



# NEWS The United States Conference of Mayors

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## MAYORS WATER INFRASTRUCTURE REPORT SHOWS INVESTMENT YIELDS HIGH RETURNS

### ***For Every Dollar Invested in Public Water and Sewer Infrastructure and Services Approximately \$8.97 are added to the National Economy***

Washington, D.C. – The U.S. Conference of Mayors today released a report that shows the economic impact of local government investment in water and sewer infrastructure services. The report was released during the Mayors '08 Action Forum on Infrastructure in New York City, where mayors called for a new local/federal partnership to bring critical investment to our nation's cities in transportation, water and other critical public infrastructure.

Conference President Miami Mayor Manny Diaz believes that Washington no longer invests in its cities and its people. Further, he said, "Washington has lost its values – lost its principles – lost its sense of purpose – engaging in endless debate and partisan bickering while people in this country continue to suffer. ... Plain and simple, Washington has abandoned us."

Based on previous research by the USCM, local government currently spends 95 percent – the lion's share -- for water and sewer infrastructure development, rehabilitation and operations to the tune of \$82 billion. In comparison, the federal contribution is minor, accounting for the small remaining portion that is flat or declining over time. However, this new report shows that for every one dollar invested in public water and sewer infrastructure services, approximately \$8.97 are added to the national economy:

#### Other key findings reveal:

- Recent estimates are that one dollar of water and sewer infrastructure investment increases private long-term output (Gross Domestic Product, GDP) by \$6.35 – (\$1 invested yields \$6.35 output)
- The U.S. Department of Commerce (DOC) estimates that for annual general revenue and spending on operating and maintaining water and sewer systems – each additional dollar of public revenue from providing water and sewer services increases revenue in all industries by \$2.62 – (\$1 dollar invested yields \$2.62 output in other industries)
- DOC estimates that adding one new job in local water and sewer creates 3.68 jobs in the national economy to support it
- An indirect benefit of local government investment in "green water and sewer infrastructure" such as protecting one hectare (2.5 acres) of wetlands for source water protection yields \$4,177 annually in avoided water treatment costs, and another \$10,000 in other ecoservices categories (e.g., water supply, climate regulation, recreation, etc.)

USCM Water Council Co-Chair Albuquerque Mayor Martin J. Chávez said, "Public infrastructure is the foundation for economic development -- access to roads, water, sewer, communication technologies, and electricity are all essential to the economy. The expert consensus is that public infrastructure investment yields positive returns, and investment in water and sewer infrastructure has greater returns than most other types of public infrastructure."

The Mayors Action Forum on Infrastructure where this report was presented is the second in a series of mayoral forums in key cities around the country intended to challenge the next Presidential Administration to invest in America's cities and metropolitan areas -- the economic engines of the nation accounting for 86 percent of the Gross Domestic Product and where over 85% of people in the country live. **Recommendations from this forum and four others will be presented to the next President of the United States during the critical first 100 days of the new administration.**

Copies of the Report can be found at [www.usmayors.org](http://www.usmayors.org)

*The Cadmus Group, Inc.- an environmental and economics consulting group - was commissioned by the Conference of Mayors for this report.*

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