



The Economic Impact of Construction in the United States

The Impact of Nonresidential Construction on GDP, Earnings and Jobs:

- An extra \$1 billion in nonresidential construction spending would add about \$3.4 billion to Gross Domestic Product (GDP), about \$1.1 billion to personal earnings and create or sustain 28,500 jobs.
 - 9,700 jobs would be *direct* construction jobs located in the state of investment.
 - 4,600 jobs would be *indirect* jobs from supplying construction materials and services. The majority of these jobs would be located within the state of investment but there would be some out of state jobs supported.
 - 14,300 jobs would be *induced* when workers and owners in construction and supplier businesses spend their incomes locally and nationwide.

Construction Employment and Unemployment:

- The construction industry (residential plus nonresidential) went into recession a year and a half before the overall economy and still has not emerged from it. Employment peaked at 7.73 million in April 2006, seasonally adjusted, and fell to 5.48 million (down 29%) by January 2011. The industry's unemployment rate in February 2011 was 21.8%, not seasonally adjusted, the highest of any industry and more than double the all-industry rate.

Construction Spending:

- Construction spending totaled \$816 billion in 2010, a 10-year low. Public construction spending accounted for \$307 billion, private nonresidential spending for \$267 billion, and private residential for \$242 billion.

Construction Materials, Supplies and Machinery:

- In 2010 U.S. manufacturers shipped \$486 billion in construction materials and supplies (10% of total factory shipments) and \$31 billion in new equipment (10% of total machinery shipments).

Construction Industry Pay:

- In 2009 annual pay of all construction workers in the United States averaged \$49,300, 9% more than the average for all private sector employees.

Small Business:

- The United States had 773,600 construction firms in 2008, of which 91% were small businesses employing fewer than 20 workers. Only 1% had 100 or more employees. The typical construction firm size is very small. In 2008, there were 773,600 construction firms with 7.0 million paid employees. Thus, average employment was less than nine per firm. More than 2.5 million additional construction firms had no paid employees—mainly self-employed individuals but also partnerships and holding companies.