

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—totaled \$26.5 trillion at a seasonally adjusted annual rate in the 1st quarter of 2023; construction contributed \$1.1 trillion (4.0%).
- In Alabama, construction contributed \$13 billion (4.4%) of the state’s GDP of \$289 billion.
- There were 919,000 construction establishments in the U.S. in the 1st quarter of 2023, including 12,000 in Alabama. (An establishment is a fixed business location; about 99% of construction firms have only one establishment.)

Construction Spending:

- Nonresidential spending in the U.S. totaled \$921 billion in 2022 (\$554 billion private, \$367 billion public).
- Residential construction spending in the U.S. totaled \$927 billion (\$453 billion single-family, \$110 billion multifamily, \$355 billion improvements, \$10 billion public).
- Private nonresidential spending in Alabama totaled \$4.3 billion in 2022. State and local spending totaled \$3.8 billion. (Totals are not available for residential, railroad, power, communication, or federal construction.)

Construction Employment (Seasonally Adjusted):

- Construction (residential + nonresidential) employed 7.9 million workers in July 2023, an increase of 198,000 (2.5%) from July 2022 and an increase of 4.8% from February 2020, the peak pre-pandemic month.
- Construction employment in Alabama in July 2023 totaled 102,500, an increase of 2,800 (2.8%) from July 2022 and an increase of 8,000 or 8.5% from February 2020.
- Contractors are having trouble filling positions, impeding the industry’s recovery. In the September 2023 AGC-Autodesk Workforce Survey, 85% of firms had a hard time filling hourly craft positions.

Construction Industry Pay:

- Construction jobs pay well. In Alabama, 4 out of the 5 most numerous construction occupations had median annual pay exceeding the median for all employees in 2022. (Half of workers earn more than the median; half earn less.)

