



CALIFORNIA
High-Speed Rail Authority

2024 Economic Impact Analysis

Derek Boughton

Reporting Branch Chief

Authority Financial Official

2024 ECONOMIC IMPACT ANALYSIS

- The High-Speed Rail Authority (the Authority) annually produces the Economic Impact Analysis that estimates the economic impacts of expenditures tied to planning and constructing a high-speed rail system.
- The estimates include Authority expenditures from July 2006 through the end of the most recently-completed fiscal year. The scope of this presentation covers the 2024 Economic Impact Analysis, which adds the 2023-24 fiscal year expenditure analyses to the project totals. Forecasts for future economic impacts are based on the Draft 2024 Business Plan data.



2024 ECONOMIC IMPACT ANALYSIS

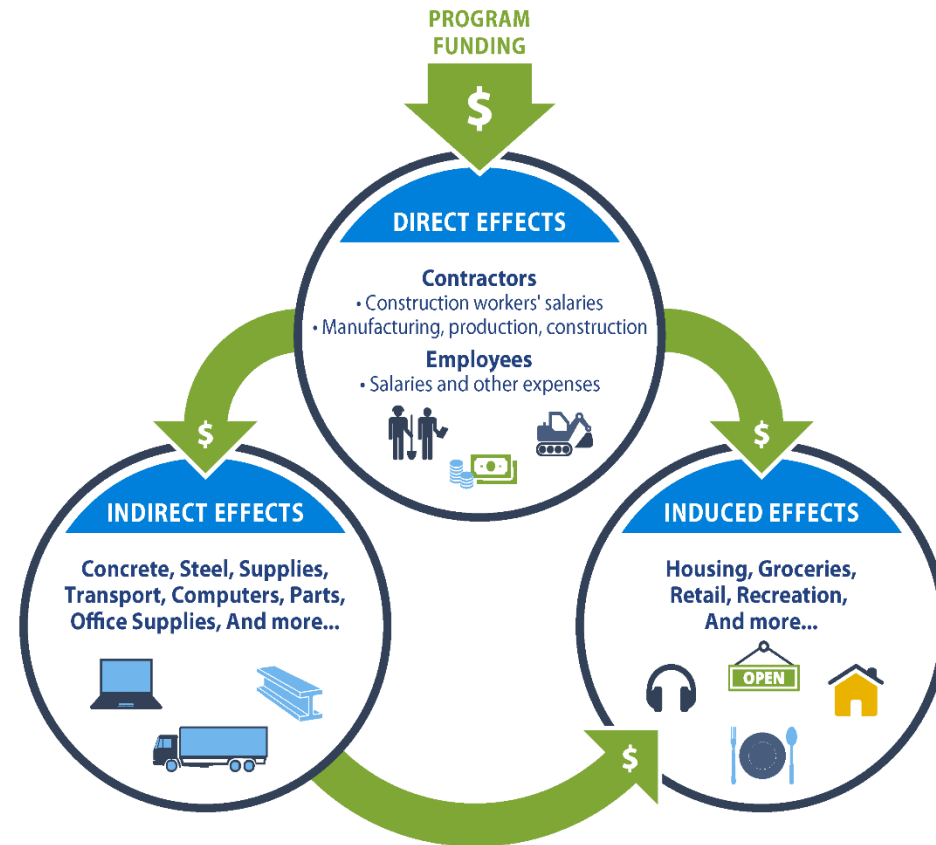
Economic Indicators:

- **Job-Years:** Job-Years are the equivalent of one year of employment in a particular industry supported by the project. These include full and part-time employees as observed in that industry. For example:
 - » 1 Employee working for 5 years = 5 Job-Years (full and part-time)
 - » 5 Employees working for 1 year = 5 Job-Years (full and part-time)
- **Labor Income:** Labor income includes all forms of employment income, including compensation (wages, benefits, and payroll taxes) firms paid to employees, and income earned by self-employed workers or unincorporated sole proprietorships.
- **Economic Output:** Economic output is an estimate of the value of all economic activity taking place as a result of high-speed rail expenditure. A dollar invested in high-speed rail sparks several activities in addition to labor income, such as the purchases of goods and services and value created from these activities. For example, the materials purchased for the viaducts over the Fresno river constructed by Authority Contractors as well as the labor that went into constructing and placing the viaducts all contribute toward the Economic Output.

