

The Economic Impact of Construction in the United States and California

Economic Impact of Construction:

- U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—totaled \$23.0 trillion in 2021; construction contributed \$959 billion (4.2%).
- In California, construction contributed \$129 billion (3.7%) of the state’s GDP of \$3.36 trillion.
- There were 872,000 construction establishments in the U.S. in 2021, including 88,000 in California. (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 \$823 billion in 2021 (\$486 billion private, \$338 billion public).
- Residential construction spending in the U.S. totaled \$803 billion (\$423 billion single-family, \$101 billion multifamily, \$269 billion improvements, \$9 billion public).
- Private nonresidential spending in California totaled \$23 billion in 2021. State and local spending totaled \$44 billion. (Totals are not available for residential, railroad, power, communication, or federal construction spending).

Construction Employment (Seasonally Adjusted):

- Construction (residential + nonresidential) employed 7.7 million workers in August 2022, an increase of 311,000 (4.2%) from August 2021, and an increase of 1.1% from February 2020, the peak pre-pandemic month.
- Construction employment in California in August 2022 totaled 918,700, an increase of 40,600 (4.6%) from August 2021, and an increase of 8,500 (0.9%) from February 2020.
- Contractors are having trouble filling positions, impeding the industry’s recovery. In the August 2022 AGC-Autodesk Workforce Survey, 93% of firms in the U.S. and 85% in California had unfilled hourly craft positions.

Construction Industry Pay:

- Construction jobs pay well. In California, 3 of the 5 most numerous construction occupations had median annual pay exceeding \$40,000 in 2021. (Half of workers earn more than the median; half earn less.)

