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 2018, the California High-Speed Rail Authority (Authority) invested nearly $4.8 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 37,600 to 42,600 job-years of employment and generated $6.8 to $7.6 billion in total economic activity.

The investment also created $2.60 to $2.99 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 630 private sector firms have been contracted to work on the project.

As of December 2018

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

CALIFORNIA ECONOMIC IMPACTS: TOTAL FOR JULY 2006 – JUNE 2018

<table>
<thead>
<tr>
<th>JOB-YEARS OF EMPLOYMENT</th>
<th>LABOR INCOME</th>
<th>ECONOMIC OUTPUT</th>
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<tbody>
<tr>
<td>37,600 - 42,600</td>
<td>$2.6B - $3.0B</td>
<td>$6.8B - $7.6B</td>
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### Direct Effects
- **Contractors**
  - Construction workers’ salaries
  - Manufacturing, production, construction

- **Employees**
  - Salaries and other expenses

### Indirect Effects
- Housing
- Groceries
- Retail
- Recreation

### Induced Effects
- Concrete
- Steel
- Supplies
- Transport
- Computers
- Parts
- Office Supplies
- And more...
program. In time, permanent jobs will be created for train operators, maintenance yard workers, station managers and others to operate and maintain the system.

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

Investment in high-speed rail supports jobs, labor income and economic output across several California regions. These include some, such as the Central Valley, hardest hit by the Great Recession.

The direct impact of the Authority’s investment between July 2017 and June 2018 is equivalent to about 18 percent of the 14,000 jobs that the Central Valley economy added over the same period. In Fresno County, the overall investment is equivalent to roughly 50 percent of the total jobs added during this time period, with direct jobs representing about 30 percent of the total.

54% of total project expenditure occurred in disadvantaged communities throughout California, spurring economic activity in these areas.