2018 Idaho Construction Outlook

January 5, 2018

Agenda

Idaho Joint Legislative Economic Outlook and Revenue Assessment Committee

- Economic Impact of Construction in Idaho
- Employment
- Forecasted Growth
- Challenges

Construction in Idaho

Construction continues to have a large impact on Idaho's economy.

Construction contributed $717 billion (4%) to the national U.S. gross domestic product (GDP).

In Idaho, construction accounts for over $3 billion annual, or 5.1% of the state's GDP of $65 billion

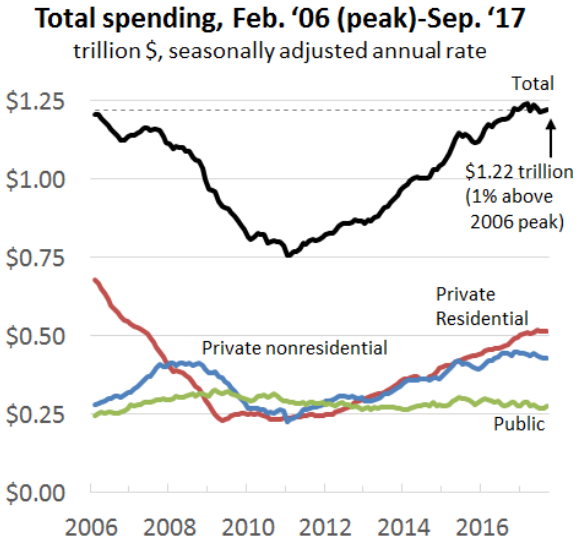
95% of Idaho's more than 6,000 construction firms are small businesses.

Pay for all Idahoans employed in construction averages $40,000, 3% more than all private sector employees in the state.

Source: Ken Simonson, Chief Economist, AGC of America

Continued Growth

Construction spending now beyond pre-recession levels



Sep. 2016-Sep. 2017: total 2.0%
private res. 10%, private nonres. -4%, public -2%

Source: Ken Simonson, Chief Economist, AGC of America

Forecast for more of the same

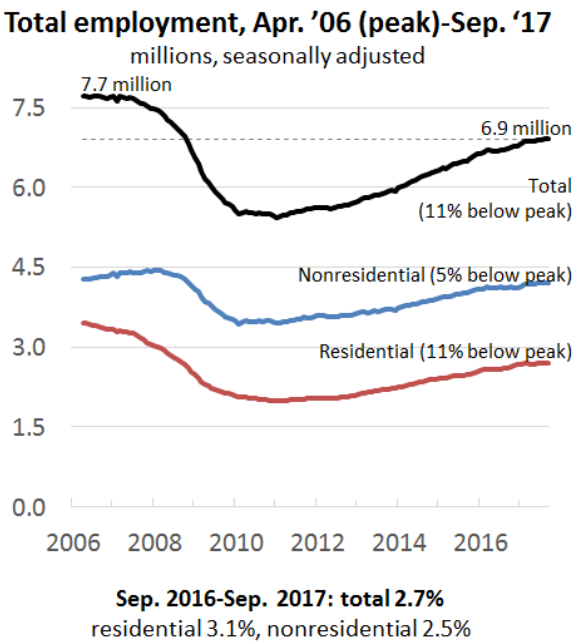
Growth anticipated in most sectors

Sector	2016	2017	2018
Commercial			
Highway & Street	-4	-1	+1
Educational Facilities	+1	+2	+2
Commercial	+15	+12	+10
Manufacturing	-13	-10	flat
Office Space	+7	+6	+5
Health Care	+2	+4	+2
Lodging	+7	+7	flat
Residential			
Multi-Family	+8	+5	+0
Single Family	+5	+9	+6
Home Improvements	+10	+15	+20

