



The Key Role of Construction in California's Economy

The industry **employed 815,000 workers** in May 2008, 5% of the state's nonfarm employment of 15,143,000 and a decrease of 9.8% from one year before. Nationally, construction accounted for 5% of nonfarm employment but fell 5.1% over the year as homebuilding shrank.

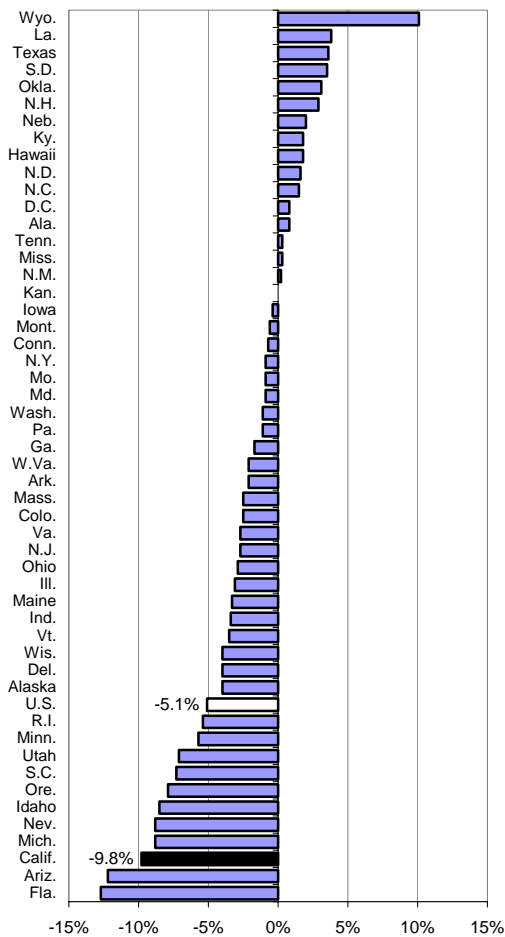
Construction **contributed \$70 billion to state GDP** of \$1.8 trillion in 2007.

Annual pay in 2006 in construction averaged \$48,321, 1% more than than the private sector average of \$47,809. Nationally, construction pay averaged \$44,496, 5% more than the national private sector average of \$42,414.

Small business is big in construction. California had 74,000 construction firms in 2005, of which 89% employed fewer than 20 workers. In addition, California had 207,000 construction firms without employees, mainly sole proprietorships, in 2005.

California's **population** grew 0.8% from July 2006 to July 2007, 25th 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

