The Economic Impact of Construction in the United States and Iowa

**Economic Impact of Construction:**
- U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—totaled $21.4 trillion in 2019; construction contributed $887 billion (4.1%).
- In Iowa, construction contributed $7.9 billion (4.1%) of the state’s GDP of $194.8 billion.
- There were 706,000 construction firms in the U.S. in 2017, including 8,625 in Iowa.

**Construction Spending:**
- Nonresidential spending in the U.S. totaled $814 billion in 2019 ($486 billion private, $328 billion public).
- Residential construction spending in the U.S. totaled $551 billion ($280 billion single-family, $80 billion multifamily, $184 billion improvements, $6 billion public).
- Private nonresidential spending in Iowa totaled $3.8 billion in 2019. State and local spending totaled $4.7 billion. (Totals are not available for residential or federal construction spending).

**Construction Employment (Seasonally Adjusted):**
- Construction (residential + nonresidential) employed 7.2 million workers in July 2020, a decrease of 306,000 (-4.1%) from July 2019, and 6.6% less than in April 2006, when U.S. construction employment peaked.
- Construction employment in Iowa in July 2020 totaled 69,100, a decrease of 12.0% from July 2019, and 17% less than the state’s peak in March 2016.
- Contractors are hiring. In the 2020 AGC-Autodesk Workforce Survey, 60% of firms in the U.S. and 79% of firms in Iowa had unfilled hourly craft positions on June 30, 2020.

**Construction Industry Pay:**
- Construction jobs pay well. In Iowa, 5 out of the 5 most numerous construction occupations had higher median pay than the median for all employees in the state in 2019. (Half of workers earn more than the median; half earn less.)

![Median Pay for Selected Construction Occupations, 2019](chart1)

- **All Occupations**: $38,280
- **First-Line Supervisors**: $62,270
- **Plumbers**: $57,350
- **Electricians**: $55,930
- **Carpenters**: $43,980
- **Laborers**: $38,430

![Iowa Construction Employment, 1/2000–7/2020](chart2)

- **2020**: 69,100
- **2019**: Decrease of 12.0% from July 2019
- **2006**: U.S. peak

![Construction Employment Change from Year Ago](chart3)

- **1/11–7/20 (seasonally adjusted)**
- **U.S.**: -4.1%
- **Iowa**: -12%

Source: Ken Simonson, Chief Economist, AGC of America, [ken.simonson@agc.org](mailto:ken.simonson@agc.org), from Bureau of Economic Analysis (GDP); Census Bureau (spending); Bureau of Labor Statistics (national and state employment, median wages); AGC (workforce survey). September 23, 2020