2024 ECONOMIC IMPACT ANALYSIS

Economic Effects:

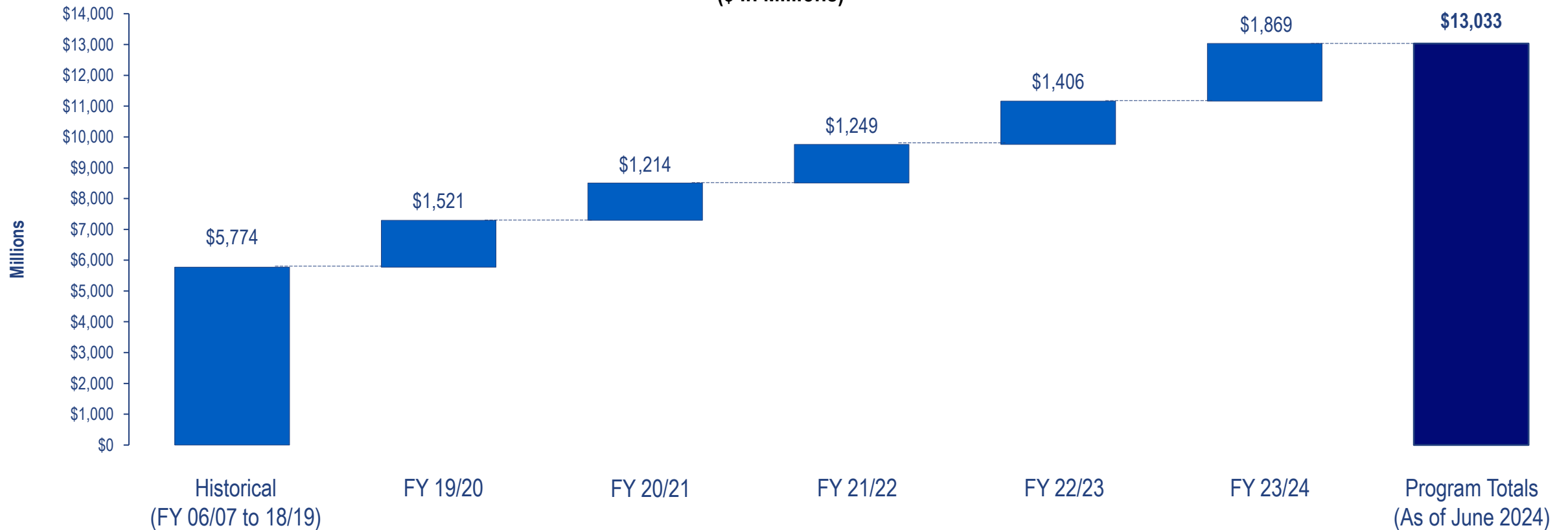
How the Indicators are determined is a combination of Indirect, Direct, and Induced Effects



2024 ECONOMIC IMPACT ANALYSIS

Program Expenditures (\$ in millions) 2006-07 through 2023-24

Program Expenditures Over Time (\$ in Millions)



