



# THE ECONOMY OF THE STATE WATER PROJECT

*Clean, Reliable, and Affordable  
Water for California*



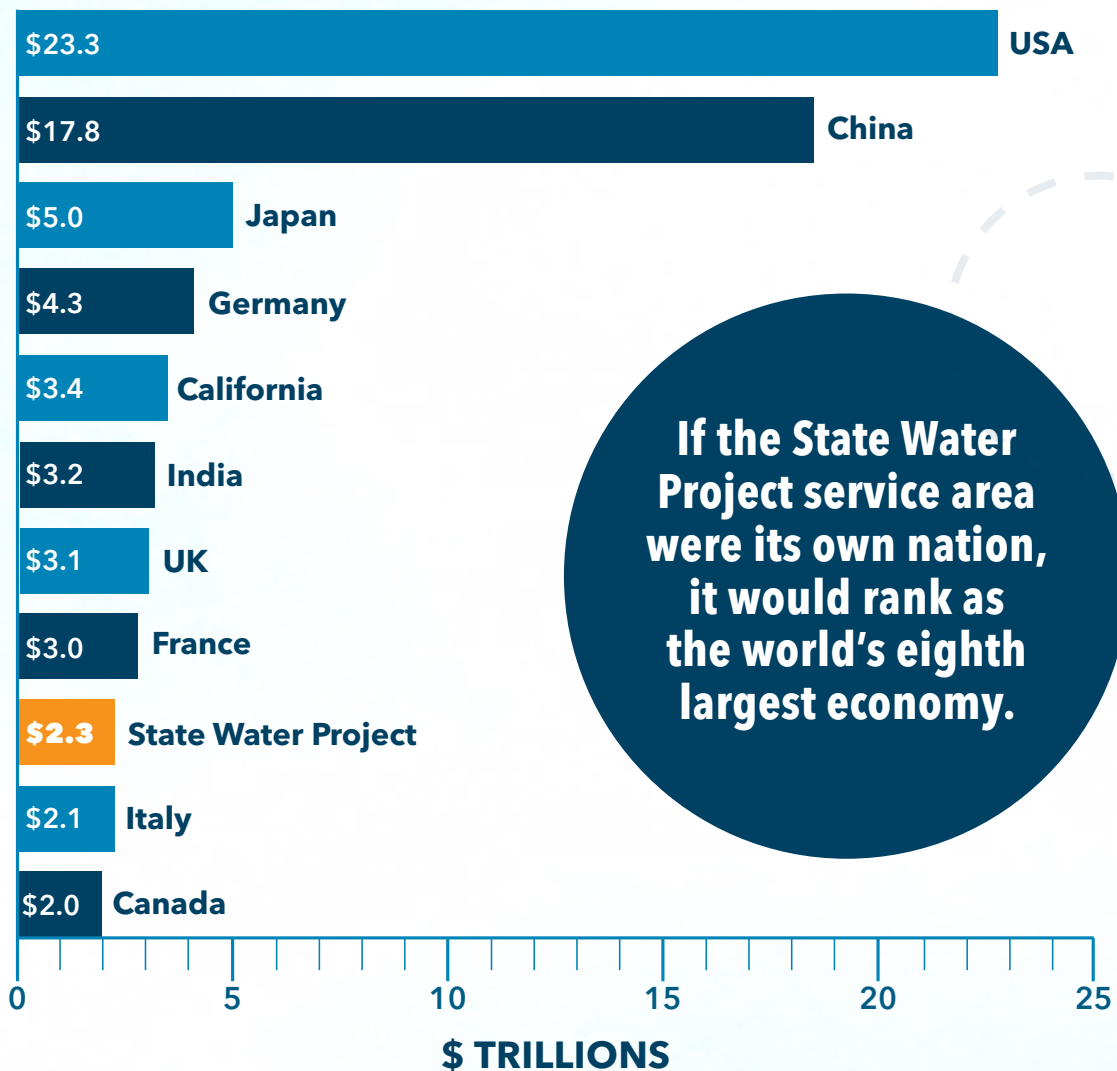
## The California State Water Project

is part of the backbone of California's water infrastructure – a multibenefit project that provides water supply, protects against floods, generates clean hydropower, offers recreational opportunities, provides environmental benefits, and drives California's economy - the fifth largest in the world.

