The Economic Impact of Construction in the United States and Alabama

Economic Impact of Construction:
- In 2015, U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—totaled $17.8 trillion; construction contributed $717 billion (4%).
- In Alabama, construction contributed $8 billion (3.9%) of the state’s GDP of $204 billion. Thus, construction’s contribution to GDP in the state was less than the industry’s 4% share of U.S. GDP.
- Construction wages and salaries in 2015 totaled $381 billion in the United States, including $4.1 billion in Alabama.

Nonresidential Construction Spending:
- Private nonresidential spending in Alabama totaled $2.8 billion in 2014. (Public spending is not available by state.)
- Nonresidential starts in Alabama totaled $3.5 billion in 2015 and $6.7 billion in 2014, according to ConstructConnect.

Construction Employment (Seasonally Adjusted):
- Construction (residential + nonresidential) employed 6.6 million workers in July 2016, an increase of 209,000 (3.2%) from July 2015 and a decrease of 1.1 million (14%) from April 2006, when U.S. construction employment peaked.
- Construction employment in Alabama in July 2016 totaled 78,500, a decrease of 3% from July 2015 and a 31% decrease from the state’s peak in October 2007.

Construction Industry Pay:
- In 2015, annual pay of all construction workers in the United States averaged $57,000, 8% more than the average for all private sector employees.
- Construction workers’ pay in Alabama averaged $48,700, 12% more than all private sector employees in the state.

Small Business:
- The United States had 667,100 construction firms in 2014, of which 92% employed fewer than 20 workers.
- Alabama had 7,300 construction firms in 2014, of which 89% were small (<20 employees).

Source: Ken Simonson, Chief Economist, AGC of America, simonsonk@agc.org, from Bureau of Economic Analysis (GDP); Census Bureau (spending, small business); ConstructConnect (formerly CMD) (starts); Bureau of Labor Statistics (jobs, pay)

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