The Economic Impact of Construction in the United States and Alaska

Economic Impact of Construction:
- U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—totaled $26.5 trillion at a seasonally adjusted annual rate in the 1st quarter of 2023; construction contributed $1.1 trillion (4.0%).
- In Alaska, construction contributed $2.8 million (4.4%) of the state’s GDP of $64 billion.
- There were 919,000 construction establishments in the U.S. in the 1st quarter of 2023, including 2,600 in Alaska. (An establishment is a fixed business location; about 99% of construction firms have only one establishment.)

Construction Spending:
- Nonresidential spending in the U.S. totaled $921 billion in 2022 ($554 billion private, $367 billion public).
- Residential construction spending in the U.S. totaled $927 billion ($453 billion single-family, $110 billion multifamily, $355 billion improvements, $10 billion public).
- Private nonresidential spending in Alaska totaled $544 million in 2022. State and local spending totaled $1.4 billion. (Totals are not available for residential, railroad, power, communication, or federal construction.)

Construction Employment (Seasonally Adjusted):
- Construction (residential + nonresidential) employed 7.9 million workers in July 2023, an increase of 198,000 (2.5%) from July 2022 and an increase of 4.8 from February 2020, the peak pre-pandemic month.
- Construction employment in Alaska in July 2023 totaled 16,600, an increase of 500 (3.1%) from July 2022 and a decrease of 200 or 1.2% from February 2020.
- Contractors are having trouble filling positions, impeding the industry’s recovery. In the September 2023 AGC-Autodesk Workforce Survey, 85% of firms had a hard time filling hourly craft positions.

Construction Industry Pay:
- Construction jobs pay well. In Alaska, 4 out of the 5 most numerous construction occupations had median annual pay exceeding the median for all employees in 2022. (Half of workers earn more than the median; half earn less.)

### Median Annual Pay for Selected Construction Occupations in Alaska, 2022

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Median Pay (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Occupations</td>
<td>$52,000</td>
</tr>
<tr>
<td>First-Line Supervisors</td>
<td>$91,740</td>
</tr>
<tr>
<td>Plumbers/Pipefitters</td>
<td>$84,130</td>
</tr>
<tr>
<td>Electricians</td>
<td>$80,500</td>
</tr>
<tr>
<td>Carpenters</td>
<td>$65,320</td>
</tr>
<tr>
<td>Laborers</td>
<td>$49,950</td>
</tr>
</tbody>
</table>

Source: Macrina Wilkins, Senior Research Analyst, AGC of America, macrina.wilkins@agc.org, from Bureau of Economic Analysis (GDP); Census Bureau (spending); Bureau of Labor Statistics (national and state employment, median wages); AGC (outlook survey). September 18, 2023