



The Economic Impact of Construction in South Dakota

The Economic Impact of Stimulus Investment in South Dakota:

- An additional \$1 billion in nonresidential construction spending would add about \$2.0 billion to the state's Gross Domestic Product (GDP), about \$640 million to personal earnings and create or sustain 23,000 jobs.
 - 7,800 jobs would be *direct* construction jobs located within South Dakota.
 - 3,700 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.
 - 11,500 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 41,000 jobs were supported by the direct and indirect outlays associated with the state's nonresidential construction spending.
- The construction industry (residential plus nonresidential) employed 22,000 workers in April 2009, a decrease of 1,700 (7.2%) from October 2008 when construction employment in South Dakota peaked.

Nonresidential Construction Spending:

- Nonresidential construction spending in South Dakota totaled an estimated \$1.8 billion in 2007.
- This direct construction spending in the state contributed a total of \$3.6 billion (11%) to state GDP of \$34 billion.
- Direct construction spending in the state added \$1.2 billion in additional personal earnings to the benefit of South Dakota residents working in the state.

Construction Industry Pay:

- In 2007 annual pay of all construction workers in South Dakota averaged \$35,900, 15% more than the average for all private sector employees.

Small Business:

- South Dakota had 3,000 construction firms in 2006, of which 94% were small businesses employing fewer than 20 workers.