The Economic Impact of Construction in the United States and Alabama

Economic Impact of Construction:
- U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—tooted $18.5 trillion in 2016; construction contributed $793 billion (4.3%).
- In Alabama, construction contributed $7.7 billion (3.8%) of the state’s GDP of $206 billion, less than the industry’s 4.3% share of U.S. GDP.
- Construction wages and salaries in 2017 totaled $427 billion in the United States, including $4.5 billion in Alabama.

Nonresidential Construction Spending:
- Nonresidential spending in the U.S. in 2017 totaled $710 billion ($437 billion private, $273 billion public).
- Private nonresidential spending in Alabama totaled $2.8 billion in 2016. State and local spending totaled $3.2 billion. (Data for 2017 is not yet available.)
- Nonresidential starts in Alabama totaled $5.0 billion in 2016 and $5.2 billion in 2017, according to ConstructConnect.

Construction Employment (Seasonally Adjusted):
- Construction (residential + nonresidential) employed 7.2 million workers in March 2018, an increase of 246,000 (3.3%) from March 2017, but 7.5% less than in April 2006, when U.S. construction employment peaked.
- Construction employment in Alabama in March 2018 totaled 86,500, an increase of 1.9% from March 2017, but 24% less than the state’s peak in October 2007.

Construction Industry Pay:
- In 2016, annual pay of all construction workers in the United States averaged $58,600, 10% more than the average for all private sector employees.
- Construction workers’ pay in Alabama averaged $50,500, 15% more than the average for all private sector employees.

Small Business:
- The United States had 669,000 construction firms in 2015, of which 92% were small (<20 employees).
- Alabama had 7,000 construction firms in 2015, of which 88% were small.

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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