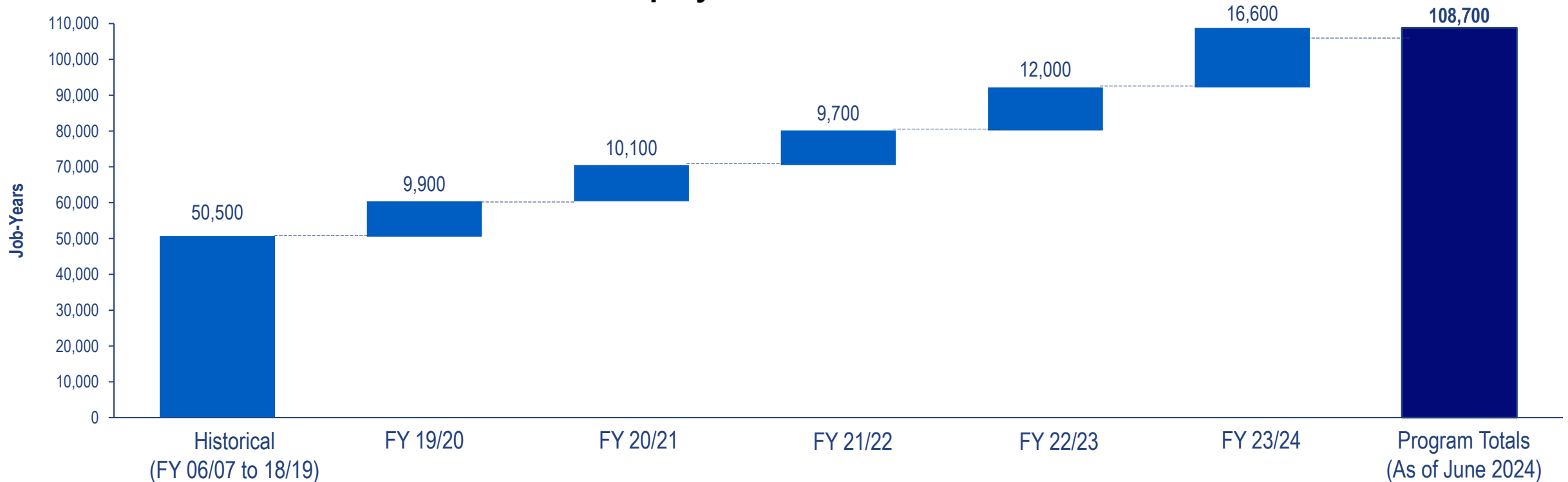
2024 ECONOMIC IMPACT ANALYSIS

California Statewide Economic Impacts 2006-07 through 2023-24

California Economic Impacts Over Time

(Including Direct, Indirect, and Induced)

Employment in Job-Years



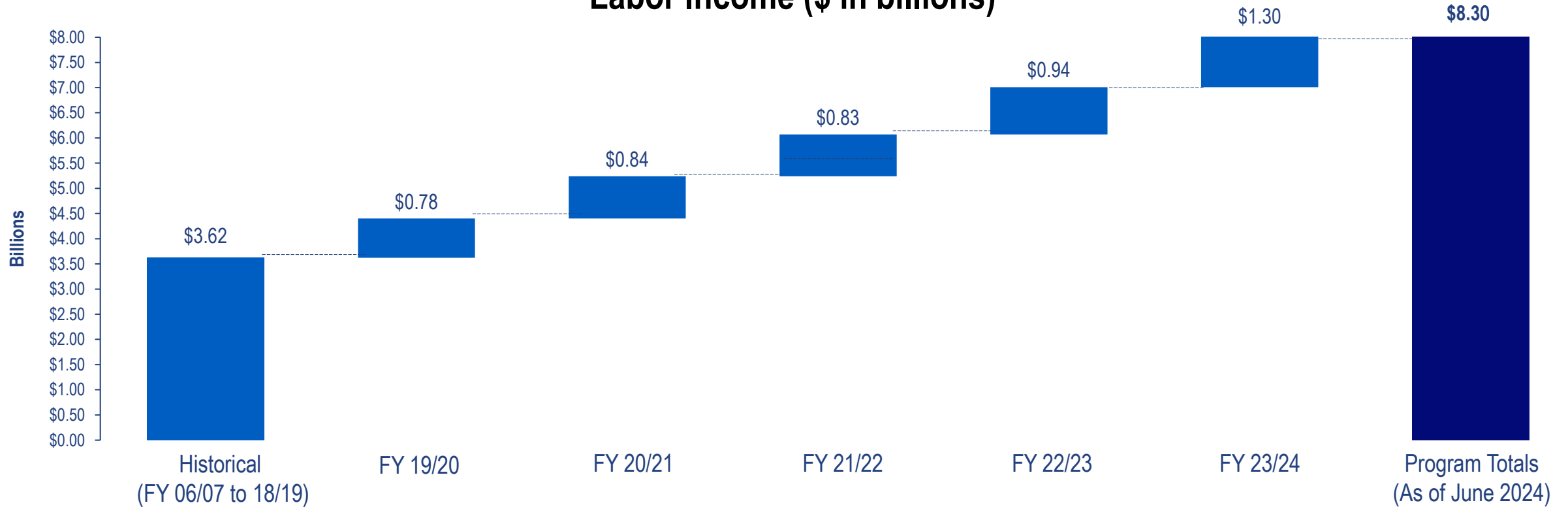
2024 ECONOMIC IMPACT ANALYSIS

California Statewide Economic Impacts 2006-07 through 2023-24

California Economic Impacts Over Time

(Including Direct, Indirect, and Induced)

Labor Income (\$ in billions)