The State Water Project is among the world's largest water management projects, featuring a 705-mile-long network of canals, dams, reservoirs, hydropower plants, and pumping plants that interconnect to supply water to over 27 million residents and irrigate 750,000 acres of farmland.

For the last 60 years the State Water Project's clean, reliable, and affordable water has fueled the growth of California's economy and population. The State Water Project's sustainable supply of water will become even more critical to the state's economy in the face of climate change impacts – according to [California's Water Supply Strategy: Adapting to a Hotter, Drier Future](#), California faces a potential loss of 10% of its water supply by 2040.





**If the State Water Project service area were its own nation, it would rank as the world's eighth largest economy.**

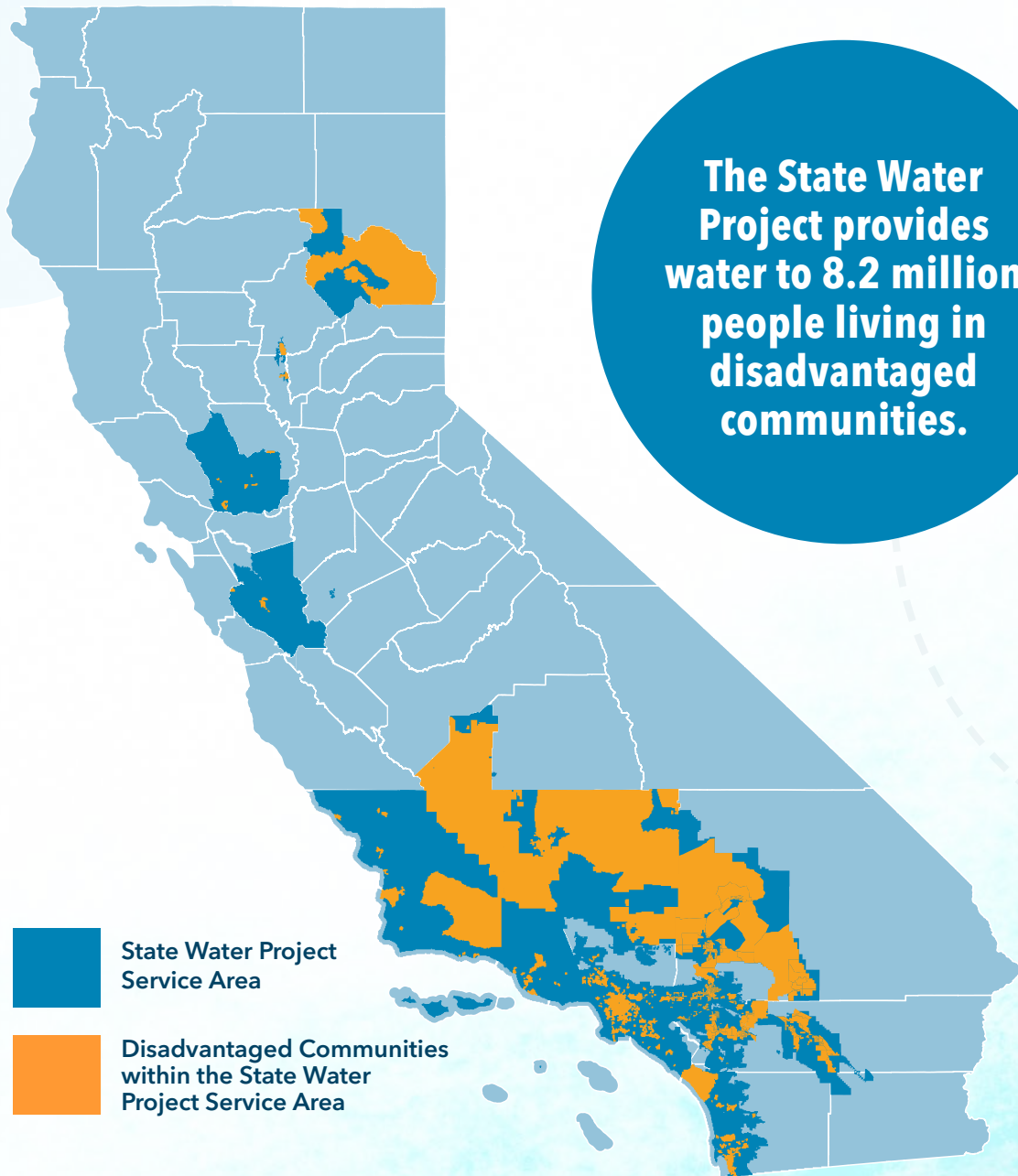
**Economy ranking bar chart**

- The service area of the State Water Project is home to over 27 million individuals, over two-thirds of the state's population, and supports an economy with a Gross Domestic Product (GDP) surpassing \$2.3 trillion. Its service area is the largest economy supported by a major water conveyance system anywhere in the United States, and the second largest anywhere in the world. Based on GDP, the State Water Project service area would be the world's eighth largest economy if it were its own nation. This economy supports the full-time employment of over 8.7 million individuals with jobs that pay 20% higher than the national average.
