



11/30/2021

## FUSCO FINANCIAL ASSOCIATES

Market Commentary

To Our Valued Clients,

After clearing the Senate with significant bipartisan approval in August and getting through the House earlier this month, Biden signed the \$1.2 trillion infrastructure bill into law on November 15<sup>th</sup>, calling it a “once in a generation investment.” The bill includes \$550B in new spending in addition to the renewal of the existing \$650B budget (hence the \$1.2 trillion price tag). Although it is a far cry from the initial \$2.25 trillion proposal that Biden rolled out in March of this year, the \$1.2 trillion is still a historically significant measure. It’s difficult to make comparisons with nominal figures but to put it into context, the bill will bring federal infrastructure spending to 1.25% of U.S. GDP<sup>1</sup>, a level we have not reached since Eisenhower passed the Federal Aid Highway Act of 1956.

The World Economic Forum produces an annual ranking of countries according to their quality of infrastructure. The rankings depend on things like quality of roads, the efficiency of train services, airport connectivity, the efficiency of air transport services, linear shipping connectivity, electrification rate, electric power transmission, exposure to unsafe drinking water, and reliability of water supply<sup>2</sup>. The United States currently sits at #13 behind a handful of other developed nations such as Japan, France, the UK, and Singapore. The bill addresses each of these areas, specifically, \$110B for road & bridge repair, \$66B to railroads, \$130B dedicated to the power grid & broadband expansion, \$63B for water infrastructure, and \$42B for public transit, to highlight a few. You can read the complete breakdown of planned expenditures [here](#)<sup>3</sup>. Funding for the measure will primarily be drawn from unused COVID-19 relief funds and unused unemployment insurance funds, the bill avoids major corporate and personal tax amendments.

Despite the size of the bill, it largely flew under the radar against the backdrop of debate surrounding Biden’s larger social spending bill and the U.S. debt ceiling. Both of which we expect to intensify in the coming weeks. Thanks for reading, and as always, if you have any questions, or if we can help in any way, please don’t hesitate to give our office a call.

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<sup>1</sup> Brookings Institute

<sup>2</sup> World Economic Forum

<sup>3</sup> The White House

With My Best Regards,

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