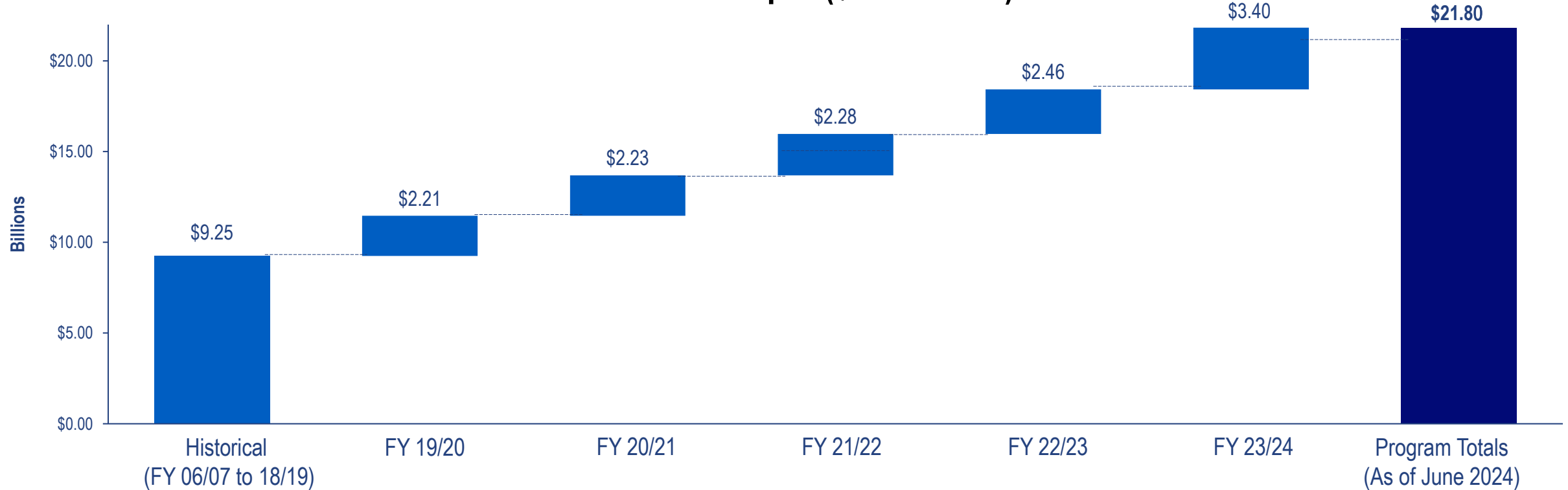
2024 ECONOMIC IMPACT ANALYSIS

California Statewide Economic Impacts
2006-07 through 2023-24

California Economic Impacts Over Time

(Including Direct, Indirect, and Induced)

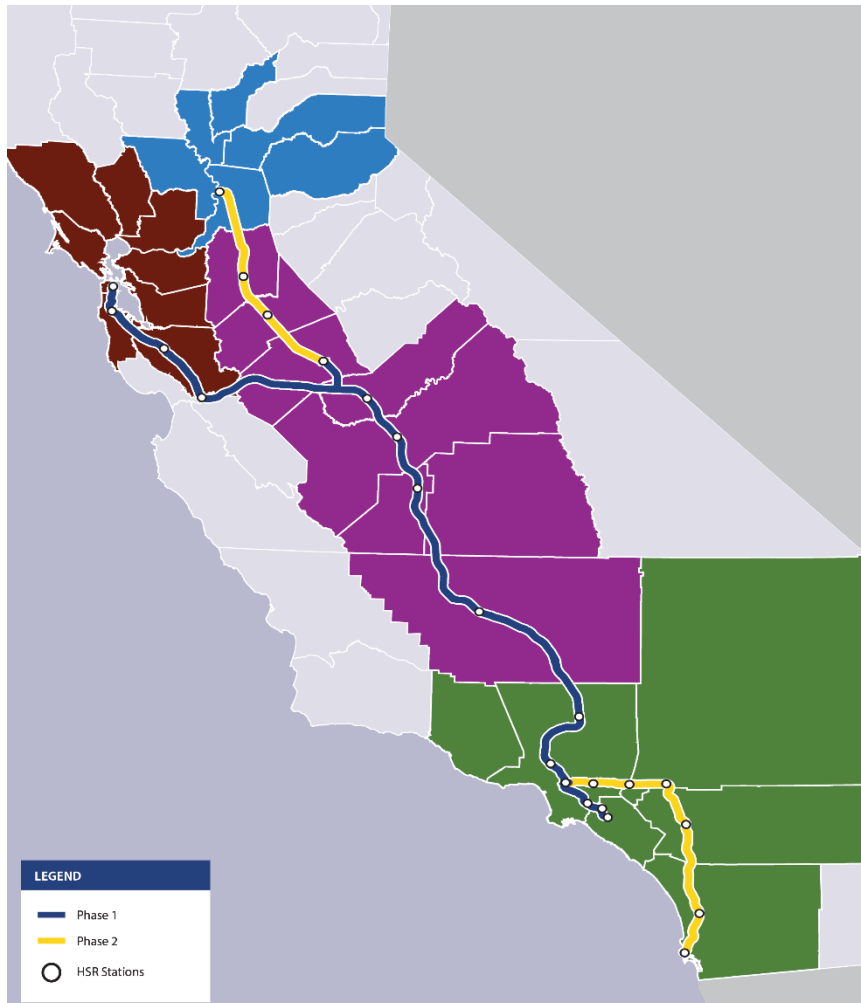
Economic Output (\$ in billions)



