

# The Top 6 Infrastructure Investment Opportunities



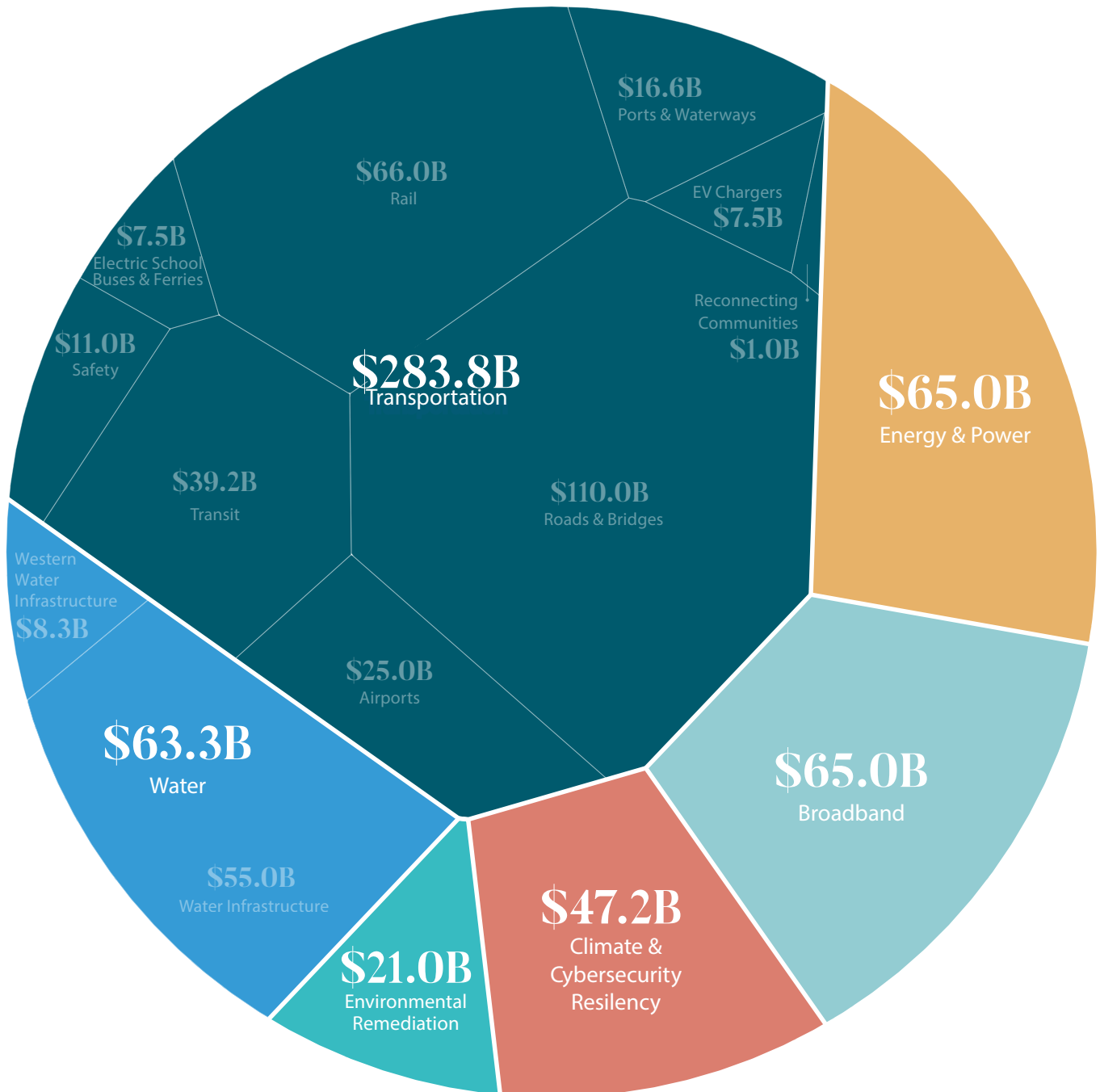
INVESTMENTS

# 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:

Source: Report Card for America's Infrastructure, American Society of Civil Engineers (Dec 2020)



Source: The White House and Maria Cantwell, United States Senator for Washington (Nov 2021).

Based on these commitments, here are the **top 6** categories that present potential investment opportunities.

