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## 2013 FORECAST

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### Will infrastructure spending be used in 2013 to help our economy?

We have known for many years that infrastructure spending in the United States, and, in particular, the mid-Atlantic region, has been lacking, but until recently we didn't realize the full impact of those non-decisions. Spending on infrastructure provides for an ongoing growth in our economy in a myriad of ways.



Ted C. Williams

The grading of our infrastructure, as noted in the most recent American Society of Civil Engineers' (ASCE) "Report Card for America's Infrastructure," is alarming, at best:

Aviation: Grade D

Bridges: Grade C

Dams: Grade D

Drinking Water: Grade D-

As if these low grades are not enough of a justification for upgrading the infrastructure in the United States, note the results of a supplemental study by ASCE entitled "Rough Road Ahead" found that a "subpar road system" costs each family in the United States \$1,050 per year in additional cost for automobile repairs and other

related expenses!

Engineering and business groups reported on this information at the end of 2011 when providing justification to our elected state and federal government leaders of the importance of maintaining the infrastructure that supports all aspects of our economy. At that time, we provided information on the direct impact on the economy.

The ASCE "Rough Road Ahead" study identified the potential impact of spending \$94 billion per year (this is substantially less than the current annual shortfall in spending on infrastructure improvements) on just transportation alone will create more than 2.5 million jobs, save another 1.1 million jobs, save over \$2 billion in travel time, save each family \$1,050 each year and add over \$2,600 per person in the United States to the GDP.

A separate study by the Associated General Contractors of America (AGC) found that of the created jobs, approximately one-third would be direct on-site construction jobs, approximately one-sixth would be indirect jobs for suppliers of materials and services such as engineering, and approximately one-half for induced jobs from the spending of

additional income by the direct and indirect jobs.

The problem and the benefit that is realized from spending on infrastructure were identified in 2011, but we did not see any significant increase in spending in 2012.

With the seating of a new Congress in 2013 and no major elections this year, we believe that a renewed focus on providing the answers to where the funding will be generated for an increased spending on our infrastructure will be fruitful. Many leaders realize that increasing fees, such as highway user fees (gas tax), etc., can be acceptable to the general public when the appropriate information is shared about the problem and the solutions.

Unlike some government programs, spending on infrastructure provides for an ongoing growth in our economy, which is why we believe that an increase in spending on infrastructure can and will occur in 2013.

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