BRIDGING THE GAP:
THE POWER OF INVESTMENT IN WATER

Every four years, the Value of Water Campaign partners with the American Society of Civil Engineers to consider the impact of federal investment on the nation's water infrastructure, health, and economy. Since our last report in 2020, Congress passed the Infrastructure Investment and Jobs Act of 2021 (IIJA)—the single largest investment in our nation's water infrastructure in history. That legislation included approximately $55 billion in funding for capital projects intended to improve water quality and accessibility for the US communities that need it most.

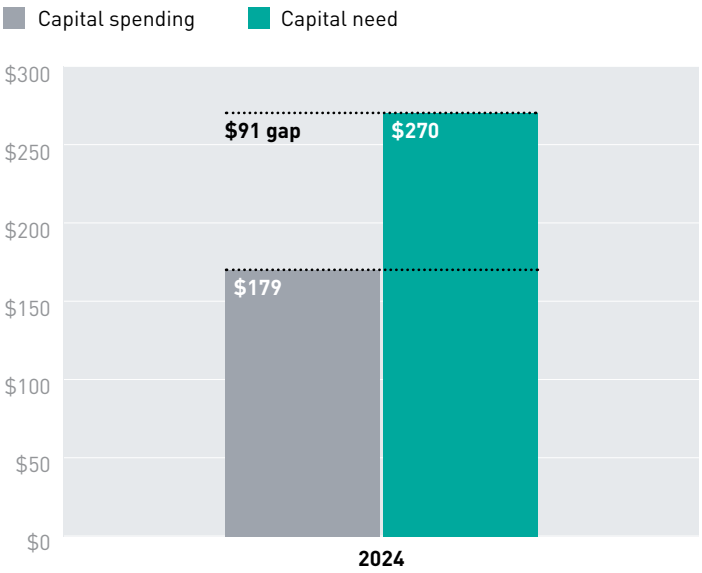
Today, those funds are making a difference as they begin to flow into the local water systems and municipalities tasked with providing drinking water, wastewater, and stormwater services to residents. Yet in the face of decades of historic underinvestment combined with rapidly evolving cost drivers such as population growth, severe climate impacts, and regulatory changes, it is clear that the five years of federal funding provided under IIJA, while an impactful first step, should serve as the baseline for federal investment moving forward.

In this report, we examine the economic impact of federal water investment in two scenarios over 20 years: (1) continued federal funding at levels of appropriation established under IIJA (the Continue to Invest scenario), and (2) reversion to the minimal level of federal water infrastructure funding that was the norm prior to IIJA (the Fail to Act scenario). While both scenarios fail to fully close the water infrastructure investment gap within this timeframe, the data in favor of continuing to invest is compelling.

For the full report, scan this QR code:

In 2024 alone, the projected gap between water infrastructure needs and spending in the United States will be $91 billion; by 2043, the cumulative gap will be over $2 trillion.

Projected Gap Between Water Infrastructure Needs and Spending, 2024 ($ billions)



By continuing to invest at IIJA spending levels, the investment gap could be reduced by $125 billion in the next two decades. That difference is enough to:

Replace all lead service lines in the United States twofold

OR

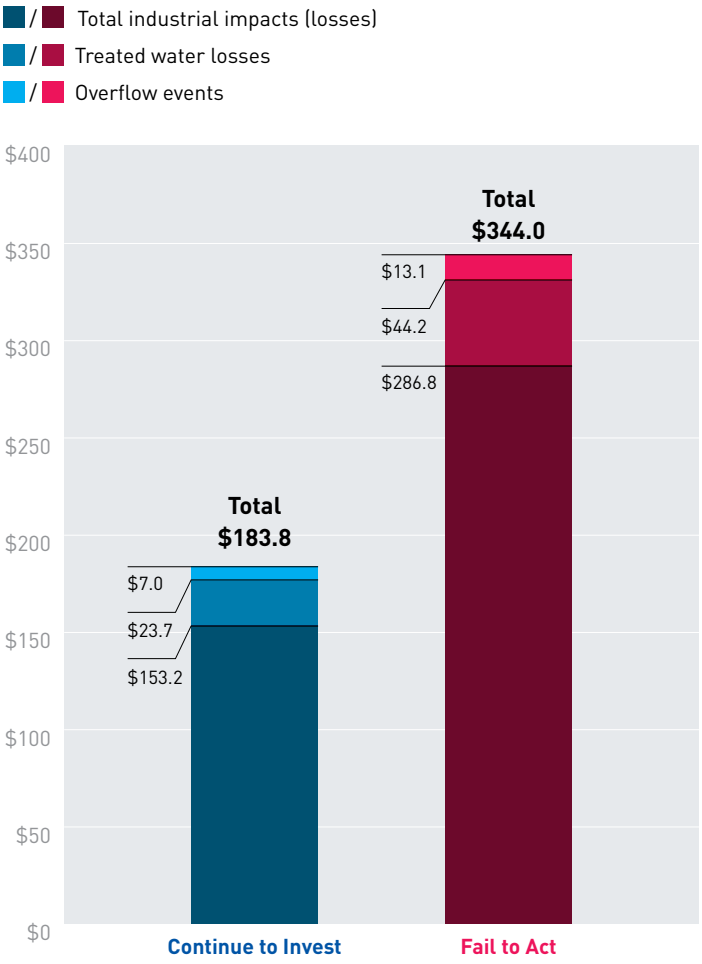
Fully fund a permanent federal customer assistance program at the estimated need of $5 billion annually for 25 years

