

The Economic Impact of Construction in the United States and Michigan

Economic Impact of Construction:

- U.S. gross domestic product (GDP)—the value of all goods and services produced in the country—totaled \$25.7 trillion at a seasonally adjusted annual rate in the 3rd quarter of 2022; construction contributed \$1.0 trillion (3.9%).
- In Michigan, construction contributed \$21 billion (3.4%) of the state’s GDP of \$627 billion.
- There were 909,000 construction establishments in the U.S. in the 3rd quarter of 2022, including 23,700 in Michigan. (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 \$888 billion in 2022 (\$534 billion private, \$355 billion public).
- Residential construction spending in the U.S. totaled \$910 billion (\$442 billion single-family, \$105 billion multifamily, \$354 billion improvements, \$9 billion public).
- Private nonresidential spending in Michigan totaled \$6.5 billion in 2021. State and local spending totaled \$8.2 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 February 2023, an increase of 249,000 (3.2%) from February 2022 and an increase of 4.1% from February 2020, the peak pre-pandemic month.
- Construction employment in Michigan in February 2023 totaled 189,400, an increase of 7,500 (4%) from February 2022 and an increase of 11,800 or 7% from February 2020.
- Contractors are having trouble filling positions, impeding the industry’s recovery. In the January 2023 AGC-Sage Business Hiring and Outlook Survey, 80% of firms had a hard time filling salaried and hourly craft positions.

Construction Industry Pay:

- Construction jobs pay well. In Michigan, 4 out of the 5 most numerous construction occupations had median annual pay exceeding the median for all employees in 2021. (Half of workers earn more than the median; half earn less.)

