The Top 6 Infrastructure Investment Opportunities
The U.S. government is putting a focus on infrastructure.

For years, the country’s infrastructure—critical structures and facilities like roads, power supplies, and internet access—has been in poor condition. Now, through the Infrastructure Investment and Jobs Act, the government is pledging nearly $550B in new investments:

- **Transportation** ($283.8B)
- **Energy & Power** ($65.0B)
- **Broadband** ($65.0B)
- **Water** ($63.3B)
- **Climate & Cybersecurity Resilency** ($47.2B)
- **Environmental Remediation** ($21.0B)
- **Western Water Infrastructure** ($8.3B)
- **Ports & Waterways** ($110.0B)
- **Roads & Bridges** ($66.0B)
- **Rail** ($39.2B)
- **Transit** ($16.6B)
- **Airports** ($25.0B)
- **EV Chargers** ($7.5B)
- **Electric School Buses & Ferries** ($11.0B)
- **Safety** ($1.0B)
- **Reconnecting Communities** ($11.9B)

Based on these commitments, here are the top 6 categories that present potential investment opportunities.
Funding could increase revenue and provide stable long-term contracts to engineering, materials, and construction companies.

Because infrastructure has been underfunded for some time, transportation systems are in disrepair.

43% of roads are in poor or mediocre condition.

231,000 of the country’s 617,000 bridges are in need of repair or preservation work.

52.0% of new government funding

New government funding will allow for the expansion and repair of transportation infrastructure.

THE INVESTMENT OPPORTUNITY

Funding could increase revenue and provide stable long-term contracts to engineering, materials, and construction companies.

Source: Report Card for America’s Infrastructure, American Society of Civil Engineers (Dec 2020)
Millions of Americans don’t have access to broadband (high speed) internet, and the number of people who don’t use it is even higher due to affordability issues.

- **11.9%** of new government funding

- **120.4M** People who don’t use broadband

- **14.5M** People without access

Source: FCC (Jan 2021, data as of Dec 2019) and Microsoft (May 2021, data as of Oct 2020)

New government funding will increase access and help reduce prices.

**THE INVESTMENT OPPORTUNITY**

Funding could boost the customer base and revenue of internet service providers.
The U.S. has set a goal to have net zero emissions by 2050, yet the country gets most of its energy with fossil fuels.

**U.S. ENERGY CONSUMPTION BY SOURCE, 2020**

- **Petroleum**: 34.7%
- **Natural Gas**: 34.0%
- **Coal**: 9.9%
- **Renewables**: 12.5%
- **Nuclear**: 8.9%

Source: U.S. Energy Information Administration (Apr 2021)

New government funding will help build electric power transmission lines and facilitate clean energy technology.

**THE INVESTMENT OPPORTUNITY**

Funding could boost the revenue of utility, manufacturing, and renewable energy companies.
U.S. water infrastructure is aging, with 14-18% of potable water lost through leaks.

Source: McKinsey (Nov 2021)

The annual costs of wasting this treated water will more than double in the next two decades.

Source: American Society of Civil Engineers (Aug 2020)

New government funding will modernize water infrastructure, invest in water storage and recycling, and remove lead pipes.

THE INVESTMENT OPPORTUNITY

Funding could boost the revenue of engineering firms and companies that build, install, and repair water pipes.
Climate & Cybersecurity Resiliency

8.7% of new government funding

Climate disasters and cyber attacks are leading to increased costs & destruction of infrastructure.

IN 2020, THERE WERE 22 CLIMATE DISASTERS THAT EACH COST OVER $1B IN DAMAGE—WITH A TOTAL COST OF $100B.

<table>
<thead>
<tr>
<th>Disaster</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wildfire</td>
<td>$17.3B</td>
</tr>
<tr>
<td>Tropical Cyclone</td>
<td>$57.5B</td>
</tr>
<tr>
<td>Severe Storm</td>
<td>$35.5B</td>
</tr>
<tr>
<td>Drought</td>
<td>$4.7B</td>
</tr>
</tbody>
</table>

New government funding will invest in protection against cyber attacks, floods, droughts, and other climate disasters.

Source: National Centers for Environmental Information (Nov 2021)

THE INVESTMENT OPPORTUNITY

Funding could boost the revenue of companies involved in cybersecurity, weatherization, environmental consultation, and infrastructure construction.
Environmental Remediation

3.9% of new government funding

Contaminated sites are causing environmental harm or hindering land reuse, and there are many of them across the U.S.

1,900
Number of Superfund Sites
Uncontrolled or abandoned sites where contamination is located; federal government will be involved in cleanup efforts.

450,000
Number of Brownfield Sites
Properties where contamination may complicate land reuse; federal government will not be involved in cleanup efforts.

New government funding will clean up contaminated land, reclaim abandoned land mines, and plug orphaned oil and gas wells.

THE INVESTMENT OPPORTUNITY
Funding could boost the revenue and long-term contracts of environmental remediation companies.

Source: Environmental Protection Agency (Dec 2021)
Public Funding, Private Opportunities

A boost in government funding is likely to create increased activity in private infrastructure-related areas:

- Pipe Installation
- Construction
- Clean Energy Tech
- Engineering
- Environmental Consultation
- Internet Service Providers
- Cybersecurity
- Materials
- Pipe Installation

By paying attention to where the money is going, investors can consider a variety of categories that provide critical services—and capitalize on upcoming trends.
The information presented is strictly for illustrative and information purposes, and is not a recommendation, offer, or solicitation to buy or sell any securities or to adopt any investment strategy.

“New York Life Investments” is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company. New York Life Insurance Company and its affiliates does not provide legal, accounting, or tax advice. You should obtain advice specific to your circumstances from your own legal, accounting, and tax advisors.

This material contains general information only and does not take into account an individual’s financial circumstances. This information should not be relied upon as a primary basis for an investment decision. Rather, an assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a financial professional before making an investment decision.