



The Economic Impact of Construction in Alabama

The Economic Impact of Stimulus Investment in Alabama:

- An additional \$1 billion in nonresidential construction spending would add about \$2.4 billion to the state's Gross Domestic Product (GDP), about \$750 million to personal earnings and create or sustain 25,000 jobs.
 - 8,500 jobs would be *direct* construction jobs located within Alabama.
 - 4,000 jobs would be *indirect* jobs from supplying construction materials and services. The majority of these jobs would be located within the state but there would be some out of state jobs supported.
 - 12,500 jobs would be *induced* when workers and owners in construction and supplier businesses spend their incomes locally and nationwide.

Construction Employment:

- In 2007, a total of 213,000 jobs were supported by the direct and indirect outlays associated with the state's nonresidential construction spending.
- The construction industry (residential plus nonresidential) employed 92,000 workers in April 2009, a decrease of 21,700 (19%) from September 2007 when construction employment in Alabama peaked.

Nonresidential Construction Spending:

- Nonresidential construction spending in Alabama totaled an estimated \$8.5 billion in 2007.
- This direct construction spending in the state contributed a total of \$21 billion (12%) to state GDP of \$165 billion.
- Direct construction spending in the state added \$6.4 billion in additional personal earnings to the benefit of Alabama residents working in the state.

Construction Industry Pay:

- In 2007 annual pay of all construction workers in Alabama averaged \$39,300, 7.2% more than the average for all private sector employees.

Small Business:

- Alabama had 10,000 construction firms in 2006, of which 88% were small businesses employing fewer than 20 workers.