

# The Freight Rail Workforce

Freight rail jobs provide competitive compensation, comprehensive benefits and growth opportunities that have supported generations of dedicated professionals. Below are key facts about the industry's workforce that show why freight rail careers remain among the strongest in industrial America.

## Freight Rail Workforce Basics

- Class I freight railroads employ more than 120,000 people nationwide.
- 85% of the Class I workforce is represented by 12 major rail unions.
- 1 in 6 freight rail employees are military veterans.

## Competitive Wages & Compensation

- Freight rail wages are **40% higher than the national average for all U.S. workers**.
- The collective bargaining agreements covering 2020–2025 delivered a **historic 24% wage increase, with average annual wages reaching \$111,000 and average total compensation (wages + benefits) rising to \$160,000** over the life of the contract.

## 2025 Pattern Agreements Build on That Momentum

- New pattern agreements reached in this bargaining round provide an **additional 18.8% wage increase over the five-year contract**, from 2025–2029; compounded with the 2020–2025 wage gains, that means a **50% total wage increase from 2020 to 2029**.
- By the end of the contract:
  - › **Annual wages** will reach an average of approximately **\$135,000**
  - › **Total compensation** will approach an average of about **\$190,000**
- As of July 25, nearly half of all union-represented employees at carriers participating in national handling are covered by ratified pattern agreements.
- Employees covered by these pattern agreements have **already seen their incremental wage increase**, which went into effect July 1.
- In addition to wage increases, the pattern agreement terms include:
  - › **Enhanced health and welfare benefits with no increase in the employee contribution rate.**
  - › **Access to more paid vacation time for employees earlier in their careers.**

## Long-Term Wage Growth Outpaces Broader U.S. Wage Growth, Inflation

- From **2005 to 2029**, freight rail wages are projected to grow **130%**, compared to:
  - › **104% growth** in average private sector wages
  - › **87% increase** in inflation

## World-Class Health Care Benefits

- Freight rail employees have access to some of the most robust health care plans in the nation, with low-cost options that consistently rank above benchmarks. **Railroad employees pay only 15% of their monthly health care premiums**, while carriers cover the remaining 85%.
- In 2025, **freight rail employees' health care premiums decreased by more than 10%, to about \$277 per month**, significantly less than the national average of \$500+ for other employer-provided family coverage.

## Security in Retirement

- Career railroaders (those who are 60+ and have served at least 30 years) **receive more than two times as much retirement income as the average Social Security recipient**.
- In fiscal year 2023, nearly 500,000 beneficiaries received **\$14 billion in benefits from the Railroad Retirement System**.

## Robust Paid Leave

- More than **97% 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.
- 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.

### More Than Jobs: Long-Term Careers

Freight rail employees' median tenure is 14 years; **more than triple** that of other private sector workers (3.9 years).

# About the Freight Rail Industry

Freight rail is the backbone of the nation's supply chain and transportation system, seamlessly linking industries, businesses and consumers. The facts below highlight how railroads power the economy, invest in their networks, reduce emissions and continually enhance transportation safety.

## Freight Rail's Economic Impact

- **\$233.4 billion in total economic output**, driving business activity across multiple industries.
- **153,000 direct rail jobs**, with 749,000 total jobs supported nationwide.
- **\$66 billion in total household income**, fueling consumer spending and regional economies.
- **\$25.1 billion in annual tax revenues**, supporting federal, state, and local government budgets.

## 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

## Investing in People & Networks

- America's freight railroads own, build, maintain and operate their infrastructure with little or no government assistance. In 2023, Class I railroads alone invested **\$26.8 billion in capital expenditures and maintenance expenses**.
- Class I railroads' private investments have totaled **\$825 billion (\$1.3 trillion in today's dollars)** between 1980 and 2024.
- 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.

## Fuel Efficiency & Sustainability

- On average, **rail moves one ton of freight nearly 500 miles per gallon of fuel**, making it three to four times more fuel efficient than trucks.
- Railroads **reduce greenhouse gas emissions by up to 75%** compared to trucking.
- 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%.**
- A **single train can remove hundreds of trucks from the highway**, cutting traffic congestion, fuel costs and road wear and tear.
- Railroads own, operate and maintain their networks, reducing the need for taxpayer-funded highway expansion.

## Safety

Freight rail is the safest way to move goods over land, and the last decade was the safest ever for U.S. railroads.

- Analysis of 2024 FRA data per million train miles indicates:
  - › Accident rates improved across the board, with human factor-related incidents declining 18% year-over-year and track-caused accidents at an all-time low.
  - › For all railroads, the derailment rates have dropped 40% since 2005, making 2024 the second-lowest year on record.
  - › The overall mainline accident rate fell 37% since 2005, with Class I rates improving by 43% for the same period.
  - › Railroads continue to make strides on employee safety. Class I railroads' employee safety record improved by 46% since 2005, setting an all-time low record for the second consecutive year.
  - › Workers in the grocery and retail industries have higher work-related injury and illness rates than freight railroad employees.

---

### Sources:

**Workforce Data, Compensation, Health Benefits, Paid Sick Leave, Tenure, 2025 Bargaining Updates – National Railway Labor Conference:**  
<https://railnegotiations.com/>

**Retirement Data – Railroad Retirement Board:**  
<https://rrb.gov/Newsroom/NewsReleases/ComparisonOfBenefits>

**Economic Impact, Investment, Environmental Performance – Association of American Railroads (AAR) 2025 Economic Impact Report:**  
<https://www.aar.org/wp-content/uploads/2025/02/AAR-PE-Economic-Impact-Report-2025-FINAL.pdf>

**Freight Volumes – AAR:**  
<https://www.aar.org/wp-content/uploads/2023/04/AAR-Facts-Figures-Fact-Sheet.pdf>

**Rail Safety – AAR:**  
<https://www.aar.org/news/fra-data-confirms-rail-safety-progress-with-record-low-injury-and-accident-rates/>