

Remarks By Secretary of the Treasury Janet L. Yellen on the New Treasury Department Analysis of the Bipartisan Infrastructure Law

November 15, 2023

As Prepared for Delivery

Hello everyone. I'm glad to be marking the second anniversary of the Bipartisan Infrastructure Law with new Treasury Department analysis showing the tremendous impact of the Biden Administration's investments in infrastructure.

Public infrastructure investment is essential to economic growth. According to one analysis, a 10 percent increase in public capital investments in core physical infrastructure increases productivity by more than 2 percent. And due in large part to this productivity increase, public investments in infrastructure grow national output, by as much as 1.2 percent in the long run for every 10 percent increase in public capital investment.

Yet U.S. infrastructure investment has fallen sharply in recent decades. It declined as a share of the economy in 42 states between 2009 and 2021, including during the early days of the recovery from the pandemic.

Two years ago, the Bipartisan Infrastructure Law changed that. Treasury's new analysis shows that the two-year increase in state and local capital investment as a share of GDP is the largest since 1979. The Biden Administration has announced nearly \$400 billion in funding, including over 40,000 projects and awards. Americans are seeing the changes in their own communities. Bridges are being repaired. Roads are being paved. Airports are being improved.

These investments are boosting our country's economic strength and resilience for the long haul. And they're also broadening economic opportunity for people and places that have historically been left behind.

It's gratifying that we're seeing this in the data just two years after the BIL was passed. Investments are creating well-paying construction jobs, many of them union jobs that don't require a college degree. And Treasury's new analysis shows that funding is going where it's needed most across the country, not just to the coasts or to wealthy communities. States

with the lowest-rated public infrastructure are receiving more than twice as much funding per capita as states with the highest-rated infrastructure. And funding is tending to land in states with lower median household incomes. This is the reverse of the typical pattern, which is that higher-income states invest more in infrastructure.

Funding is also being more broadly distributed. Take spending on public transit—crucial for both equity and addressing climate change, since less-wealthy Americans are more likely to rely on public transit, and reliable public transit encourages everyone to reduce gasoline use. In 2019, only five states accounted for about two-thirds of all investment in public transit. Our analysis shows that those five states accounted for only about 40 percent of BIL funding. Ten states are receiving BIL transit funding that, per capita, is more than ten times their pre-pandemic annual transit investment. An additional ten states are receiving five times as much. And 18 other states are receiving two times as much.

The BIL, along with the CHIPS and Science Act and the Inflation Reduction Act, exemplify the President's 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. This is at the core of the President's economic strategy—what we call Bidenomics. And it also aligns with what I've called modern supply-side economics, increasing our long-term productive capacity while broadening economic opportunity across the country and addressing challenges like climate change.

Our legislation is having a transformational impact. Alongside the impacts I've highlighted today, real manufacturing construction has doubled since the end of 2021, and private sector investments in key sectors like electric vehicle manufacturing are reaching communities that have been too often overlooked.

I am hopeful about the long-term economic momentum in the U.S. economy, and I believe our Administration's economic plan will keep us on the right track. Thank you for joining today.

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