

Strategic Investment in Infrastructure Development to Facilitate Economic Growth in the United States

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Abstract : The COVID-19 pandemic is unprecedented in terms of its global reach and economic impacts. Historically, investment in infrastructure development projects has been touted to boost the economic growth of a nation. The State and Local governments responsible for delivering infrastructure assets work under tight budgets. Therefore, it is important to understand which infrastructure projects have the highest potential of boosting economic growth in the post-pandemic era. This paper presents relationships between infrastructure projects and economic growth. Statistical relationships between investment in different types of infrastructure projects (transit, water and wastewater, highways, power, manufacturing etc.) and indicators of economic growth are presented using historic data between 2002 and 2020 from the U.S. Census Bureau and U.S. Bureau of Economic Analysis (BEA). The outcome of the paper is the comparison of statistical correlations between investment in different types of infrastructure projects and indicators of economic growth. The comparison of the statistical correlations is useful in ranking the types of infrastructure projects based on their ability to influence economic prosperity. Therefore, investment in the infrastructures with the higher rank will have a better chance of boosting the economic growth. Once, the ranks are derived, they can be used by the decision-makers in infrastructure investment related decision-making process.

Keywords : economic growth, infrastructure development, infrastructure projects, strategic investment

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