



The Economic Impact of Construction in the United States and Kentucky

Economic Impact of Investment in Nonresidential Construction:

- An additional \$1 billion invested in nonresidential construction would add \$3.4 billion to Gross Domestic Product (GDP), \$1.1 billion to personal earnings and create or sustain 28,500 jobs.
 - About one-third (9,700) of these jobs would be on-site construction jobs.
 - About one-sixth (4,600) of the jobs would be indirect jobs from supplying construction materials and services. Most jobs would be in-state, depending on the project and the mix of in-state suppliers.
 - About half (14,300) of the jobs would be induced jobs created when the construction and supplier workers and owners spend their additional incomes. These jobs would be a mix of in-state and out-of-state jobs. Conversely, investments elsewhere would support some indirect and induced jobs in the state.

Nonresidential Construction Spending:

- Nonresidential spending in the U.S. in 2010 totaled \$555 billion (\$293 billion public, \$262 billion private).
- Private nonresidential spending in Kentucky totaled \$1.9 billion in 2010. (Public spending is not available by state.)
- Nonresidential starts in Kentucky totaled \$2.9 billion in 2010, according to Reed Construction Data.

Construction Employment (Seasonally Adjusted):

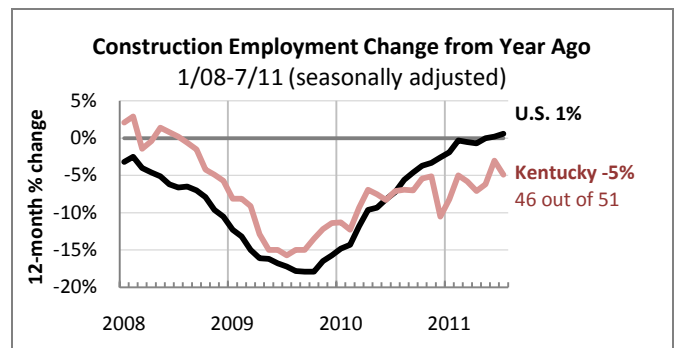
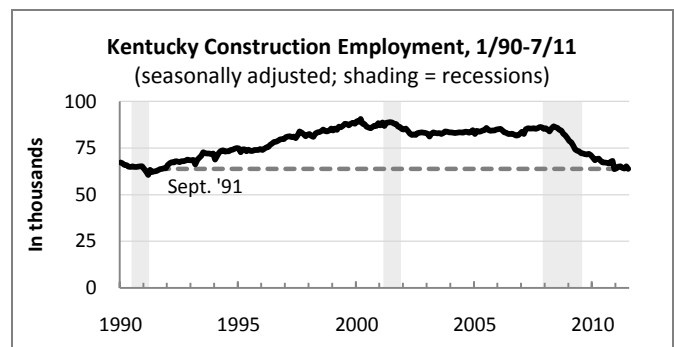
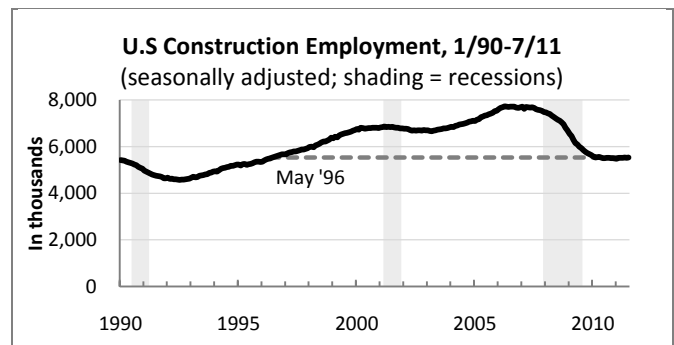
- Construction (residential + nonresidential) employed 5.5 million workers in July 2011, an increase of 32,000 (1%) from July 2010 and a decrease of 2.2 million (28%) from April 2006 when U.S. construction employment peaked.
- Construction employment in Kentucky in July totaled 63,900, a decrease of 5% from July 2010 and a decrease of 30% from the state's peak in March 2000.

Construction Industry Pay:

- In 2010, annual pay of all construction workers in the United States averaged \$49,588, 7% more than the average for all private sector employees.
- Construction workers' pay in Kentucky averaged \$43,629, 14% more than all private sector employees in the state.

Small Business:

- The United States had 713,000 construction firms in 2009, of which 92% employed fewer than 20 workers.
- Kentucky had 8,200 construction firms in 2009, of which 91% were small (<20 employees).



Empl. Change by Metro (not seasonally adjusted)		Rank
Metro area or division	7/10-7/11	(out of 337)
Statewide* (Const/mining/logging)	-2%	
Bowling Green*	4%	72
Elizabethtown*	-6%	281
Lexington-Fayette*	-5%	256
Louisville-Jefferson County, KY-IN*	1%	129
Owensboro*	-4%	239
Clarksville, TN-KY*	0%	137
Cincinnati-Middletown, OH-KY-IN*	8%	32
Evansville, IN-KY*	8%	32

*The Bureau of Labor Statistics reports employment for construction, mining and logging combined for most metro areas and some states in which mining and logging have few employers. To allow comparisons between states and their metros, the table shows combined employment change.