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 2020, the California High-Speed Rail Authority (Authority) invested about $7.24 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 54,300 to 60,400 job-years of employment and generated $10.5 to $11.4 billion in total economic activity. The investment also created $3.9 to $4.4 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 the maintenance yard workers, station managers and others to operate and maintain the system.

FISCAL YEAR 2019/2020

As of July 2020

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

CALIFORNIA ECONOMIC IMPACTS: TOTAL FOR JULY 2006 – JUNE 2020

DIRECT, INDIRECT & INDUCED EFFECTS

DIRECT EFFECTS

Contractors
- Construction Worker Salaries
- Manufacturing, Production, Construction Employees
- Salaries and other Expenses

INDIRECT EFFECTS

Concrete, Steel, Supplies, Transport, Computers, Parts, Office Supplies, and More...

INDUCED EFFECTS

Housing, Groceries, Retail, Recreation, and More...

PROGRAM FUNDING

ECONOMIC OUTPUT

$10.5B – $11.4B

LABOR INCOME

$3.9B - $4.4B

JOB-YEARS OF EMPLOYMENT

54,300 – 60,400

FULL-TIME JOBS

9,900

9,900 FULL-TIME JOBS
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 $300 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 5,600 job-years in the Central Valley region in FY 2019-2020.

The economic impacts of Authority expenditures have been felt beyond the State of California, as well. Approximately 2% of the Authority’s expenditures in FY 2019-2020 went to contractors outside the state, with approximately 85% of that out-of-state spending retained within the United States.

55% of total project expenditure occurred in disadvantaged communities throughout California, spurring economic activity in these areas.