2024 ECONOMIC IMPACT ANALYSIS

Direct Investment and Economic Impacts By Region 2006-07 through 2023-24

\$13.0 Billion Direct Investment in the Project from July 2006 through June 2024



SACRAMENTO	FY 2023/24	PROGRAM TOTAL
Job-Years of Employment	1,410	16,580
Labor Income	\$120 M	\$1,230 M
Economic Output	\$280 M	\$2,890 M

BAY AREA	FY 2023/24	PROGRAM TOTAL
Job-Years of Employment	1,160	10,280
Labor Income	\$140 M	\$1,050 M
Economic Output	\$360 M	\$2,500 M

CENTRAL VALLEY	FY 2023/24	PROGRAM TOTAL
Job-Years of Employment	10,350	51,860
Labor Income	\$730 M	\$3,250 M
Economic Output	\$1,930 M	\$9,670 M

SOUTHERN CALIFORNIA	FY 2023/24	PROGRAM TOTAL
Job-Years of Employment	3,370	16,230
Labor Income	\$270 M	\$1,240 M
Economic Output	\$730 M	\$3,320 M

REST OF CALIFORNIA	FY 2023/24	PROGRAM TOTAL
Job-Years of Employment	250	13,760
Labor Income	\$16 M	\$1,510 M
Economic Output	\$50 M	\$3,380 M

2024 ECONOMIC IMPACT ANALYSIS

Projected Economic Impacts of Total Project by Segment

2024 ECONOMIC IMPACT ANALYSIS

California Projected Economic Impacts by Project Segment Through Construction* Central Valley

The 119-mile Central Valley Segment will initially serve as the testing and certification track for the nation's first electrified high-speed rail system. We will extend the 119 miles to a nearly 175-mile line from Merced to Bakersfield for initial passenger rail operations. This is the first step toward completion of the full 500-mile statewide system.



Project Segment**	Job-Years	Labor Income	Economic Output
Merced to Fresno	155,000	\$13.2 B	\$32.9 B
Fresno to Bakersfield	175,000	\$14.8 B	\$37.0 B
Central Valley Total	330,000	\$28.0 B	\$69.9 B

*See the 2024 Economic Impact Technical Supporting Documentation for an explanation of the modeling and methodology to produce estimates through construction completion
 **The Merced to Fresno and Fresno to Bakersfield segments remain unchanged from last year's presentation and are reported in 2023 prices.

2024 ECONOMIC IMPACT ANALYSIS

California Projected Economic Impacts by Project Segment Through Construction* Northern California

Work is well underway on bringing high-speed rail to Northern California. Similar to the rest of the statewide system, there are components of the system at all stages of project development in Northern California. Together, these building blocks are forming the components that will become the high-speed rail system in the region.



Project Segment**	Job-Years	Labor Income	Economic Output
San Francisco to San Jose	59,000	\$4.9 B	\$12.8 B
San Jose to Merced	188,000	\$15.5 B	\$40.6 B
Northern California Total	247,000	\$20.4 B	\$53.4 B

*See the 2024 Economic Impact Technical Supporting Documentation for an explanation of the modeling and methodology to produce estimates through construction completion.

**The San Francisco to San Jose and San Jose to Merced segments remain unchanged from last year's presentation and are reported in 2023 prices.

2024 ECONOMIC IMPACT ANALYSIS

California Projected Economic Impacts by Project Segment Through Construction* Southern California

The Southern California megaregion is home to the southern terminus of the high-speed rail system. Activities are already underway that will provide improved transportation choices for the more than 23 million people that call Southern California home.



