Press Release

Highlights of the Infrastructure Investment and Jobs Act

PAULINA ENCK | SEPTEMBER 9, 2021

The Infrastructure Investment and Jobs Act, passed by the Senate and being considered by the House, was supposed to be a paid-for infrastructure investment measure. But as Director of Fiscal Policy Gordon Gray explains, the reality is somewhat different from the advertising. As Gray explains, the arcane budgetary treatment of certain transportation spending masks the true cost of the bill, which could be as high as $400 billion over the next decade. Moreover, with a substantially higher share of the Act financed through borrowing, the value proposition of the Act is somewhat lower than if it were efficiently financed.

Gray concludes:

> To the extent this spending is on projects that do not enhance productivity, the more the financing matters in assessing the cost-benefit proposition offered by the Act. Unfortunately, the Act relies, as is increasingly the case, on borrowing. While the Act's sponsors are to be commended for pursuing a bipartisan approach to addressing a major policy challenge, the final product, awaiting House attention, falls somewhat short of its initial promise.

Read the analysis