

# The Economic Impact of California High-Speed Rail

**Designing, planning and building the nation's first high-speed rail system is already stimulating job growth across the state - with construction jobs now and maintenance and operations jobs to come.**

## INVESTMENTS PAY IMMEDIATE DIVIDENDS

From July 2006 through June 2021, the California High-Speed Rail Authority (Authority) invested about \$8.5 billion in planning and constructing the nation's first high-speed rail system. This investment created jobs and generated economic activity in multiple ways.

High-speed rail contractors hire workers throughout the state and pay other businesses for goods and services. Workers spend their earnings throughout the economy. These direct and indirect impacts induce statewide economic activity by pumping money back into local and regional economies.

Overall, this investment supported 64,400 to 70,500 job-years of employment and generated \$12.7 to \$13.7 billion in total economic activity.

The investment also created \$4.8 to \$5.2 billion in labor income, which is all forms of employment income associated with the activity, including employee compensation (wages and benefits) and business owner income.

## CREATING JOBS

Focusing on jobs in disadvantaged communities bolsters local economic development. Construction employment and training opportunities benefit people residing in extremely economically disadvantaged areas. To date, at least 700 private sector firms have been contracted to work on building the system. Future jobs will include maintenance yard workers, station managers and others to operate and maintain the system.

## FISCAL YEAR 2020/2021



As of July 2021

**634**  
small businesses



are either committed, utilized, or actively working on the project.

## CALIFORNIA ECONOMIC IMPACTS: TOTAL FOR JULY 2006 – JUNE 2020



**JOB-YEARS OF EMPLOYMENT**

**64,400 - 70,500**



**LABOR INCOME**

**\$4.8B - \$5.2B**

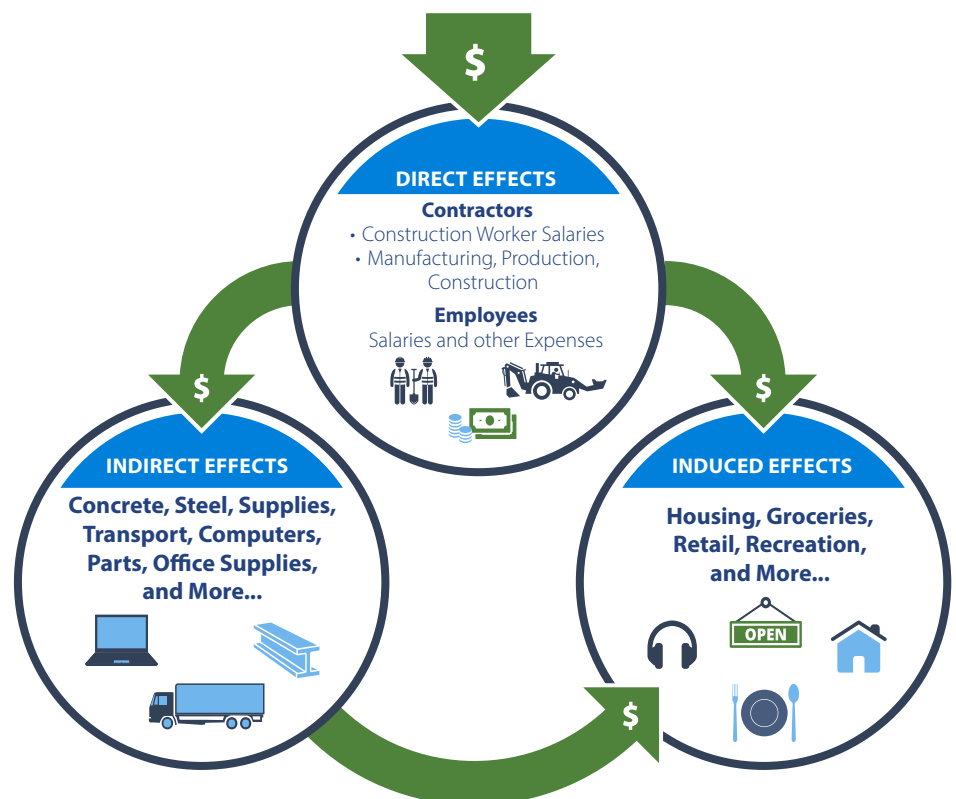


**ECONOMIC OUTPUT**

**\$12.7B - \$13.7B**

## DIRECT, INDIRECT & INDUCED EFFECTS

### PROGRAM FUNDING



### DISADVANTAGED COMMUNITIES AND BUSINESSES

The Authority ensures that the funding it receives from the state's Cap-and-Trade program is invested in disadvantaged communities in California. This supports the state's goal of Cap-and-Trade funds being used to improve public health, quality of life and economic opportunity in communities that experience social, environmental and economic hardships.

The Authority is fully committed to small businesses playing a major role in building high-speed rail. To date, the Authority has paid more than \$970 million to certified Small Businesses, Disadvantaged Business Enterprises and Disabled Veteran Business Enterprises in California for work on the high-speed rail program.

### IMPACTS ACROSS THE STATE

These economic impacts have been felt across the state, with the most sizable effects taking place in the Central Valley, where substantial construction activities are ongoing. Construction activities have supported over 5,400 job-years in the Central Valley region in FY 2020-2021.

The economic impacts of Authority expenditures have been felt beyond the State of California, as well. Approximately 1% of the Authority's expenditures in FY 2020-2021 went to contractors outside the state, with approximately 83% of that out-of-state spending retained within the United States.



**56% of total project expenditure** occurred in disadvantaged communities throughout California, spurring economic activity in these areas.

## CALIFORNIA HIGH-SPEED RAIL ECONOMIC IMPACTS BY REGION

Proposed Statewide Alignment

Including Direct, Indirect, and Induced Impacts from FY 20/21 and Program Totals (July 2006 – June 2021)\*

| SACRAMENTO              | FY 20/21 | PROGRAM TOTAL |
|-------------------------|----------|---------------|
| Job-Years of Employment | 1350     | 12,700        |
| Labor Income            | \$100 M  | \$900 M       |
| Economic Output         | \$260 M  | \$2.1 B       |

| BAY AREA                | FY 20/21 | PROGRAM TOTAL |
|-------------------------|----------|---------------|
| Job-Years of Employment | 840      | 6,400         |
| Labor Income            | \$90 M   | \$620 M       |
| Economic Output         | \$220 M  | \$1.4 B       |

| CENTRAL VALLEY          | FY 20/21 | PROGRAM TOTAL |
|-------------------------|----------|---------------|
| Job-Years of Employment | 5,030    | 29,630        |
| Labor Income            | \$330 M  | \$1,700 M     |
| Economic Output         | \$950 M  | \$5.4 B       |

**LEGEND**

- Phase 1
- Phase 2
- HSR Stations

| SOUTHERN CALIFORNIA     | FY 20/21 | PROGRAM TOTAL |
|-------------------------|----------|---------------|
| Job-Years of Employment | 2,400    | 9,200         |
| Labor Income            | \$180 M  | \$680 M       |
| Economic Output         | \$510 M  | \$1.8 B       |

\*Totals may not sum due to rounding