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The Economic Footprint of the Construction Equipment Industry on the U.S. Economy

The U.S. construction machinery manufacturing industry has been central to economic progress for well over a century. Powerful bulldozers, innovative pavers, and towering cranes helped build the power plants, highways, bridges, and structures that underlie our modern economy. Today, technological enhancements in new construction equipment enable increasingly complex construction operations at greater efficiency and lower cost making the construction equipment industry essential to the process of revitalizing the U.S. infrastructure and boosting the real purchasing power of every dollar invested.

TOP 10 TAKEAWAYS

1. U.S. domestic sales of construction machinery and equipment doubled from about \$25 billion in 1998 to over \$52 billion in 2013. From 1998 through 2012, U.S. exports of construction equipment have grown relatively quickly, more than tripling from \$5.5 billion to \$19.5 billion.
2. The U.S. construction equipment industry recovered quickly from the “Great Recession.” Paced especially by domestic demand and also by exports, from 2009 to 2013, the value of construction machinery shipments expanded 20 percent a year on average. While the construction equipment manufacturing industry’s share of the total economy is only 0.1 percent, it actually contributed about 0.4 percent of total GDP growth from 2009. Buoyant growth in domestic demand continued in 2013, and should continue into 2014.

**Download the complete Economic Footprint of the
Construction Equipment Industry white paper at www.aem.org.**



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3. Construction equipment manufacturing had a \$57.1 billion economic footprint in 2012, contributing as much to the nation's GDP as the state of Idaho.
4. Of the 238 manufacturing industries identified by the Bureau of Economic Analysis (BEA), construction machinery is ranked 19th in terms of revenue.
5. Construction equipment manufacturing supports almost 370,000 jobs in its industry cluster, representing a footprint about the same size as the population of New Orleans. Workers in the construction equipment cluster earned an average of \$69,426 per worker, which is 13 percent larger than the economy-wide average wage of \$61,685.
6. One of the most important roles of construction machinery is its impact on the productivity of construction itself. Research by The Construction Industries Institute (CII) examining productivity trends from 1976 to 2004 indicated widespread improvement across construction activities from 0.2 percent to 2.8 percent per year.
7. Infrastructure investment is now about half (1.5 percent of GDP) of what it was at its peak of 3 percent in the late 1960s.
8. Infrastructure deficiencies will cost each household an average of about \$4,500 per year by 2020; by 2040, the costs will reach almost \$7,800 per year.
9. Deficient surface transportation infrastructure is projected to reduce cumulative GDP by \$900 billion over the next decade.
10. According to Inforum's work, given current economic conditions and including the multiplier impacts, a \$1 billion increase in infrastructure spending will increase GDP by almost \$2 billion and create about 15,000 jobs in the short run. According to Stephen Fuller this will create roughly \$64 million of additional revenue in the CE industry.

For the complete, in-depth analysis of the Economic Footprint of the Construction Equipment Industry, please see AEM's white paper, now available at www.aem.org.