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Brookings: Rethinking Our Assumptions and Financing Tools for Community Resilience in the Face of Growing Climate Loss and Risk

- The U.S. has made real progress raising public awareness of the need for climate adaptation and developing planning and engineering strategies to address increasing risk and extreme weather. But when it comes to how we pay for resilience—including infrastructure that reduces loss, protects insurability of property, and preserves affordability—we need a new wave of locally focused financial innovation to match the scale and urgency of the challenge.
- Our system of public finance, still dominated by the “tax-and-bond” model at the local level, is essential but insufficient. Meanwhile, the prevailing federal grant approach, which often frames resilience capital as free money awarded after disaster strikes, has created unrealistic expectations and discouraged proactive, locally driven investment.
- This report explains that it is critical to reorient public finance toward principles of shared risk, shared value (especially from avoided loss and other resilience “dividends”), and new pricing. Pioneering examples in a range of states and localities prove the approach can work and scale.

[Read the report.](#)

The Brookings Institution

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