Freight Rail Industry Fact Sheet

2025 Freight Rail Industry Fact Sheet

Economic Impact

Freight railroads are an integral part of the national transportation network of trains, trucks, pipelines and barges that moves 59 tons of goods per American every year – everything from the food we eat and the cars we drive. They support nearly every sector of the economy and operate 24/7 to keep business—and American life—moving, which could not be done without the diligent work of rail employees.

Customer Overview

In a typical year, freight railroads haul around 1.6 billion tons of raw materials and finished goods including:

Agricultural & Food Products: 1.6 million carloads of grain and other farm products and more than 1.7 million carloads of food products in a typical year

Chemicals: 2.3 million carloads of plastics, fertilizers and other chemicals (2022)

Ethanol: Rail accounts for 60-70% of all ethanol movements in a typical year

Construction, Pulp & Paper: more than 2 million carloads of construction-related materials and around 700,000 carloads of pulp and paper products in a typical year

Crude Oil: 97,000 carloads of crude oil, equivalent to around 173,000 barrels per day, or approximately 1.3% of U.S. production (2023)

Motor Vehicles & Parts: 1.5 million carloads in a typical year

Intermodal: 12.7 million units (2023)

Did you know?

America's freight railroads own, build, maintain and operate their infrastructure with little or no government assistance.

Private freight rail investments have totaled more than $810 billion between 1980 and 2023. Between 2014 and 2023, railroads reinvested an average of more than 18% of their revenue into their network and operations, six times higher than the average U.S. manufacturer.

Since 2000, America's Class I railroads have spent **$522 billion** on network maintenance and capital expenditures to modernize tracks, bridges, tunnels, rail cars and locomotives to help keep our operations safe.[i]

Sustainability

According to the EPA, freight railroads contribute only 0.5% to total U.S. GHG emissions and 1.8% to transportation-related GHG emissions while cars contribute 58.5% and trucks 23.4%.

Freight rail is the most fuel-efficient way to move goods over land and one train can move one ton of freight nearly 500 miles on one gallon of fuel while also removing hundreds of trucks off the highway. Moving freight by rail instead of truck lowers GHG emissions by up to 75%, on average.

Commitment to Safety

Per an analysis of 2023 FRA data per million train miles, the derailment rates have dropped 30% since 2000 for all railroads.

On-duty fatalities across all railroads have **declined 71% since 2000**, reaching an all-time low in 2023.[ii]

The Class I railroad employee injury and illness rate per hour worked is **lower than the rate for grocery and retail stores.**[iii]

About the Workforce

More than 120,000 employees work for the Class I railroads, and approximately 85% of those employees are unionized and represented by one of a dozen different labor groups:

- International Association of Sheet Metal, Air, Rail and Transportation Workers - Transportation Div. (SMART-TD)
- Brotherhood of Maintenance of Way Employees (BMWE)
- Brotherhood of Locomotive Engineers & Trainmen (BLET)
- Brotherhood Railway Carmen (BRC)
- Brotherhood of Railroad Signalmen (BRS)
- International Association of Machinists and Aerospace Workers (IAM)
- International Brotherhood of Electrical Workers (IBEW)

- Transportation Communications International Union (TCU)
- National Conference of Firemen and Oilers (NCFO)
- American Train Dispatchers Association (ATDA)
- International Association of Sheet Metal, Air, Rail and Transportation Workers - Transportation Div., Yardmasters Dept. (SMART-TD-YDM)
- International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART-MD)
- International Brotherhood of Boilermakers, Blacksmiths, Iron Ship Builders, Forgers and Helpers (IBB)

Fast Facts

- About **1 in 6**: Number of rail employees who are veterans.
- Median tenure is about **13 years** as of 2022 – more than triple that of other private sector workers (3.9 years).

Employee Benefits

Pay and Benefits

The most recent national collective bargaining agreement ushered in a series of substantial compensation increases, including a historic 24% wage increase.

Total Compensation

Annual pay and benefits packages (including health, welfare and retirement programs) for Class I railroad employees now range in value from about $135,000 to almost $190,000, with an average of $160,000.

Pay

Most Class I rail employees now earn between $90,000 to $140,000 in annual wages (depending on their craft), with an average of $111,000.

Average compensation in the rail industry is higher than in industries that employ 92% of all other workers, based on 2023 BEA data.

Paid Time Off

Most Class I railroad employees receive an average of 28 to 32 days of paid time off per year, with the most senior employees in certain crafts receiving up to 43 days.

Paid Sick Leave: More than 93% of all craft employees at National Carriers' Conference Committee (NCCC) carriers have paid sick leave, a rate far higher than the 80% of workers across the broader U.S. workforce. This achievement is due to significant engagement by rail carriers resulting in agreements with unions since the last round of national bargaining concluded.

Retirement Benefits

The most recent national collective bargaining agreement ushered in a series of substantial compensation increases, including a historic 24% wage increase.

Health Care

Premiums are set to decrease by 10% starting in 2025 for rail employees, averaging about $277 per month. Meanwhile the national average for similar family plans is $500+ monthly.

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[i] https://www.aar.org/data-center/#data-fact-sheets

[ii] https://www.aar.org/data-center/#data-fact-sheets

[iii] https://www.aar.org/data-center/#data-fact-sheets