THE WATSON SCHOOL of International and Public Affairs BROWN UNIVERSITY | CLIMATE SOLUTIONS LAB | COSTS OF WAR

Research Brief: The U.S. Energy Cost of the Iran War

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The costs of the Iran war that started on February 28, 2026 extend well beyond the missiles, bombs, and deployment of personnel and munitions that have totaled upwards of $29 billion thus far. They also include various economic consequences for the global economy, such as higher fuel, food, and consumer goods prices, among others. This research brief highlights the significance of the Iran war in raising the cost of fuel prices.

In association with the Costs of War project, the Climate Solutions Lab at Brown University recently released an Iran War Energy Cost Tracker that measures the additional financial burden placed on American consumers by higher gasoline and diesel prices following the start of the war. It compares actual prices to a "no-war" counterfactual estimate of what prices would have been had the conflict not occurred.

As of May 18, 2026, our calculations show that Americans have spent over $40 billion on extra gasoline and diesel costs, above what they had been paying in February. This briefing asks: what, as a country, could we have spent that money on instead?

What else could $40 billion have been spent on?

The United States' aggregate extra fuel costs since February 28:

- Could pay for the entire federal Bridge Investment Program announced in 2024 to repair, restore, and modernize over 10,200 of the nation's bridges
- Exceed the estimated cost of completely redoing the U.S. air traffic control system ($31.5 billion)
- Are twice (2x) the cost of the Federal EV Charging and Electrification Programs proposed under two laws passed during the Biden administration ($18.9 billion)

What do these costs mean for U.S. households?

The rising costs of both gasoline and diesel affect American households nationwide. Many consumers feel gasoline prices directly at the pump. They are also impacted by diesel costs,

because diesel plays an integral role in trucking, shipping, and power generation. American households ultimately bear these increases through higher prices across the economy.

On average, each U.S. household has paid over $300 more for gasoline and diesel since February 28, 2026, than it would have without the war. Overall, the higher prices resulting from this conflict increase the everyday costs of Americans. This data shows that energy price shocks function as an economy-wide, unacknowledged tax on households, with costs comparable to large federal programs and policies.

Behind the numbers: Our methodology

We calculate the extra cost each day by comparing actual retail fuel prices (with data from the American Automobile Association, AAA, and the U.S. Energy Information Agency, EIA) since the beginning of the war against a no-war counterfactual, that is, an estimate of what prices would have been without a war. That no-war counterfactual price is estimated based on the pre-war price and historical daily price changes. Each daily price gap is multiplied by fuel consumption demand, with data sourced from the EIA to produce a cumulative cost burden. Both national and state-level calculations are made using this method and are paired with data from the Census Bureau to find household costs.

For complete details, see our Tracker's Methodology

For press inquiries, please contact Stephanie Savell at the Costs of War Project or Professor Jeff Colgan at the Climate Solutions Lab