Passenger Trains: Economic Engines

Providing Resilience for American Families

The U.S. transportation status quo is broken—the average household spent $12,295 on transportation in 2022, the second largest household expenditure category after housing (BTS). And the cost isn't just in dollars: an estimated 44,500 Americans died on U.S. roads in 2023 (NSC).

- Lower income households bear a high transportation cost burden, spending 30.2 percent of after-tax income on transportation in 2022 (BTS).
- Rural households spent an average of $1,139 more per household on transportation than urban households in 2022 (BTS).

These trends have only gotten worse with rising fuel costs. In 2022, petroleum products accounted for about 90% of the total U.S. transportation sector energy use (Source: EIA). Any effective national policy for energy independence will require diversifying our transportation network and investing in energy-efficient, electrified passenger rail.

Economic Engines for Growth

A Connected America is not only good for passengers but good for America's cities and towns, where rail is a *proven* economic engine in the communities it serves. Every Amtrak long-distance route creates a return on taxpayers' equity for the communities that have invested in it over the past few decades. And thanks to rigorous economic-benefits modeling *Rail Passengers* has developed over the past three years, we have been able to quantify that return in a way that hadn't been done previously. **Rail Passengers' modeling suggests that Amtrak's interconnected services in the Northeast Corridor, the long-distance National Network and the dozens of State-supported Amtrak routes together return between $7 billion and $8 billion each year to our Nation's GDP – four times what we typically invest in the service.** These long-distance routes below are just examples of the benefits long-distance trains can generate.

Selected Economic Benefits Assessments (FY 2019)

	City Of New Orleans	Empire Builder	Silver Services	Southwest Chief	Texas Eagle	Crescent
Cities Served	20	46	36	38	44	33
States Served	5	8	11	8	7	13
Ridership	235,670	433,372	743,461	338,180	321,694	295,180
Annual Federal Investment	$17.9m	$57.5m	$76.2m	$47.0m	$25.4m	$33.7m
Annual Economic Return	**$133.8m**	**$595.2m**	**$381.8m**	**$484.8m**	**$555.3m**	**$232.8m**
Return on Taxpayers' Equity	*7.47X*	*10.35X*	*5.01X*	*10.31X*	*21.86X*	*6.91X*

Source: Rail Passengers Association modeling estimate

*Indirect effects include community-level effects such as sales taxes, real-estate, local employment and other similar factors

Investing in American Manufacturing + Jobs

- An investment of $1 billion in public transportation **supports and creates 49,700 jobs** (APTA)
- A 2024 report by the North Carolina Department of Transportation's Rail Division found **the state's rail system contributes over $20 billion** into the state's economy and supports 88,000 jobs (NCDOT)
- **$75.8 billion** in total contribution to U.S. GDP by the railway supply industry in 2020 (RSI)
- **682,426 jobs in the U.S.** supported by the rail supply industry in 2020 (RSI)

Rail Service = Rural Mobility, Equity and Opportunity

The National Network provides economic opportunities to less affluent and less well-educated communities, many of which fall below the national median income. Taxpayers support Amtrak's National Network in part because we want these towns to thrive and their citizens to have access to jobs and mobility. We all need the economy to grow and be strong.

- Just 2 of the 19 stations served by the *City of New Orleans* route enjoy a Median Household Income above the national average, while the entire route serves working class cities and towns with relatively modest incomes.
- The *Crescent* serves 17 communities off Amtrak's Northeast Corridor, 15 of which have incomes below the national median income.
- Some 13% of the communities on Amtrak's *Silver* services fall below the Federal poverty line.
- If the 2018 plan to break up the *Southwest Chief* with a bus-bridge had gone through, 32 universities would have lost train service, 47 hospitals would have lost train service, and 130,000 auto trips would've been added on to roads four times more dangerous than the national average—for a stretch of rural and small communities in Kansas, Colorado and New Mexico with the lowest median income across the entire corridor.
- A study done by Transportation for America and the Southern Rail Commission found that **restoring passenger rail between Mobile and New Orleans would produce $216 million** in annual economic benefits for Mississippi, Louisiana and Alabama.
- A Rail Passengers' economic analysis found that **a second Amtrak train between Chicago and Minneapolis/St. Paul would generate $47 million** in annual benefits to Minnesota, Wisconsin and Illinois—a return on investment of better than seven-to-one.
- The impact is even greater for smaller communities. In 2018, the *Empire Builder* carried 2,400 passengers to Cut Bank, Montana (pop. 3,002), bringing $378,725 in value to the community.

Virginia: A Case Study for A Decade of Growth + Prosperity

By investing in a significant boost to Amtrak service, Virginia has more than doubled its intercity rail ridership since 2003, removing 600 million vehicle-travel miles from the Commonwealth's highways:

- $1.4 billion in annual economic returns to Virginia versus $64 million in Federal support.
- Created or sustained 1,400+ jobs each year.
- Ridership in 2023 was a record 1.32 million passengers, a 29.8% year over year increase.

For more information, please visit RailPassengers.org/Leg.Resources