The Economic Impact of Construction in the United States and Indiana

**Economic Impact of Construction:**
- U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—totaled $20.6 trillion in 2018; construction contributed $840 billion (4.1%). In Indiana, construction contributed $13.9 billion (3.8%) of the state’s GDP of $367 billion.
- Construction wages and salaries in 2018 totaled $468 billion in the United States, including $8.5 billion in Indiana.

**Construction Spending and Starts:**
- Nonresidential spending in the U.S. totaled $761 billion in 2018 ($461 billion private, $301 billion public).
- Residential construction spending in the U.S. totaled $546 billion ($290 billion single family, $60 billion multifamily, $190 billion improvements, $7 billion public).
- Private nonresidential spending in Indiana totaled $5.7 billion in 2018. State and local spending totaled $4 billion. (Totals are not available for residential or federal construction spending).
- Nonresidential (building and heavy/civil) starts in Indiana totaled $8.3 billion in 2018, according to ConstructConnect.

**Construction Employment (Seasonally Adjusted):**
- Construction (residential + nonresidential) employed 7.5 million workers in July 2019, an increase of 177,000 (2.7%) from July 2018, but 3% less than in April 2006, when U.S. construction employment peaked.
- Construction employment in Indiana in July 2019 totaled 148,500, an increase of 5.5% from July 2018, but 4% less than the state’s peak in March 2000.
- Construction unemployment is near a series low. In the 2019 AGC-Autodesk Workforce Survey, 78% of firms in the U.S. reported difficulty filling hourly craft worker positions.

**Construction Industry Pay:**
- In 2018, pay for all construction industry employees in the U.S. averaged $62,727, 10% more than the average (mean) for all private-sector employees. Construction industry pay in Indiana averaged $58,404 in 2018, 22% more than the state average for all private-sector employees.
- The five most numerous construction occupations in Indiana had higher median pay than the median for all employees in the state. (Half of workers earn more than the median; half earn less.)

**Small Business:**
- The U.S. had 810,295 construction firms in 2016, of which 92% were small (1 to 19 employees). Indiana had 15,176 construction firms in 2016, of which 91% were small.

**Source:** Ken Simonson, Chief Economist, AGC of America, ken.simonson@agc.org, from Bureau of Economic Analysis (GDP); Census Bureau (spending, small business); ConstructConnect (starts); Bureau of Labor Statistics (jobs, pay, occupations); AGC (rankings, workforce survey). September 17, 2019