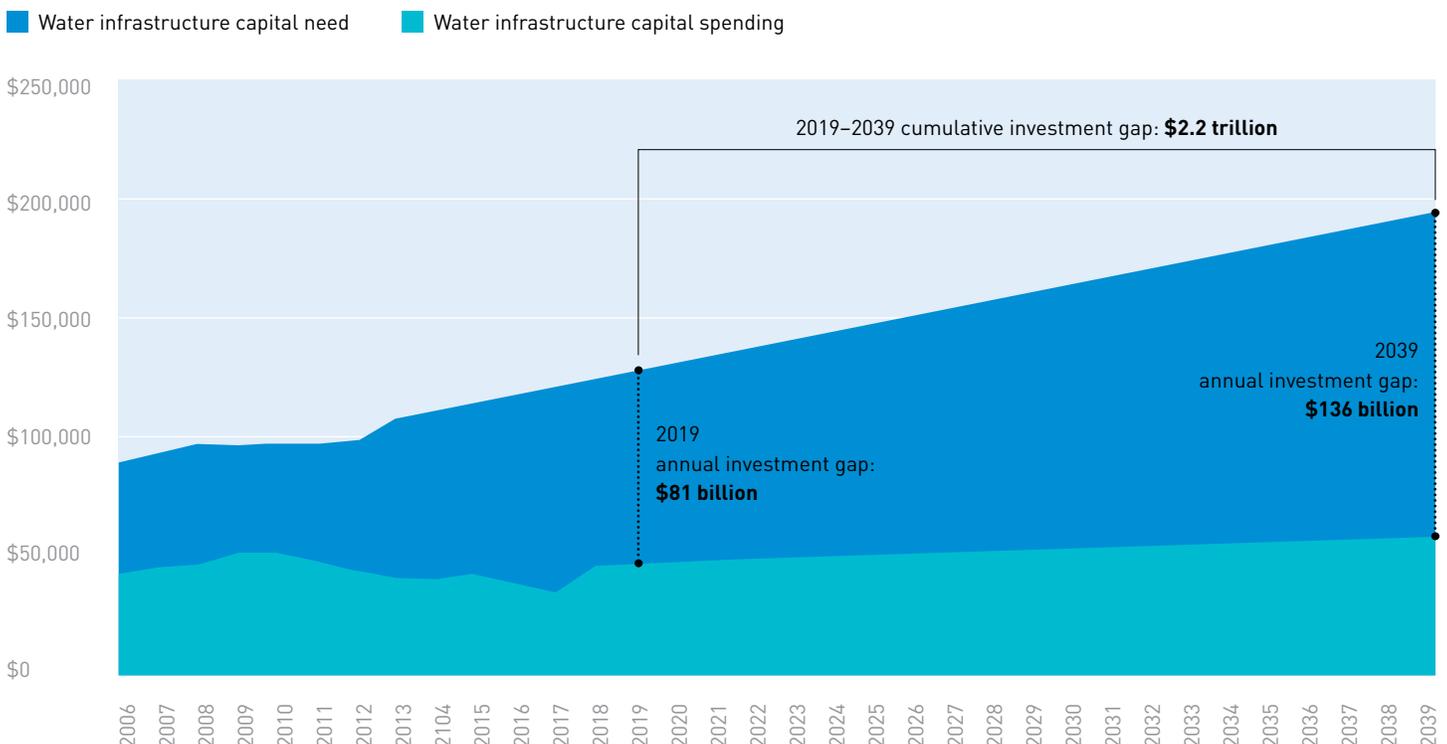
How a Failure to Act Would Affect the US Economic Recovery

The American Society of Civil Engineers (ASCE) and the Value of Water Campaign release this report at a time when the COVID-19 public health crisis is causing economic disruption at an unprecedented speed and scale in the United States. Workers are losing jobs by the millions as consumer confidence, retail sales, and gross domestic product plummet. It is clear that the nation’s economic recovery will be long and difficult.

In the coming months and years, public officials at every level of government will consider policies and investments to jumpstart economic recovery. Investment in the nation’s aging water infrastructure—composed of drinking water, wastewater, and stormwater systems—can spark a new era of job creation and economic growth while protecting public health and improving the quality of life for families across the United States.

