

## Macro Roundup Article

**Headline:** A Year Into Biden's Climate Agenda, the Price Tag Remains Mysterious

**Article Link:** <https://www.bloomberg.com/news/articles/2023-08-16/total-cost-of-joe-biden-s-inflation-reduction-act-is-rising-one-year-later?sref=U3dOGIDF>

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Publication	Bloomberg
Publication Date	August 16, 2023

**Tweet:** Researchers at Wharton project the true cost of the Inflation Reduction Act will be over \$1T, with the uptake of uncapped tax credits higher than initial CBO projections.

**Summary:** Most of the [IRA's] spending comes in the form of tax credits that are uncapped, and those unlimited credits are designed to be rolled out over a 10-year span. In September 2022 CBO estimated the clean energy and climate portions of the bill would cost about \$391 billion between 2022 and 2031. A team of researchers at the University of Pennsylvania's Wharton School, working with Goldman Sachs, updated their own earlier estimate of \$385 billion with a staggering new figure in excess of \$1 trillion. The report's authors cited "newer implementation" details and more optimistic assumptions about how much private capital will pour into the economy, particularly electric vehicles, in response to the promise of leveraging tax credits. Related: Making Manufacturing Great Again and Republican Districts Dominate US Clean Technology Investment Boom and Unpacking the Boom in U.S. Construction of Manufacturing Facilities

**Primary Topic:** Investment

**Topics:** Energy, Investment, News article, Productivity

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