- The regions served by the State Water Project have experienced significant economic and population growth since the project was approved by voters in 1960. Since that time, the population in Southern California has more than doubled, nearly tripled in the Central Coast, South Bay, and North Bay, and more than tripled in the San Joaquin Valley. Property in the State Water Project service area is valued at a total of over \$4.26 trillion.

**The State Water Project supports an economy that provides 8.7 million full-time jobs.**



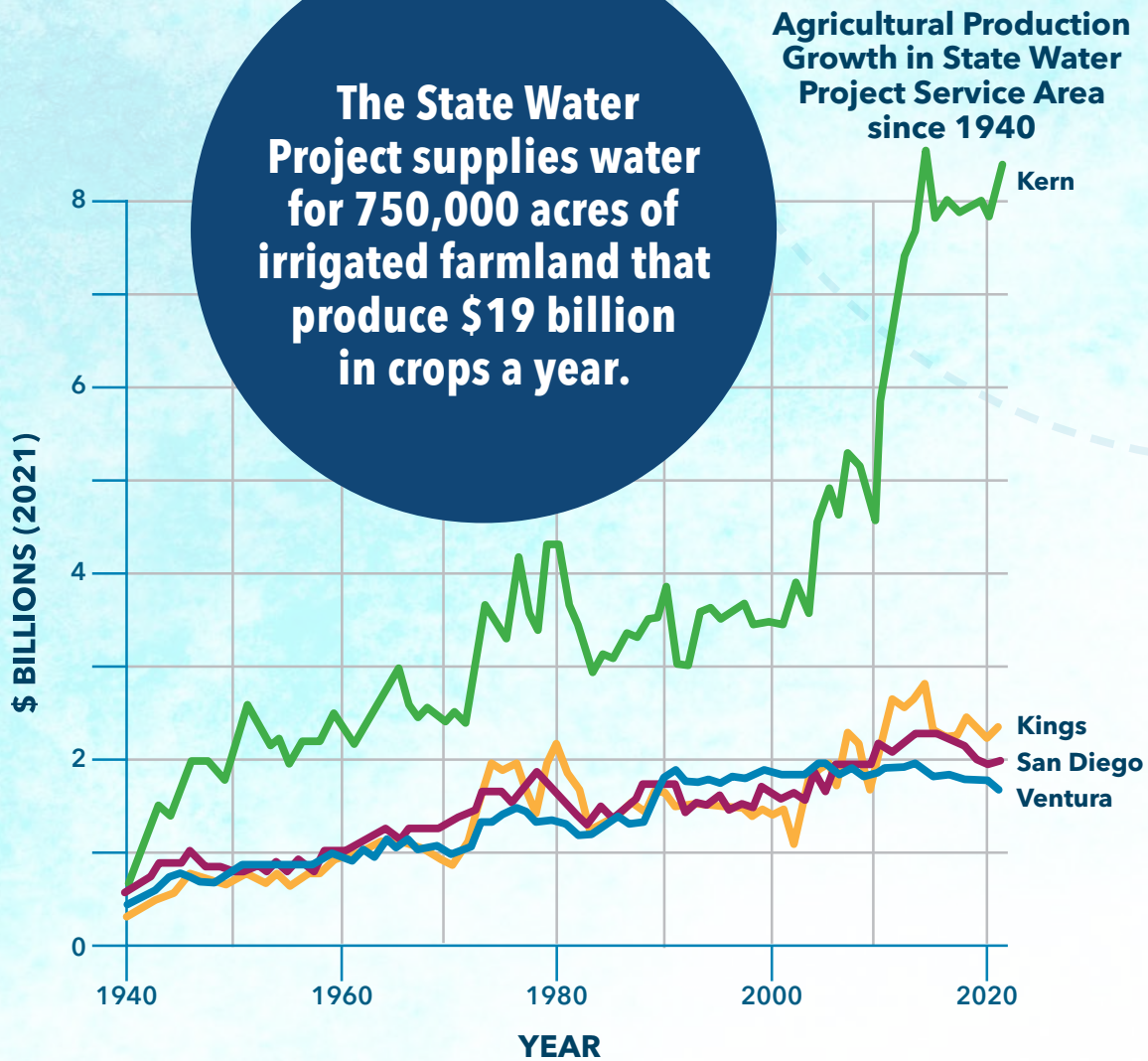
- The State Water Project supports an economy that provides 8.7 million full-time jobs, contains 800,000 businesses, and employs 160,000 farmworkers.
- Median household income has grown in all regions served by the State Water Project since 1960. Household income increased by 25% in rural regions where most State Water Project water goes to agricultural production, including in the Feather River and San Joaquin Valley regions. The State Water Project service area employs around 160,000 farmworkers mainly in these regions.
- The regions where the State Water Project provides water for mainly urban use, including the North Bay and Southern California, saw median household income increases exceeding 50 percent. The Central Coast more than doubled its household income. The South Bay saw the largest growth in median household income at over 150 percent.



