New U.S. Department of the Treasury Analysis: Two Years In, Bipartisan Infrastructure Law Is Spurring Historic Surge in Infrastructure Investments, Especially in States with The Greatest Needs

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Increase in Infrastructure Investments as a Share of GDP is Largest Since 1979

WASHINGTON – Today, on the second anniversary of the signing of the Bipartisan Infrastructure Law (BIL), the U.S. Department of the Treasury published analysis on how the BIL has strengthened long-term productive capacity in the U.S. while creating a fairer future for Americans in economically disadvantaged communities. The analysis by Assistant Secretary for Economic Policy (P.D.O.) Eric Van Nostrand describes how the $1.2 trillion of federal funds towards transportation, energy, and climate infrastructure projects has reversed historical trends by spurring a significant surge in infrastructure investments while channeling towards states with the lowest-rated infrastructure and lower household income.

The Bipartisan Infrastructure Law is a core element of President Biden's Investing in America agenda, which has helped spur historic investments in our country's productive capacity in areas like infrastructure, advanced manufacturing and green technology. A key aspect of the President's economic plan is ensuring that we grow our economy from the middle-out and bottom-up by supporting the middle class and spreading economic opportunity more broadly. This goal is reflected in the new Treasury analysis showing investments flowing to communities with the greatest need, and by past Treasury analysis of the Inflation Reduction Act.

"Public infrastructure investment is essential to economic growth, and the investments made by the Bipartisan Infrastructure Law are boosting our country's economic strength and resilience for the long-haul," Secretary of the Treasury Janet L. Yellen said. "The BIL, along with the CHIPS and Science Act and the Inflation Reduction Act, exemplify the President and my belief that America's economic strength is derived from our middle-class, and that we should seek to grow our economy from the bottom-up and the middle-out, not the top down."

"These new analyses underscore how the Bipartisan Infrastructure Law is transforming our economy and leaving no community behind," said Senior Advisor to the President and Infrastructure Coordinator Mitch Landrieu. "As President Biden's Investing in America agenda increases access to opportunity, strengthens supply chains, and creates good-paying jobs, there can be no debate that Bidenomics is delivering concrete benefits right before our eyes."

Key takeaways from the analysis:

- The increase in state and local capital investment as a share of GDP over the past two years is the largest since 1979. Even though infrastructure investment typically falls as a share of the economy at the beginning of economic recoveries, the United States has bucked that trend during this recovery.
- Announced and awarded BIL funding is flowing to the states that need it most: states with the lowest-rated infrastructure received more funding per capita than states with the highest-rated infrastructure.
- Historically, states with higher household incomes tended to invest more in infrastructure. But the BIL has helped reverse that pattern, as lower-income states have tended to receive more announced BIL funding per capita.

Full text of the analysis is available here.

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