



The Economic Impact of Construction in the United States and Montana

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 Montana totaled \$310 million in 2010. (Public spending is not available by state.)
- Nonresidential starts in Montana totaled \$1.1 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 Montana in July totaled 23,000, an increase of 2% from July 2010 and a decrease of 30% from the state's peak in June 2007.

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 Montana averaged \$40,797, 23% 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.
- Montana had 5,400 construction firms in 2009, of which 97% were small (<20 employees).

