the Value of Water Campaign

Water Infrastructure: the *High Returns on Investment*

America's Water at a Crossroads

Water defines our daily lives. From the food we eat to the businesses that fuel our economy, clean and reliable water makes it possible. Yet for most Americans, the infrastructure that delivers safe water and manages wastewater is invisible — until something goes wrong. Much of our nation's water infrastructure was built generations ago and is now operating well past its intended lifespan. Pipes are breaking, treatment plants are strained, and new contaminants like PFAS pose unprecedented challenges.

That means even 2025 funding levels for water infrastructure already meaningfully contribute to the economy, supporting 2.2 million jobs, $307.9 billion in GDP, and $588.4 billion in economic output.

Closing the nation's water infrastructure investment gap is an even bigger opportunity. Doing so over a 20-year period would cumulatively increase GDP by $1.5 trillion and generate $4.6 trillion in economic output. In the process, these investments would support over 950,000 jobs per year. Jobs in water are well-paying, low-barrier to entry, and more resilient to economic swings. Every state across the country stands to gain—with some states set to realize more than 150,000 new jobs from closing the investment gap.

THE OPPORTUNITY AHEAD

Investing in water is one of the highest-return choices we can make. Every $1 million invested in water infrastructure generates:

$2.5 million
in economic output

10 jobs

$837,000
in labor income

$1.4 million
in GDP

The Scale of the Need

Realizing these benefits means addressing the need. Federal investment, once the backbone of water funding, has steadily declined from covering more than half of costs in the 1970s to about 7% today. The temporary infusion of the 2021 Infrastructure Investment and Jobs Act (IIJA) was a critical step forward, but it only scratches the surface of what is required.

The United States must invest roughly **$3.4 trillion over 20 years** (an annual need of $168 billion) to repair and modernize its water, wastewater, and stormwater systems. State and local sources are projected to cover $1.3 trillion. At current spending levels, the country will face a capital investment gap of **$1.8 trillion** by 2044—an annual shortfall of **$88 billion**, a figure less than what the government spends on Social Security in a month.

The Steep Costs of Inaction

While the benefits of investing in water are high, the consequences of neglect are steep. Communities that defer investment fall into a cycle of costly emergency repairs. Studies show that reactive pipeline fixes can cost 5–20 times more than proactive replacement. Every delayed upgrade compounds risk and raises long-term costs. **A single nationwide day without water service would cost the U.S. economy nearly $120 billion, 527,000 jobs, and $69 billion in GDP.** The ripple effects would hit households, businesses, and industries alike.

The Bottom Line

America stands at a decision point. We can continue to patch failing systems and pass growing burdens to future generations, or we can seize this moment to invest in the bedrock of our health, safety, and prosperity. Every dollar invested now prevents costly failures later — and builds a stronger, more resilient economy for all.

Read the full report, The Economic Benefits of Investing in Water Infrastructure, at **www.thevalueofwater.org**

FEDERAL FUNDING HAS NOT KEPT PACE WITH RISING COSTS.

PERCENTAGE OF WATER FUNDING NEEDS COVERED BY FEDERAL INVESTMENT: