



2025 Economic Impacts and Benefits

Derek Boughton
Reporting Branch Chief

Pierre Vilain, Ph. D.
KPMG Managing Director

2025 ECONOMIC IMPACTS AND SOCIETAL BENEFITS

The California High-Speed Rail Program is currently generating economic impacts in California through the Program's expenditures on planning and construction. Separately future service will generate additional economic benefits to society.

- **Economic impacts:** The economic activity associated with the expenditures attributable to the Program supports over one hundred thousand jobs, from planning and engineering to construction.
- **Economic societal benefits:** The benefits to society attributable to the operation of the rail service include social, environmental and wider economic benefits to both users of the train service and to California residents and employers.



Highlights

Fiscal Year 24-25 Authority investments supported **13,200 jobs-years** of employment (including direct, indirect, and induced impacts) and generated **\$2.9 billion** in total economic output.



Since 2006, Authority investments supported **121,910 job-years** of employment and generated **\$9.5 billion** in Labor Income & **\$24.6 billion** in total Economic Output.

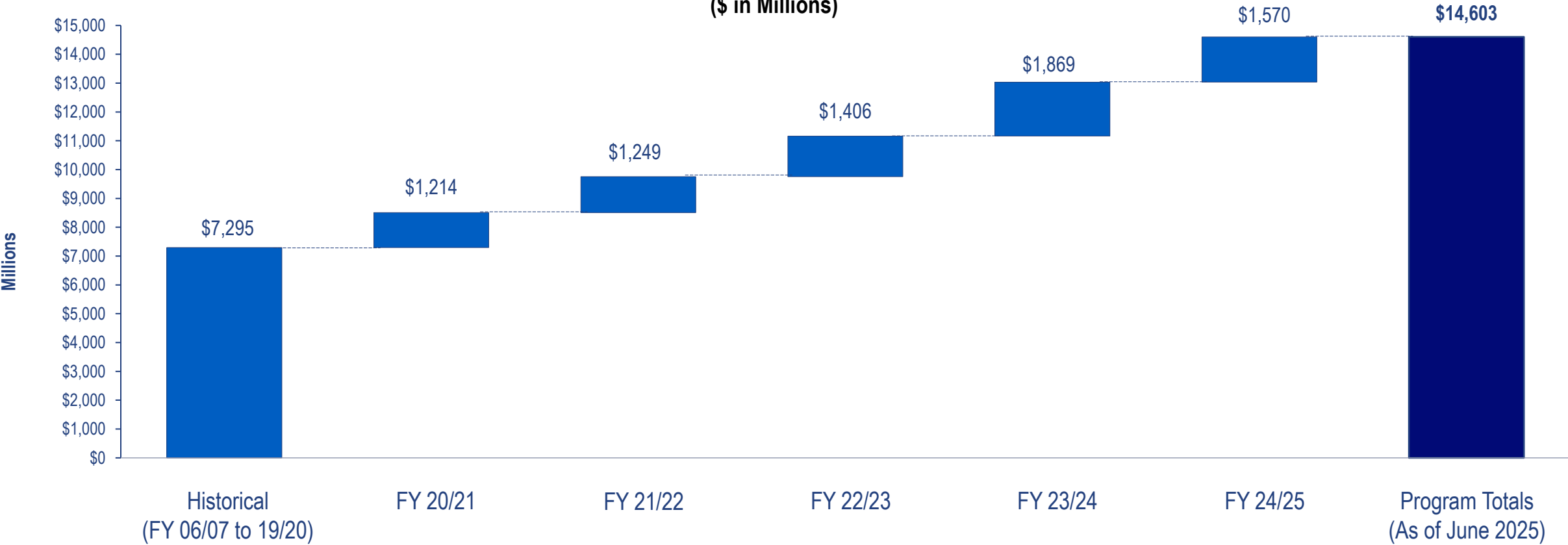
With a walk through of the newly created “Public Benefits of the High-Speed Rail” webpage



