

# ECONOMIC PERSPECTIVES



Improve The State Of Your Business™

## Construction Industry: More Than Hammer & Nails

The construction industry has always played a significant role in our nation's economy. Construction activities affect nearly every aspect of the economy and most industry sectors. Employing over 7 million workers nationwide, construction offers both good paying jobs and great career paths.



**Rob Hooper**  
President & CEO

Construction plays a key role in achieving U.S. goals for shelter, infrastructure and employment. Bridges, roads, office buildings, houses, hospitals, and schools all have one thing in common; they need segments of the construction industry to go from concept to physical existence. Infrastructure projects, industrial parks, residential developments, college campuses, and medical centers would not be possible without the construction industry.

The industry is so much more than hammers, nails, screwdrivers, saws, lumber, bricks, concrete, and bulldozers. Construction also encompasses a variety of professionals wielding the tools of the trade – carpenters, brick-layers, welders, drywall mechanics, plumbers, electricians, equipment operators, general contractors, project managers, architects, civil engineers, and support staff, just to name a few.

According to recent data from the Associated Builders and Contractors, construction's impact on our nation's economy is the highest it has been in seven years. In 2016, construction investment (combined residential and nonresidential) was 6.2 percent of gross domestic product (GDP).

While this represents the direct impact of construction investment, it does not include economic activity related to, but not included in, construction projects. Like the manufacturing industry, there is a multiplier effect. Consider the equipment purchases for a new factory, furniture for a new office or home, or appliances for apartments. Also, construction workers contribute to other parts of the economy when they spend their income. These additional purchases are estimated to add an additional 2 to 3 percent to the economic impact of construction activity.

Increases in construction investment add to the income and potential growth of a state, while a decline will typically hinder a state's economic performance. Historically, every state benefits overall from construction activity, even as it varies from year to year, as well as over time.

As our economy grows, so does the need for infrastructure, housing, commercial space, and schools. This economic growth also increases employment opportunities in most industry sectors. "Construction is proving to be a reliable source of employment growth in nearly every

state, and contractors are eager to hire even more workers," said Associated General Contractors (AGC) chief economist Ken Simonson.

Nevada is among the U.S. states with the highest growth percentage of construction jobs. According to the AGC, the Silver State is fourth in percentage increase from June 2017 to June 2018, trailing only Arizona, Georgia and Michigan.

For June 2018, the Nevada Department of Employment, Training and Rehabilitation reported that non-seasonally adjusted construction jobs totaled 91,400, including 67,800 in the specialty trade contracting field and 15,700 on construction of buildings. Construction employment increases year-to-year in the Silver State are second only to those of our Manufacturing sector.

Nevada's booming economy is a major contributing factor to the growth of the construction industry statewide and here in our Sierra Region. Our low unemployment and rapid job growth have created the immediate need for middle-income, obtainable housing. With a vacancy rate around 3 percent, there is a steady demand for industrial space by both existing companies in the region looking to expand and out-of-state companies looking for business-friendly environments like the Silver State. Federal grants are funding much needed infrastructure projects, and more are expected. The newly designated Opportunity Zones will also attract a variety of construction activity.

Nevada Builders Alliance (NevadaBuilders.org) is a critical NNDANorthern Nevada Development Authority Partner helping us to grow and strengthen the Sierra Region economic ecosystem. We both work closely with the state's Governor's Office of Economic Development in "building" the New Nevada economy. Construction is one of the six in-demand industry sectors for the Silver State. and will need 137,000 jobs by 2023. Of those jobs, 70 percent will require skilled talent with Associates degrees or college certifications. The annual average wage in Nevada for specialty trade contractors is \$101,319. For construction of buildings, it is \$60,527.

To meet all of these demands, Nevada's construction industry needs skilled talent. Western Nevada College (WNC) offers a Bachelor of Applied Science degree in Construction Management and an Associate degree in Construction Technology (wnc.edu/cte). Scholarships for eligible students are available through the WNC Foundation (wnc.edu/foundation/). More information about construction industry career options, pathways, and salaries is available at BuildNV.org

Nevada's construction industry will need at least 46,000 new jobs between now and 2023. Now is the perfect time to consider a career in the Silver State's second fastest growing industry!

### Western Nevada College

#### CONSTRUCTION MANAGEMENT & CONSTRUCTION TECHNOLOGY



The Career & Technical Education division at Western Nevada College (Carson City) offers degrees for anyone interested in construction industry careers!

[www.wnc.edu/cte/](http://www.wnc.edu/cte/)

##### Bachelor of Applied Science degree in Construction Management

- Offers a path to a career as a construction manager or supervisor
- Combines construction methods, planning and project management with business and supervisory skills

##### Associate degree in Construction Technology

- Provides instruction in areas which meet industry needs
- Prepares students for careers within various construction industry roles

Scholarships available: [www.wnc.edu/foundation/](http://www.wnc.edu/foundation/)

### NNDANorthern Nevada Development Authority: The Business Edge™ Information, Issues, and Trends for Northern Nevada Businesses

Protect the Environment and Grow Your Bottom Line!



#### Finding the Green in Environmental Sustainability

**Christopher Lynch,**  
Director of the Nevada Business Environmental Program

Wednesday, October 24, 2018  
6:45 am – 8:30am  
Carson Nugget Casino, Carson City  
Register Now at [NNDA.org](http://NNDA.org)