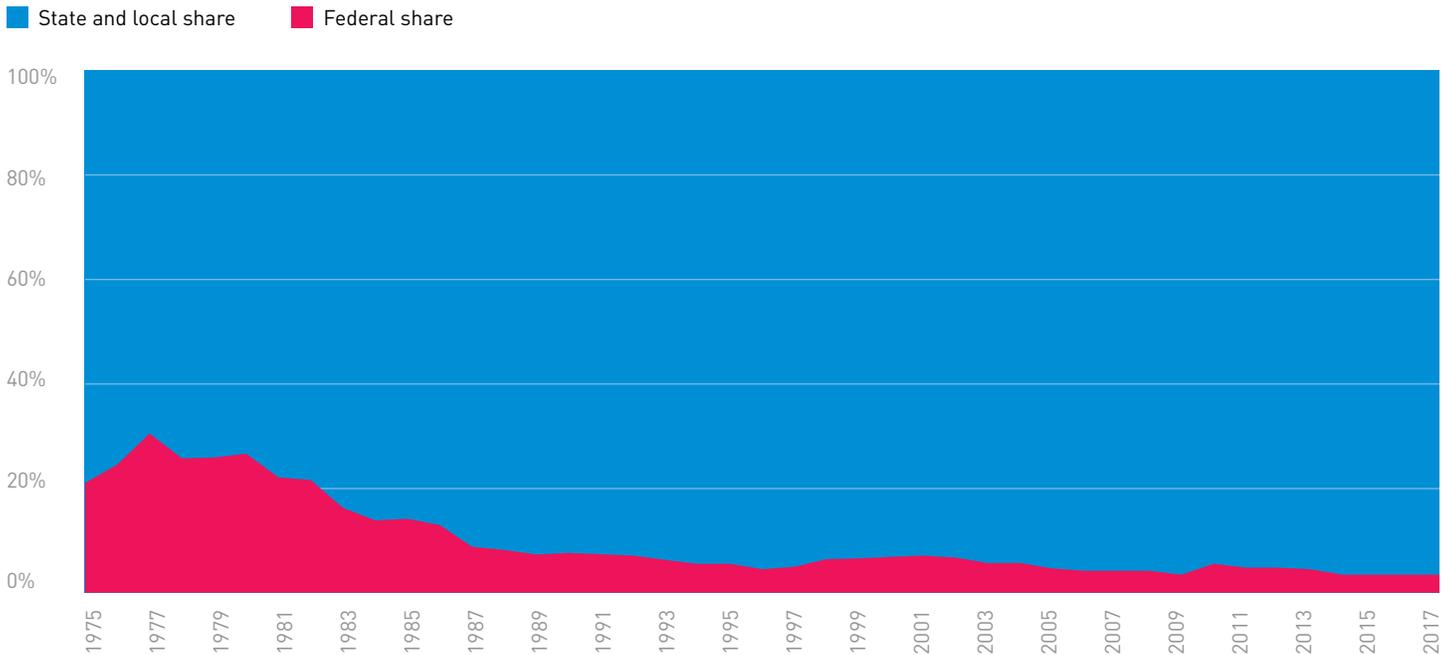
In 2019, total capital spending on water infrastructure fell \$81 billion short of the capital need. If funding needs and infrastructure investment trends continue, the annual gap will grow to \$136 billion by 2039.

Water Infrastructure Capital Spending Gap^{1,2,3}
(\$ million)



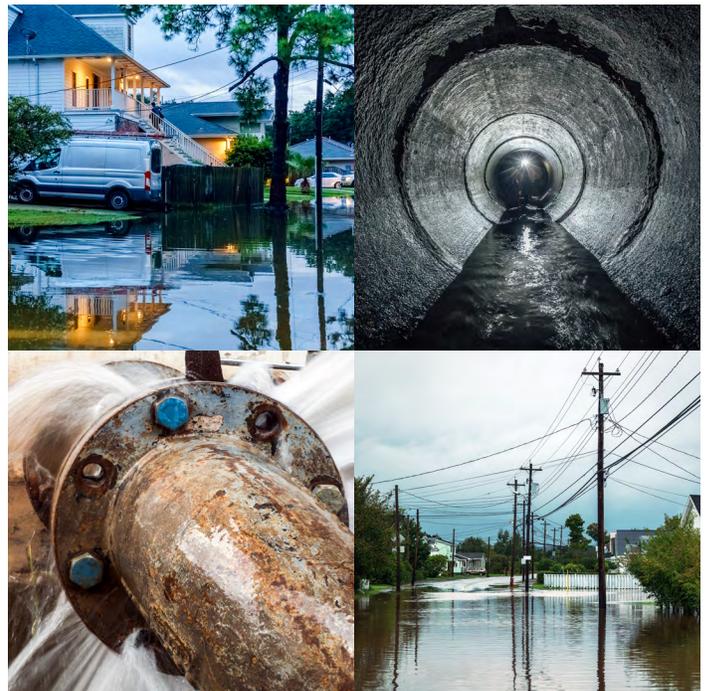
The federal share of capital investment fell from 31% in 1977 to 4% in 2017.

Federal vs. State and Local Share of Water Capital Investment: 1975–2017⁴



There is no industry that does not need water. If we fail to invest in water infrastructure, the businesses that are most reliant on water will spend \$250 billion in 2039 on water service disruptions.

As water infrastructure deteriorates, street flooding, water service disruptions, and damage from storms will increase. Costs incurred by American households due to water and wastewater failures would be seven times higher in 20 years than they are today.



If the nation closes the water infrastructure investment gap, the US GDP would grow by \$4.5 trillion in 20 years. This investment would create 800,000 new jobs and household disposable income would rise by more than \$2,000 per household.



But if significant investment is not made and as production volumes decline, workers would see reductions in wages and disposable income. By 2039, 636,000 jobs would be lost annually.

- 1 Office of Water, *Drinking Water Infrastructure Needs Survey and Assessment: Sixth Report to Congress*.
- 2 US Environmental Protection Agency, *Clean Watersheds Needs Survey 2012: Report to Congress* (Washington, DC: US Environmental Protection Agency, January 2016), https://www.epa.gov/sites/production/files/2015-12/documents/cwns_2012_report_to_congress-508-opt.pdf.
- 3 US Bureau of Labor Statistics, "Consumer Price Index Historical Tables for U.S. City Average," US Bureau of Labor Statistics, US Department of Labor, accessed [February 15, 2020], https://www.bls.gov/regions/mid-atlantic/data/consumer-priceindexhistorical_us_table.htm.
- 4 Congressional Budget Office, *Public Spending on Transportation and Water Infrastructure, 1956 to 2017*.