# 1 Transportation



• **52.0%** of new government funding

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



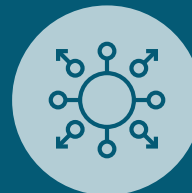
**43%**  
of roads are in poor  
or mediocre condition



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

Source: Report Card for America's Infrastructure, American Society of Civil Engineers (Dec 2020)

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.

# 2 Broadband

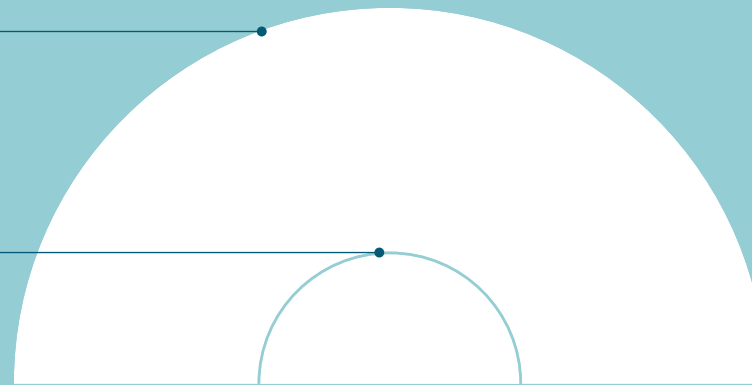


**11.9%** of new government funding

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.

**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.

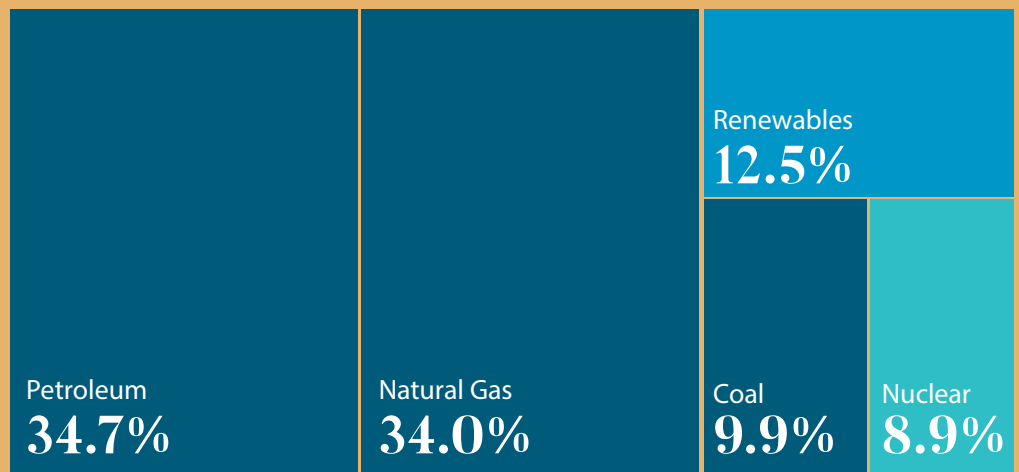
# 3 Energy & Power



**11.9%** of new government funding

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



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.

# 4 Water



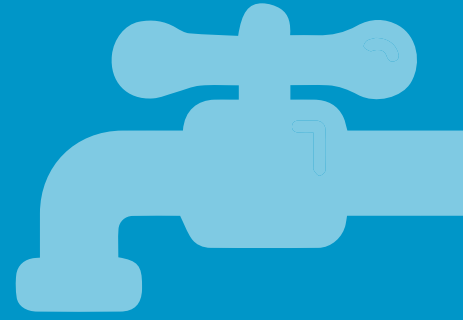
**11.6%** of new government funding

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)



**\$16.7B**  
2039P

**\$7.6B**  
2019

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.

# 5 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.**

**\$57.5B**  
Tropical Cyclone

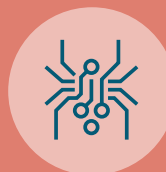
**\$35.5B**  
Severe Storm

**\$17.3B** Wildfire

**\$4.7B**  
Drought

Source: National Centers for Environmental Information (Nov 2021)

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



## THE INVESTMENT OPPORTUNITY

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

# 6 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.



Source: Environmental Protection Agency (Dec 2021)

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.



# Public Funding, Private Opportunities

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



Engineering



Construction



Environmental  
Consultation



Internet Service  
Providers



Clean Energy  
Tech



Pipe  
Installation



Cybersecurity



Materials

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.

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