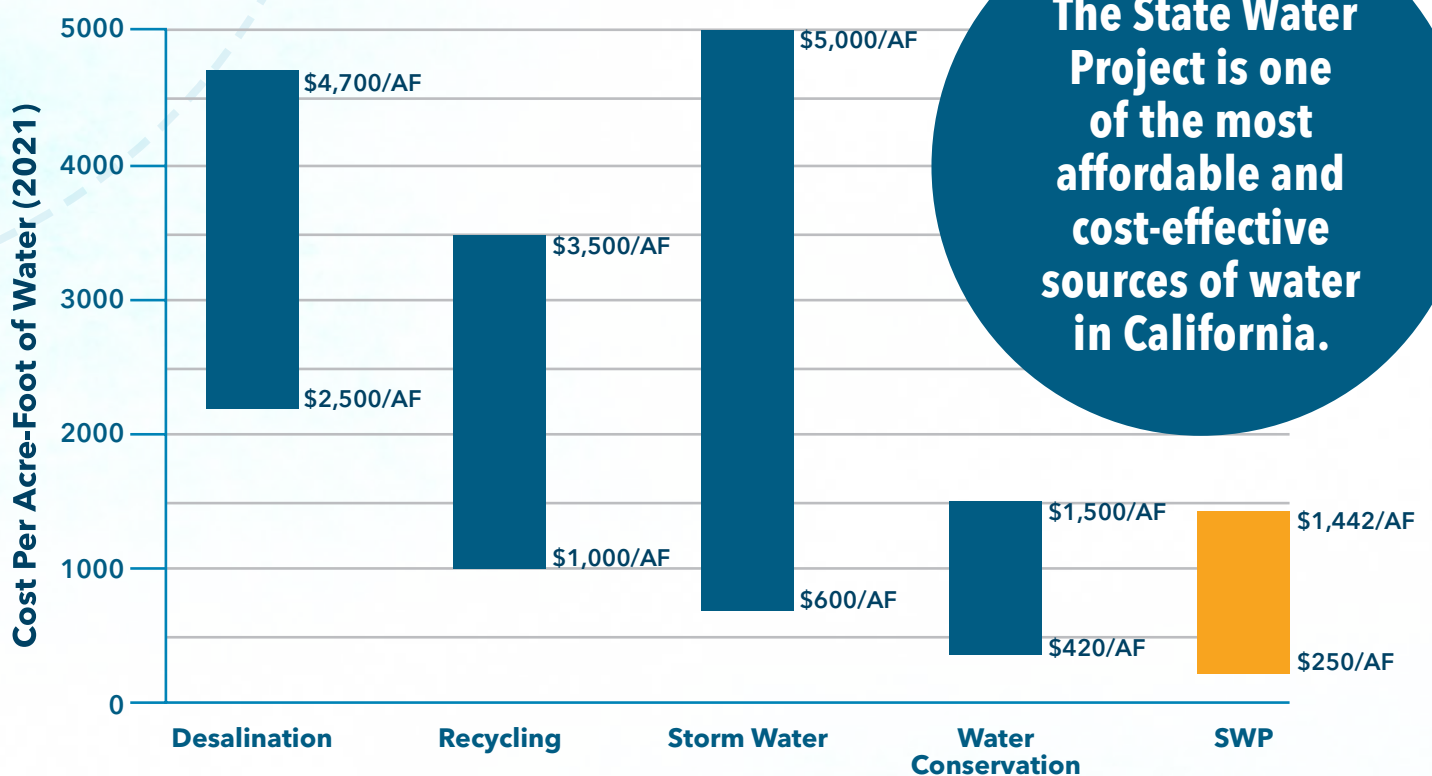
### Map shows disadvantaged communities within State Water Project Service Area

