

Draining: The Economic Impact of America's Hidden Water Crisis

EXECUTIVE SUMMARY

THE FINDINGS: AN OVERVIEW

The United States, the world's most prosperous democracy, has a **hidden water crisis: over 2.2 million people living without running water or proper sanitation**. Without working toilets, households in Appalachia are forced to flush sewage into nearby streams – sometimes the only source of drinking water for others in their community, causing outbreaks of illness. Families on the Navajo Nation walk or drive miles to haul drinking water, which they ration for weeks at a time, while people in Texas border *colonias* often spend more

than a third of their monthly income on trucked water deliveries which may not be potable. Many Americans see water poverty as an issue affecting only low-income countries far away, and are completely unaware that the same crisis exists right in their own backyards.

This is the **water access gap** — where millions of Americans struggle to meet their basic needs every day. Every year that we allow the gap to stay open, the **U.S. economy loses a staggering \$8.58 billion** in decreased

household earnings, higher healthcare costs, lost tax revenues, and labor market disruptions.

As bleak as these numbers are, there is cause for hope: our report shows that **closing the water access gap yields a return on investment of nearly 5 to 1**.

For every dollar invested in bringing water and sanitation to a family for the first time, the economy gains \$4.65.

This means closing the water access gap could **unlock nearly \$200 billion of economic value** over the next 50 years.

THE COST OF LIVING WITHOUT A TAP AND TOILET

Past investments in water infrastructure have excluded many Indigenous tribes, communities of color, immigrant communities, low-income communities, and rural areas. Closing the water access gap will help correct these inequities, and directly benefit underserved communities. Other communities have seen their water systems fall offline as a result of climate change, economic shifts, and a legacy of disinvestment.

Not having access to water and sanitation quantifiably impacts every aspect of a person's life. In this report, DigDeep analyzed a wide variety of public health and economic data to calculate the price tag of life without a tap or toilet. The economic costs are broken into the following:



- **Time lost: \$846 million**, including estimates that working-age adults spend an average of 232 hours per year, and school-age children spend an average of 170 hours per year collecting water for their homes.



- **Physical health: \$762 million**, including increased risk of disease, physical injuries from hauling water, and greater overall healthcare bills. Each year the water access gap causes 219,000 cases of waterborne illness and takes an estimated 610 lives—the equivalent of two passenger planes falling from the sky.



- **Water purchase costs: \$291 million**, as it's estimated that 40% of these homes rely on bottled water as the primary source of drinking water – resulting in an average family spend of **\$1,350** per year.



- **Mental health: \$218 million**, people living without water at home are 22% more likely to suffer from mental health conditions as a result of stresses and depression. Each year, the gap causes 71,000 cases of mental illness.



- **Additional GDP impacts from lost productivity: \$924 million**, which accounts for lost earnings and productivity due to physical disease and mental health conditions, and a decrease in individual earnings.

CLOSE THE WATER GAP, UNLOCK \$200 BILLION

Extending water and sanitation access to every American will create economic prosperity; the economic benefits of closing the water access gap outweigh the costs by nearly 5 to 1. For every public or private dollar invested in expanding access to running water and flush toilets, the economy gains **\$4.65** in societal return.



Losing
\$8.58BN OR \$15,800
per household per year

Invest
\$42.5 BILLION
to close the water gap

Unlock
\$200BN
in value returned to US economy or
5-TO-1 R.O.I.

A CALL TO ACTION: HOW TO CLOSE THE WATER ACCESS GAP

The number of Americans without basic plumbing is growing steadily. Without intervention, this crisis will only get bigger and more difficult to solve with time. Unfortunately, we cannot rely on the market to solve this problem for us. Even though doing so generates a staggering 5x return, no one “investor” recoups all the economic benefits. That is why the federal government must lead the charge to close the water access gap once and for all. Americans without water need champions at the national level.



- 1 Expand and refocus federal and state funding.** Appropriate dedicated funds via Congress to close the water gap over the next 10 years. New and existing federal funding should be designated for technological innovation and system operation and maintenance. The upfront investment required for new infrastructure is only **\$18.4 billion**, less than Americans spend every year on ice cream.
- 2 Use data to bring visibility to communities.** Establish a dedicated Water and Sanitation Needs Working Group led by the Environmental Protection Agency (EPA) to streamline data collection and information on the location and nature of household infrastructure gaps. The federal government should update the Census to add Water, Sanitation, and Hygiene (WaSH) questions to accurately measure affected individuals nationwide, including reinstating a previously removed question on the number of households without working toilets.
- 3 Define the water access gap as a crisis.** Ensure safe, sufficient water and sanitation services for every person and recognize the human right to water and sanitation (HRWS) at the United Nations and in federal law.
- 4 Build a domestic Water, Sanitation, and Hygiene (WaSH) sector.** Establish a domestic WaSH sector to coordinate nationwide efforts, share best practices, and hold the government accountable to impacted communities using the global WaSH sector as a model.

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report, please visit:

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For questions,
please contact:

PRESS@DIGDEEP.ORG