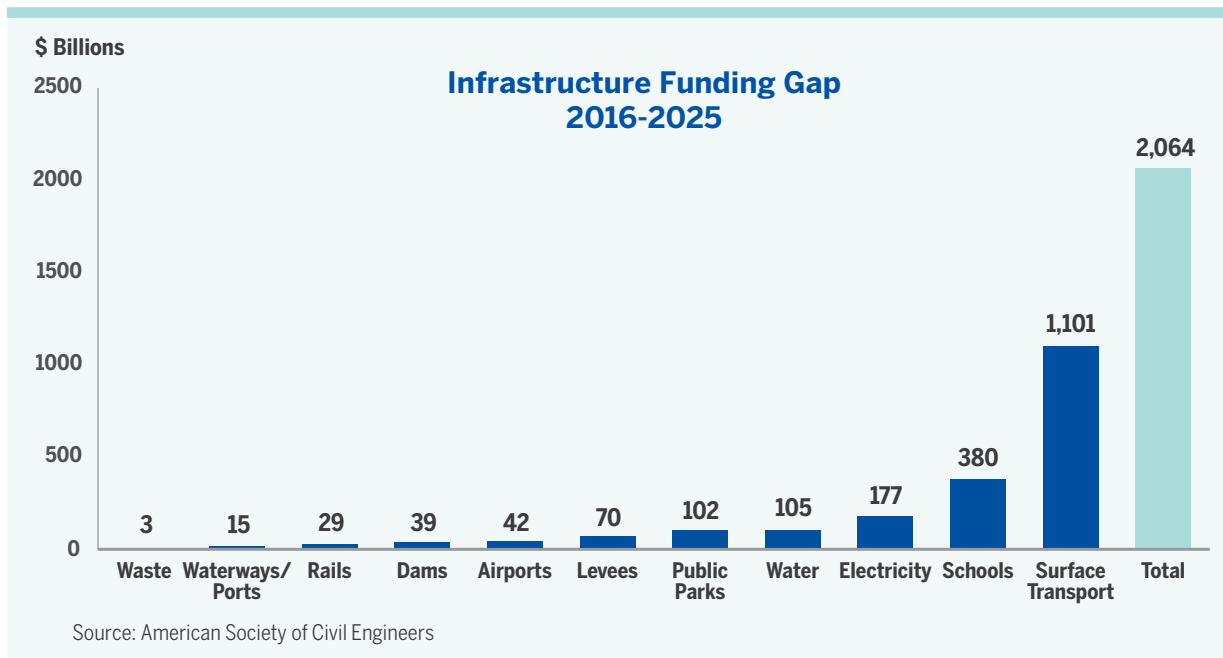


## A Bridge to Somewhere?

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.<sup>1</sup>
- State and local governments are responsible for public infrastructure as they own over 90% of non-defense public infrastructure assets.<sup>2</sup> Unfortunately, state and local government spending on infrastructure is at the lowest level in over half a century.<sup>3</sup>
- 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.

<sup>1</sup> ASCE, "2017 Infrastructure Report Card."

<sup>2</sup> Center on Budget and Policy Priorities calculations of U.S. Bureau of Economic Analysis data on fixed assets, 2015

<sup>3</sup> 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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