Source: Ken Simonson, Chief Economist, AGC of America

Employment

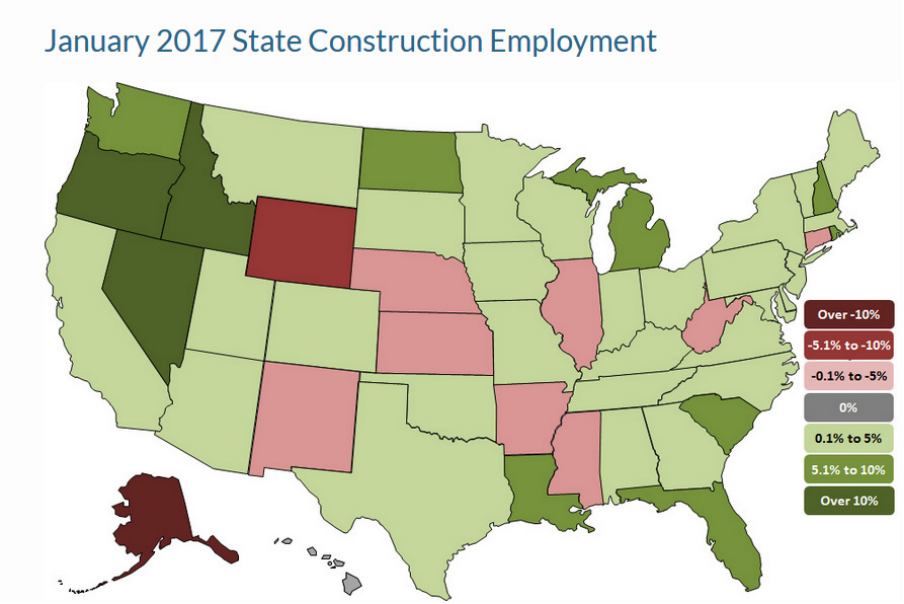
Despite increases in spending, employment remains below peak levels



Source: Ken Simonson, Chief Economist, AGC of America

Idaho Employment

Idaho's employment similar to national average

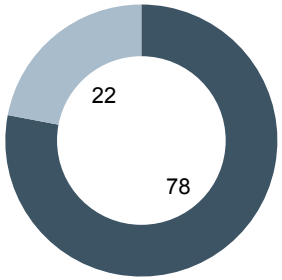


Source: Ken Simonson, Chief Economist, AGC of America

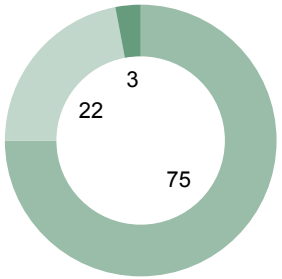
Contractors Rising to Challenge

Contractors nationwide struggle to find skilled workers and are taking steps to address the issue

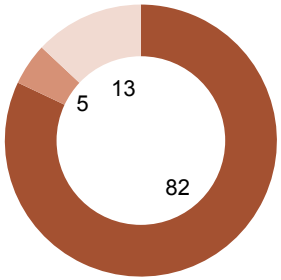
Results from national survey conducted in fall of 2017 by AGC of America & Sage Construction and Real Estate



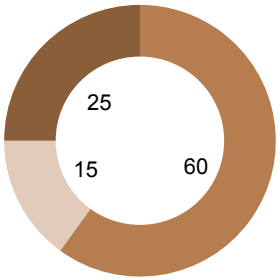
Difficulty Hiring Craft Positions



Forecasted Hiring in 2018



Getting Harder to Find Employees



Increase in Pay in 2018

An Idaho Solution

More construction jobs are left unfilled each month than there are new hires

Problem

1. Too many Idahoans are trapped in low-wage, part-time jobs.
2. Idaho's ability to grow is limited by its ability to attract talent interested in pursuing a career in the construction trades

Solution

Use state workforce development funds & existing training centers to provide pre-employment opportunities to expose those who might be interested in a construction career to the opportunities that await them.

Result

More Idahoans are helped to find a career, not just a job.

Idaho AGC

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Thank You!

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