Freight Rail’s Powerful Economic Impact

KEY TAKEAWAY

Freight railroads’ substantial annual investments power the American economy and foster connections between industries and global markets. They support high-paying jobs and save taxpayers money since freight railroads predominantly operate and maintain their privately owned infrastructure.

Railroads’ billions of dollars in annual investments trigger a powerful economic effect across myriad U.S. industries. Freight rail’s investments also produce high-paying industry jobs, additional industry-supported jobs, industry and consumer connection to the global market, and local community growth from sizeable funds infused into the market and government budgets. These benefits come at a savings of billions of dollars each year for taxpayers because America’s freight railroads operate overwhelmingly on infrastructure that they own, build, maintain and pay for themselves.

Billions in annual private investments.

Smart public policy allows railroads to invest in the rail network and meet the needs of a changing marketplace. From 1980 to 2022, America’s freight railroads spent about $780 billion — of their own funds, not government funds — on capital expenditures and maintenance expenses related to locomotives, freight cars, tracks, bridges, tunnels and other infrastructure and equipment. These investments have created the world’s safest and most efficient freight rail network.

A 24/7 link in the supply chain.

During recent supply chain disruptions, railroads worked with customers to improve service and reliability by expanding network capacity, ensuring appropriate staffing levels and collaborating closely with trucking and other logistics partners.

High-paying, safe jobs.

With Class I freight rail employees earning an average compensation of $135,700 in wages and benefits, the freight rail industry produces some of the nation’s best-paid jobs while actively hiring military veterans. Railroad jobs are also safe. Railroads have lower employee injury rates than most other major industries, including trucking, manufacturing, construction and grocery stores. The rail employee injury rate in 2022 was an all-time low.

America’s best infrastructure.

The American Society of Civil Engineers awarded rail its highest infrastructure report card grade two years in a row. And with a single train hauling several hundred truckloads worth of freight, U.S. freight railroads’ infrastructure eases the burden on the nation’s overcrowded highways — and the taxpayers who support them.