A Bridge to Somewhere?

Infrastructure across the U.S. is failing. Scores of aging highways, bridges, airports, and water systems need repair. A government infrastructure spending package could significantly drive economic activity and revenues for companies that are involved in any future reconstruction.

- The U.S. faces more than a $2 trillion infrastructure funding gap, defined as needed investment less estimated funding, through 2025. The country’s overall grade on the state of infrastructure is a D+, according to the American Society of Civil Engineers.¹

- State and local governments are responsible for public infrastructure as they own over 90% of non-defense public infrastructure assets.² Unfortunately, state and local government spending on infrastructure is at the lowest level in over half a century.³

- The Trump administration proposed a $1.5 trillion infrastructure plan earlier this year. However, lawmakers are currently exchanging ideas about how to fund potential legislation and a firm plan has not yet materialized.

- Potential beneficiaries of a large infrastructure spending program may be materials companies, specifically those producing construction materials such as aggregates and cement, as well as industrial companies, including those that produce machinery.

¹ ASCE, “2017 Infrastructure Report Card.”
² Center on Budget and Policy Priorities calculations of U.S. Bureau of Economic Analysis data on fixed assets, 2015
³ Based on state and local government gross investment as a percentage of GDP in 2016 using data from the U.S. Bureau of Economic Analysis.
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