

New U.S. Department of the Treasury Analysis Shows Inflation Reduction Act Achieving Key Goal of Driving Investment to Underserved Communities

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Investments concentrated in communities with lower wages, lower employment rates, and lower college graduation rates

WASHINGTON – Today the U.S. Department of the Treasury published new analysis on the impact of the Inflation Reduction Act on the law’s one-year anniversary.

The analysis by Acting Assistant Secretary for Economic Policy Eric Van Nostrand and Deputy Assistant Secretary for Microeconomics Laura Feiveson observes that investments that have been recently announced in Inflation Reduction Act-related sectors of clean energy, electric vehicles, and batteries are concentrated in underserved communities with lower wages, lower college graduation rates, and lower employment rates.

Treasury’s analysis shows that investments in the clean energy economy are disproportionately benefitting communities that have been left behind and are in greater need of initial public investment to unlock private capital. This approach is a prime example of what Secretary of the Treasury Janet L. Yellen calls “modern supply-side economics,” with evidence showing that investments in communities like these have the highest “bang for the buck” by unlocking untapped opportunities.

Van Nostrand and Feiveson write, **“These data are clear. We find that counties where investments in IRA-related sectors have been announced tend to be more economically disadvantaged than average. We do not claim that the locations of the investments were chosen due to the design of the IRA, and we are not attempting to identify the reasons behind the location choice. But regardless of the reasons, the fact that IRA-related investments appear to be concentrated in lower-income places suggests that not only will these investments provide opportunity to communities that need it the most, but they will also leverage the most promising regions for national productivity growth.”**

[Full text of the analysis is available here.](#)

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