OR

Repair or replace more than 25 percent of the nation's two million aging water mains

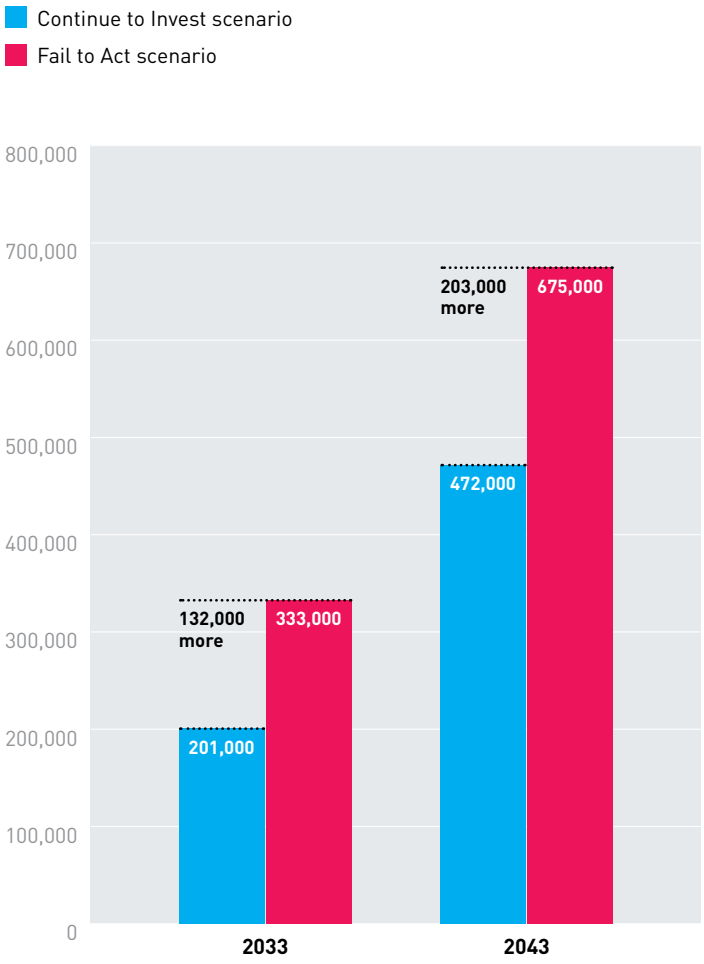
Without continued investment, service disruptions will cost water-reliant industries an estimated $287 billion by 2043. But by continuing to invest at IIJA spending levels, that figure could be reduced by $134 billion—a 46 percent reduction in costs to businesses.

Cumulative 20-year Losses Due to Water Infrastructure Underinvestment—Scenarios Comparison ($ billions)



When businesses reduce their output due to unreliable water infrastructure, employment will inevitably decline. But continuing to invest would reduce the negative impacts of failing water infrastructure by protecting more than 200,000 jobs in 2043.

Comparison of Annual Job Losses in Two Scenarios Due to Failing Water Infrastructure, 2033 and 2043 ($ billions)



Economy-wide losses in employment due to chronic underfunding in water infrastructure would lead to losses in household income.

But over a generation, continuing to invest at IIJA spending levels would substantially bolster all forms of household income, resulting in savings of close to $7k per household.

Losses in Two Scenarios Due to Failure in Water Infrastructure, 2024–2043 ($ billions)

	Continue to Invest	Fail to Act	Savings by Investing
Personal Income Losses	**$1,837**	**$2,289**	**$452**
Labor Income Losses	**$1,011**	**$1,148**	**$137**
Disposable Income Losses	**$1,219**	**$1,581**	**$362**
Total Cumulative Losses	**$4,067**	**$5,018**	**$951**