

The Economic Impact of Construction in the United States and California

Economic Impact of Construction:

- U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—totaled \$30 trillion at a seasonally adjusted annual rate in the 1st quarter of 2025; construction contributed \$1.3 trillion (4.5%).
- In California, construction contributed \$160 billion (3.8%) of the state's GDP of \$4.2 trillion.
- There were 941,000 construction establishments in the U.S. in 2024, including 93,600 in California. (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 \$1.25 trillion in 2024 (\$766 billion private, \$488 billion public).
- Residential construction spending in the U.S. totaled \$941 billion (\$433 billion single-family, \$125 billion multifamily, \$371 billion improvements, \$11 billion public).
- Private nonresidential spending in California totaled \$31 billion in 2024. State and local spending totaled \$55 billion. (Totals are not available for residential, railroad, power, communication, or federal construction.)

Construction Employment (Seasonally Adjusted):

- Construction (residential + nonresidential) employed 8.3 million workers in July 2025, an increase of 96,000 (1.2%) from July 2024 and an increase of 9.2% from February 2020, the peak pre-pandemic month.
- Construction employment in California in July 2025 totaled 895,800, a decrease of 18,200 (-2.0%) from July 2024 and a decrease of 14,400 or -2% from February 2020.

Construction Industry Pay:

- Construction jobs pay well. In California, 5 out of the 5 most numerous construction occupations had median annual pay exceeding the median for all employees in 2024. (Half of workers earn more than the median; half earn less.)

