



## California High-Speed Rail **BRIEFING: January 21, 2026 Agenda Item #6**

**TO:** Board Chair Richards and Board Members

**FROM:** Derek Boughton, Reporting Branch Chief

**DATE:** January 21, 2026

**RE:** 2025 Economic Impact Analysis

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### **Summary**

As of June 2025, the Authority has generated \$24.6 billion in Economic Output, \$9.5 billion in Labor Income, and 121,910 in job-years through investments made delivering the nation's first high-speed rail project.

### **Background**

The California High-Speed Rail Authority (the Authority) is delivering the nation's first high-speed train project (the Program) and is generating economic impacts in California through the Program's substantial investments in planning and constructing the project. The economic activity associated with the expenditures attributable to the Program supports over a hundred thousand jobs across all functions, from planning and environmental clearance to engineering and construction. This significant employment, along with substantial expenditures for goods and services across industries, generates considerable economic impacts throughout California and beyond. Importantly, the impacts are felt throughout many Disadvantaged Communities (DACs) in California including the Central Valley.

Measures of the economic impacts associated with the Authority's investments have been documented since 2017, with measured impacts since July 2006 and updated annually.

This report, the Fiscal Year 2024-2025 (FY 2024-25) Economic Impact Analysis, provides updated calculations of the economic impacts resulting from Authority spending that took place over the time period of July 2024 through June 2025. Starting with a detailed analysis of Program direct spending, these costs are aggregated and assigned to appropriate industry sectors to calculate the associated economic impacts at the statewide level. Then, utilizing contract-level historical invoice cost data from the past three (3) fiscal years, geographic spending profiles that allocate share of spend by zip code and professional service contract are created and applied to the full contract spend amounts in FY 2024-25.

### ***Methodology***

The range of economic impacts are estimated using multiple industry-standard approaches that lead to a customized geographic economic impact model using the economic modeling software IMPLAN.

To confirm this methodology and its assumptions, the Authority has previously received review and validation from multiple industry experts both within and outside of state government who reviewed inputs, assumptions, methodology, and outputs associated with the 2017 Analysis. The reviewers confirmed the validity of the models and assumptions used and provided valuable feedback which was incorporated into the reports. These reviews included experts from the University of the Pacific's Center for Business and Policy Research, the California High-Speed Rail Peer Review Group, the Department of Finance, and the Employment Development Department. Since the same general methodology was followed for the subsequent update analyses, the expert validation remains applicable.

## **Discussion**

The Analysis presents the economic impacts in terms of:

- Job-Years - represents a combination of total jobs and the length of time of those jobs. For example, one job supported for five years equals five job-years; five jobs supported for one year also equals five job-years.
- 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 - represents the total economic activity—including economic “value-add”— by businesses and individuals in California resulting from project expenditures.
  - *Direct impacts* - the economic effects generated by direct spending on a project.
  - *Indirect impacts* - the economic effects that occur in the next step in the supply chain (dispersed among the industries that supply intermediate goods and services to firms with direct impacts).
  - *Induced impacts* - the economic effects that result when income earned by direct and indirect employees is spent elsewhere in the economy.

As shown on the table below, the Authority's \$14.6 billion in program investments from July 2006 to June 2025 has supported total direct, indirect, and induced jobs of 121,910 and generated \$24.6 billion in total economic activity.

### **Cumulative California Economic Impacts, July 2006 – June 2025**

Impact	Job-Years	Labor Income	Economic Output	Total Tax Revenue
<b>Total</b>	<b>121,910</b>	<b>\$9.5 B</b>	<b>\$24.6 B</b>	<b>\$430 M</b>

The vast majority of this economic activity has taken place in the State of California, with 98.6% of 2024-25 investment expended to companies and workers in the state. For Fiscal Year 2024-25 specifically, the job years of employment was 13,200; the labor income was \$1.3 billion, and the economic output was \$2.9 billion.

Program investments continue to have significant positive impact on the Central Valley economy, generating an estimated 58,500 job years of employment and about \$11.0 billion in total economic activity from July 2006 to June 2025. The Sacramento region also continues to show significant impact because of direct Authority expenditures at its Sacramento headquarters and other regional spending, with 18,600 total job-years and \$3.2 billion in total economic output. Additionally, the Bay Area and Southern California regions show significant impacts derived primarily from engineering and other professional service firms based there, as well as an increasing number of construction firms from those areas, with 11,400 total job-years and \$2.9 billion in total economic output, and 19,500 job-years and \$4.1 billion in total economic output, respectively.

Around 62% of the \$14.6 billion program investment in the system through June 2025 occurred in designated disadvantaged communities throughout California, spurring economic activity in these areas. This includes 65% of all FY 2024-25 investment occurring in Disadvantaged Communities.

### **HSR Project Segment Impact Forecast\***

In addition to measuring the economic impact of the annual expenditures related to Authority activities for 2024-25, the 2025 Analysis includes an updated evaluation of the economic impact of the total programmed capital outlay expenditures for Phase 1.

<b>TOTAL PHASE 1 IMPACT</b>			
 <b>Total Employment (job-years)</b>	 <b>Total Labor Income (\$B)</b>	 <b>Total Economic Output (\$B)</b>	 <b>Total Tax Revenue (\$B)</b>
890,438	\$70.1	\$192.1	\$27.6

As the investment in high-speed rail infrastructure grows over time, so too will the economic effects associated with it.

### **Budget and Fiscal Impact**

This is an informational item on the 2025 Economic Impact Analysis, and by itself, does not have a budget or fiscal impact.

### **Recommendations**

This item is informational only; there are no recommended actions at this time.