



The Key Role of Construction in Alabama's Economy

The industry **employed 113,000 workers** in May 2008, 6% of the state's nonfarm employment of 2,012,000 and an increase of 0.8% from one year before. Nationally, construction accounted for 5% of nonfarm employment but fell 5.1% over the year as homebuilding shrank.

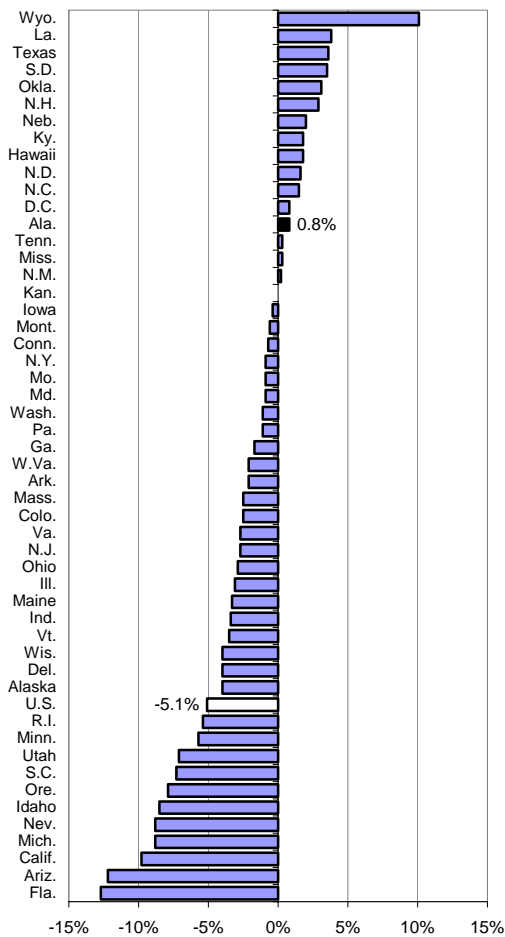
Construction **contributed \$7 billion to state GDP** of \$166 billion in 2007.

Annual pay in 2006 in construction averaged \$36,937, 4% more than than the private sector average of \$35,536. Nationally, construction pay averaged \$44,496, 5% more than the national private sector average of \$42,414.

Small business is big in construction. Alabama had 10,000 construction firms in 2005, of which 89% employed fewer than 20 workers. In addition, Alabama had 50,000 construction firms without employees, mainly sole proprietorships, in 2005.

Alabama's **population** grew 0.8% from July 2006 to July 2007, 27th fastest of all states; the national growth rate was 1%. Population growth affects the demand for many types of construction.

**Percent Change in Construction Employment
(May 2007 – May 2008)**



2006 Average Annual Pay in Construction

