

The blog of the Transportation Trades Department, AFL-CIO



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## **Investing in Infrastructure to Put America to Work**

It's no secret that we're underinvesting in our transportation infrastructure. It's been years since Congress passed a long-term surface transportation funding bill, our aviation system relies on outdated technology, and the last rail funding authorization expired more than a year ago. Across all modes of transportation and across the entire nation. we've underinvested to such an extent that we're stifling growth and the system's capacity. And as demonstrated by a new report from the Duke Center for Globalization, Governance & Competitiveness and the Alliance for American Manufacturing, in the process we're undeniably injuring the American economy.

First and foremost, the report shows that each time we fail to invest in the long-term needs of our transportation infrastructure, we're keeping Americans out of work. According to the report, "Expanding federal funding consistent with U.S. DOT's request ... (\$114.2 billion per year) would result in over 2.47 million jobs, or 58% more jobs than current funding levels, and over \$404 billion in total economic impact." On that basis alone, transportation investment should be a no-brainer.

The report also explains how adequate investment will ensure that the U.S. remains a global economic power. When we fail to invest in our infrastructure, the report explains, we diminish "the competitiveness of U.S. businesses" by reducing their ability to efficiently move goods to market relative to our economic competitors. It's crucial that we invest in such a way that the returns benefit local economies: programs like Buy America deliver "economic benefits to the U.S. economy" and "mitigate the safety risks of using potentially inferior-quality foreign inputs." When projects avoid Buy America coverage, the funds invested in them "leak away" from domestic manufacturers and construction companies; in the case of the San Francisco-Oakland Bay Bridge, that leakage represented 27% of total funds. That's \$1.75 billion that could have been reinvested in the American economy, creating jobs and supporting local businesses.

As the Duke/AAM report shows, the return on our investment is clearly in our favor: every dollar invested in transportation infrastructure returns \$3.54 in economic impact. That's a return we can't afford to pass up. Read the report here.