2025 ECONOMIC IMPACTS

Program Expenditures (\$ in millions)
2006-07 through 2024-25

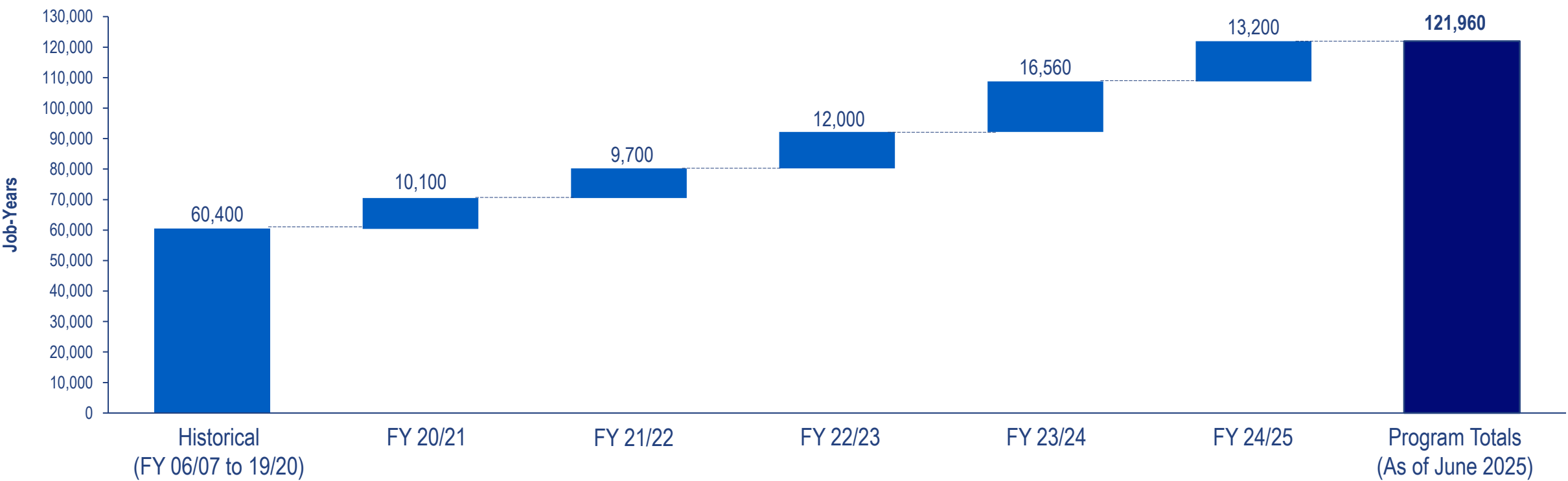
Program Expenditures Over Time
(\$ in Millions)



2025 ECONOMIC IMPACTS

California Statewide Economic Impacts
2006-07 through 2024-25

California Economic Impacts Over Time
(Including Direct, Indirect, and Induced)
Employment in Job-Years



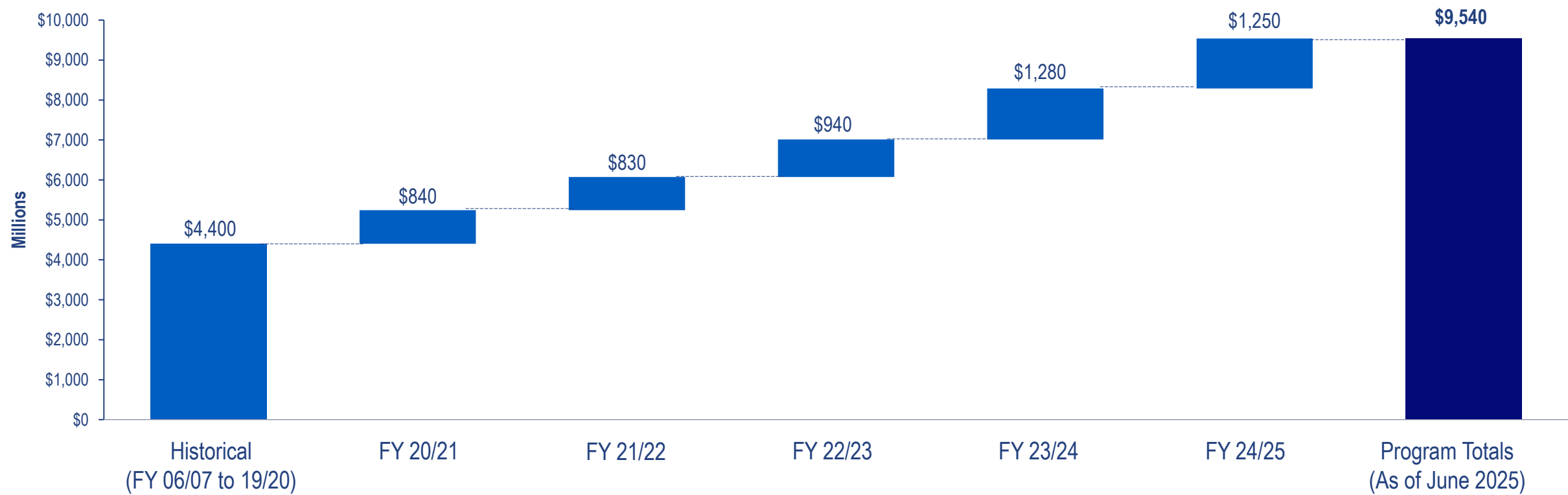
2025 ECONOMIC IMPACTS

California Statewide Economic Impacts
2006-07 through 2024-25

California Economic Impacts Over Time

(Including Direct, Indirect, and Induced)

Labor Income (\$ in millions)



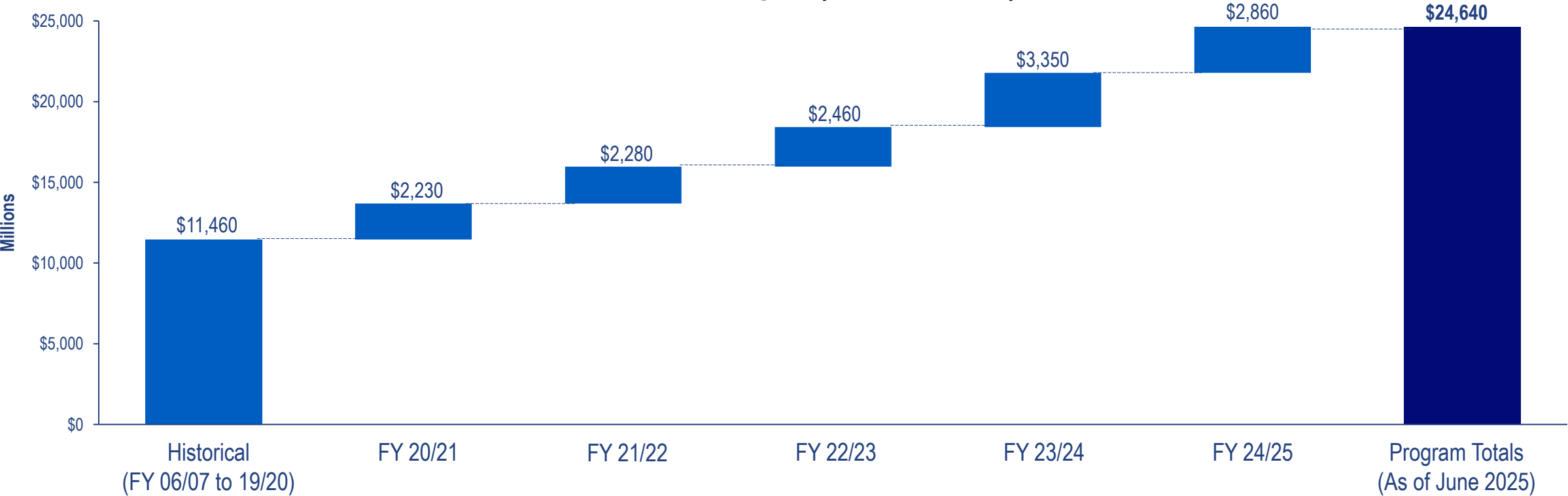
2025 ECONOMIC IMPACTS

California Statewide Economic Impacts
2006-07 through 2024-25

California Economic Impacts Over Time

(Including Direct, Indirect, and Induced)

Economic Output (\$ in millions)



2025 ECONOMIC IMPACTS

California Statewide Economic Impacts
FY 2024-25



Starting in FY24-25 the Authority began tracking California tax revenue impacts:

\$430 M In total tax revenue

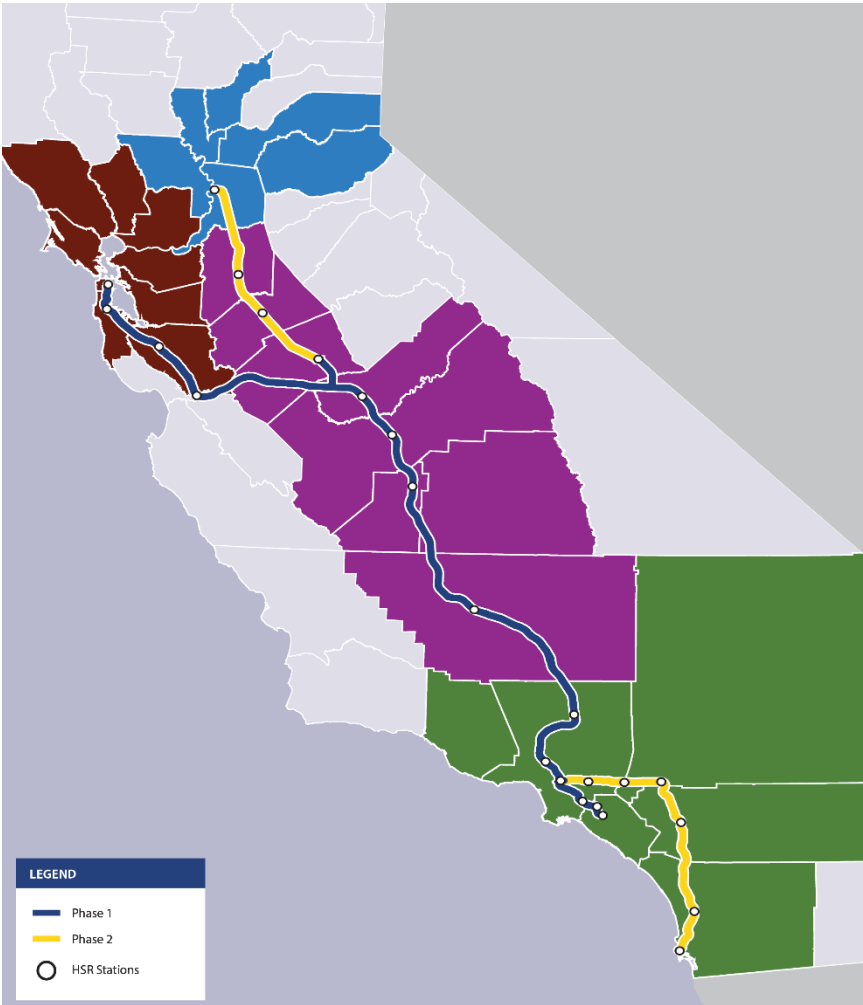
- Sales and Use Taxes
- Property Taxes
- Income Taxes
- Personal Taxes

*Generated from total output and labor income

Total Tax Revenue (\$ in millions)*

2025 ECONOMIC IMPACTS

Direct Investment and Economic Impacts By Region 2006-07 through 2024-25



\$14.6 Billion Direct Investment in the Project from July 2006 through June 2025

SACRAMENTO	FY 2024/25	PROGRAM TOTAL
Job-Years of Employment	2,000	18,580
Labor Income	\$200 M	\$1,430 M
Economic Output	\$340 M	\$3,230 M
Total Tax Revenue	\$60 M	\$60 M

BAY AREA	FY 2024/25	PROGRAM TOTAL
Job-Years of Employment	1,100	11,380
Labor Income	\$160 M	\$1,210 M
Economic Output	\$350 M	\$2,850 M
Total Tax Revenue	\$50 M	\$50 M

CENTRAL VALLEY	FY 2024/25	PROGRAM TOTAL
Job-Years of Employment	6,600	58,460
Labor Income	\$550 M	\$3,800 M
Economic Output	\$1,350 M	\$11,020 M
Total Tax Revenue	\$200 M	\$200 M

SOUTHERN CALIFORNIA	FY 2024/25	PROGRAM TOTAL
Job-Years of Employment	3,300	19,530
Labor Income	\$310 M	\$1,550 M
Economic Output	\$750 M	\$4,070 M
Total Tax Revenue	\$110 M	\$110 M

REST OF CALIFORNIA	FY 2024/25	PROGRAM TOTAL
Job-Years of Employment	300	14,060
Labor Income	\$20 M	\$1,530 M
Economic Output	\$60 M	\$3,440 M
Total Tax Revenue	\$9 M	\$9 M

2025 ECONOMIC IMPACTS – Future Impacts

California Projected Economic Impacts Through Construction*

The Phase I of the High-Speed Rail Project stretches nearly 500 miles from San Francisco to Anaheim.



Project	Job-Years	Labor Income	Economic Output	Total Tax Revenue
Phase I Total	890,438	\$70.1 B	\$192.1 B	\$27.6 B

*See the 2025 Economic Impact Technical Supporting Documentation for an explanation of the modeling and methodology to produce estimates through construction completion.

SOCIETAL ECONOMIC BENEFITS

The California High-Speed Rail investment will also generate over **\$159.8 billion** in quantified societal economic benefits such as travel time savings, travel safety improvements, reduction in greenhouse gas emissions, and productivity benefits.



These social, environmental and wider economic benefits will accrue to both high-speed train passengers and to California residents and employers.



SOCIETAL ECONOMIC BENEFITS

User Benefits

The California High-Speed Rail is projected to deliver \$75.7 billion in user benefits over its first 30 years of operation.

- **Time savings:** Riders will save time by switching from cars or buses to rail. The system reduces "buffer time" for travelers and improves reliability across integrated multimodal stations.
- **Safety:** Shifting travel from highways to rail will result in fewer crashes and lower associated medical and property damage costs.
- **Cost savings:** Users will save on personal vehicle expenses like fuel and maintenance.
- **Livability and quality of life:** High-quality station and train amenities will provide a superior experience for all transit users at shared hubs.



SOCIETAL ECONOMIC BENEFITS

Environmental and Infrastructure Safety

These initiatives are estimated to generate \$22.3 billion in total benefits by providing a cleaner and safer alternative to traditional travel.

- **Environmental:** The project will avoid 16.4 million tons of emissions, benefiting local health and the ecosystem by shifting travel from cars and planes to rail.
- **At-grade crossing improvements benefits:** Safety is also significantly improved by eliminating 92 at-grade crossings and upgrading 68 others to "Quad Gates," which drastically reduces collision risks between trains and road users, prevent idling at rail gates and ensure faster response times for emergency vehicles to save life.



SOCIETAL ECONOMIC BENEFITS

Wider Economic Benefits

Beyond direct travel savings, the project is projected to create \$52.3 billion in wider economic benefits by more efficiently connecting workers and firms.

- **Employee benefits:** This connectivity is expected to bring \$48.5 billion in long-term wage increases for residents by improving labor matching and facilitating face-to-face innovation.
- **Firm profits:** the increased productivity is estimated to drive \$3.8 billion in higher firm profits, which will be reflected in increased commercial and retail real estate values near major high-speed rail stations.



SOCIETAL ECONOMIC BENEFITS

Resiliency, Freight, and Accessibility

The project accounts for \$8.6 billion in additional benefits by strengthening California's network resiliency and providing a high-capacity alternative pathway during natural disasters.

- **Freight efficiency:** Enhances freight efficiency by freeing capacity on tracks that are shared between freight and passenger rail today but will be separate in the future, leading to \$126.9 million in savings from shifted cargo and lower road maintenance costs.
- **Resiliency, accessibility, and other quantified benefits:** The project generates \$1.9 billion from reduced noise, road & airport congestion, and pavement wear & tear, while providing \$6.6 billion in "induced ridership" benefits for people who gain new access to affordable, long-distance travel.

Other non-quantified benefits are expected to generate additional benefits, such as increased **transport network resiliency** benefits.



SOCIETAL ECONOMIC BENEFITS

Total user and external benefits attributable to Phase 1 estimated to be **\$159.8 Billion***.



Benefits of California High Speed Rail

User Benefits



Travel Time Savings

\$29.9 B

Saved travel time for HSR riders



Vehicle Operating Cost Savings

\$13.9 B

Savings on fuel, maintenance, tires, and depreciation.



Reliability Benefits

\$12.8 B

Reduction in travel buffer time for high-speed rail riders.



Station and Vehicle Amenity Benefits

\$11.9 B

Benefits from improvements to stations and trains.



Safety Benefits

\$7.3 B

Benefits from avoided automobile accident fatalities, injuries and crashes



Induced Ridership Benefits

\$6.6 B

Benefits experienced by new travelers on trips that didn't exist before.

Externalities



Worker Wider Economic Benefits

\$48.5 B

Wage/productivity increases from improved connectivity.



At-Grade Rail Crossing Removals

\$18.6 B

Benefits from grade crossing eliminations and improvements.



Firms Wider Economic Benefits

\$3.8 B

Increased firm profits from increased connectivity.



Environmental Benefits

\$3.8 B

Reduction in CO2, PM 2.5, NOx, and SOx emissions



Noise, Road Congestion, and Pavement Savings

\$1.6 B

Reduced noise, congestion and pavement wear and tear from reduced VMT.



Freight Efficiency Benefits

\$0.1 B

Savings from reduced UP and BNSF operating costs and increased shift of freight from truck to rail.

*All figures are discounted to 2023 dollars using a 3.1 percent discount rate over 30 years of operation.

2025 ECONOMIC IMPACTS and BENEFITS

Resources:

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