Project Segment**	Job-Years	Labor Income	Economic Output
Bakersfield to Palmdale	164,000	\$13.5 B	\$35.8 B
Palmdale to Burbank	249,000	\$20.5 B	\$53.1 B
Burbank to LA Union Station	18,000	\$1.5 B	\$3.8 B
LA Union Station to Anaheim	27,000	\$2.3 B	\$5.8 B
Southern California Total	458,000	\$37.8 B	\$98.5 B

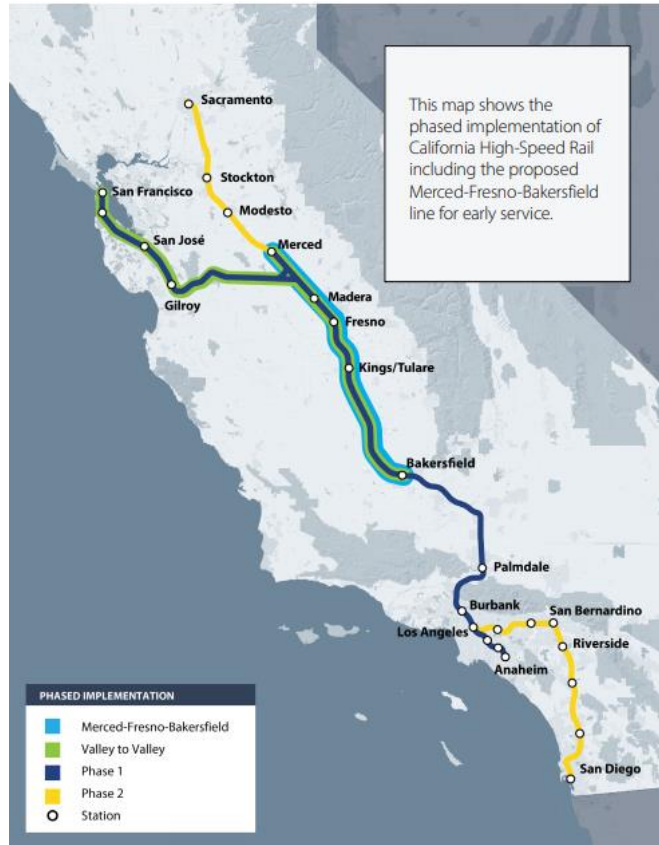
*See the 2024 Economic Impact Technical Supporting Documentation for an explanation of the modeling and methodology to produce estimates through construction completion.

**The Palmdale to Burbank (P-B) segment is reported in 2024 prices, while all other segments remain unchanged from last year's presentation and are reported in 2023 prices.

2024 ECONOMIC IMPACT ANALYSIS

California Projected Economic Impacts by Project Section Through Construction* Merced to Bakersfield, Valley to Valley Expansion, and Phase I Buildout

The Phase I of the High-Speed Rail Project stretches nearly 500 miles from San Francisco to Anaheim. The Valley to Valley portion of the High-Speed Rail Project comprises San Francisco to Bakersfield and includes the Merced to Bakersfield and Valley to Valley Expansion Segments.



Project	Job-Years	Labor Income	Economic Output
Merced to Bakersfield**	333,000	\$28.2 B	\$70.3 B
Valley to Valley Expansion	201,000	\$16.8 B	\$43.9 B
Phase I Buildout***	500,000	\$41.3 B	\$107.7 B
Phase I Total	1,034,000	\$86.3 B	\$221.8 B

*See the 2024 Economic Impact Technical Supporting Documentation for an explanation of the modeling and methodology to produce estimates through construction completion.

**Merced to Bakersfield includes Phase 1 balance Environmental Clearance and Bookends costs.

***All figures are presented in 2023 prices except for the Phase 1 Buildout and Phase 1 Total. The Phase 1 Buildout and Phase 1 Total values include the updated Palmdale to Burbank (P-B) segment labor income and economic output in 2024 prices.

2024 ECONOMIC IMPACT ANALYSIS

Wrap Up

- The benefits of High-Speed Rail investment continue to ripple through the California economy.
- The Authority supports thousands of jobs across all functions from planning and environmental clearance to engineering and construction.
- Over half of the project's investment occurred in designated disadvantaged communities and the Authority further supports equity through job training programs.
- In the Central Valley region alone about \$9.6 billion in economic activity has benefited the region and its workers.

2024 ECONOMIC IMPACT ANALYSIS

Resources:

- Technical Supporting Document
 - » [To insert after upload]
- Fact Sheet
 - » [To insert after upload]
- Investing in California's Economy website
 - » <https://hsr.ca.gov/programs/economic-investment/>