

# FREIGHT RAIL'S ECONOMIC IMPACT

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  - Every railroad job creates 3.9 additional jobs in industries like manufacturing, logistics and tech.
  - Privately funded rail infrastructure saves taxpayers while powering trade and industry nationwide.
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Rail transportation is a cornerstone of the U.S. economy. It powers industries, drives trade, and supports high-wage jobs. Freight rail's private network eases pressure on taxpayer-funded roads. From bulk commodities to intermodal freight, rail moves goods efficiently across the nation and into global supply chains.

## By the Numbers

A [report from AAR's Policy & Economics team](#) quantifies rail transportation's economic impact, examining its contributions to jobs, trade, private investment, and public benefits:

- Rail is a major driver of economic activity, generating **\$233.4 billion** in total economic output in 2023.
- In 2023, Class I railroads reinvested **\$26.8 billion** in modernizing infrastructure, enhancing safety and improving reliability.
- Every \$1 invested in rail transportation drives **\$2.50 in economic activity**.
- Every railroad job creates **3.9 additional jobs** in industries like manufacturing, logistics and technology.
- The industry directly employs 153,000 workers, but its total employment impact is far greater — supporting **749,000 jobs** nationwide through supply chains and consumer spending.
- Rail workers earn **40% more** than the national average, and the industry contributes \$14.1 billion in Railroad Retirement benefits annually, reinforcing economic stability.

## Public Benefits: Sustainability, Efficiency, and Cost Savings

Rail provides far-reaching public benefits, improving supply chain efficiency, reducing environmental impact, and easing pressure on infrastructure.

- **Fuel Efficiency:** On average, rail moves one ton of freight nearly 500 miles per gallon of fuel. It is three to four times more fuel efficient than trucks, on average.
- **Lower Emissions:** Reduces greenhouse gas emissions by up to 75% compared to trucking.
- **Highway Congestion Relief:** A single train removes hundreds of trucks from the highway. This cuts traffic congestion, fuel costs, and road wear-and-tear.

- **Infrastructure Cost Savings:** Railroads own, operate, and maintain their networks, reducing the need for taxpayer-funded highway expansion.

### ***State-Level Contributions: Rail's Broad Economic Footprint***

Freight rail supports high wage jobs and anchors key trade corridors [across the U.S.](#) The top five states for freight rail employment are Texas, Illinois, Nebraska, California, and Georgia. This reflects rail's deep economic integration into industries like agriculture, energy, and manufacturing.