- Water is a fundamental resource, and access to it is essential for various aspects of life, including health, sanitation, and economic opportunities. California law recognizes the human right to water, ensuring safe, clean, affordable, and accessible water for all Californians. Many communities still encounter challenges in securing a safe water supply due to social, economic, health, and environmental factors.
- State Water Project deliveries play a crucial role in upholding access to water for disadvantaged individuals and communities. The State Water Project provides water to almost three-quarters of California's population living in disadvantaged communities. Almost one-third of the individuals living in the State Water Project's service area are residents of a disadvantaged community.

**The State Water Project supplies water for 750,000 acres of irrigated farmland that produce \$19 billion in crops a year.**



- The State Water Project plays a pivotal role in sustaining California’s agricultural economy, and the sector’s reliance on State Water Project water is a key driver of economic activity, job creation, and income generation across the state.
- **The total value of agricultural production in regions served by the State Water Project exceeds \$19 billion a year.** Kern, Kings, San Diego, and Ventura Counties receive 93 percent of all agricultural State Water Project deliveries. The value of agricultural production in regions served by the State Water Project has almost doubled since then in Kings, San Diego, and Ventura counties, and has more than tripled in Kern County.
- The State Water Project provides water for a diverse variety of crops and agricultural enterprises, including table grapes, oranges, tangerines, pistachios, almonds, cotton, dairies and cattle ranches in the San Joaquin Valley. In coastal areas such as San Diego and Ventura Counties, the State Water Project supplies water for crops including raspberries, avocados, nursery crops, and vegetables.



### The Cost of Alternatives to the State Water Project

- The State Water Project stands out as one of the most affordable sources of water in California and is more cost-effective compared to alternative sources. The project’s commitment to cost-effectiveness has significant implications for the accessibility and affordability of water across the state. The average cost of delivering State Water Project water ranges between \$250 per acre-foot in the San Joaquin Valley, to \$600 per acre-foot in Southern California and as high as \$1,440 per acre-foot on the Central Coast.
- Compared to alternatives like water recycling programs (\$2,200 per acre-foot median cost) and seawater desalination facilities (\$2,800 per acre-foot median cost), the State Water Project is a more economically efficient option. All sources of water remain essential for adapting to a hotter, drier future as outlined in the California Water Supply Strategy.
- While some common water conservation programs – such as installing high efficiency toilets and washers – may have lower costs compared to State Water Project water, their lack of scalability prevents them from replacing a substantial volume of State Water Project water deliveries.



Photos - cover: State Water Project water flows through the Sacramento River towards the Delta; inside cover: Lake Oroville is the largest State Water Project reservoir. above: Lake Perris in Riverside County is the southernmost State Water Project reservoir.

Research conducted by the Berkeley Research Group, a global consulting firm working collaboratively with the California Department of Water Resources.

