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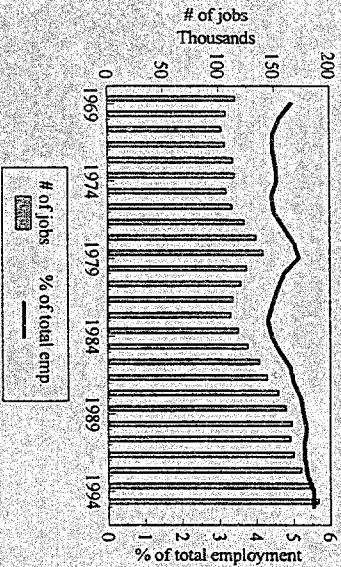
A Monthly Overview of Economic Trends

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## Changes in Construction Industry

Employment in Indiana's construction industry grew from 115,000 in 1969 to nearly 189,000 jobs in 1995. Since 1983, this sector has grown faster than total employment in the state and by 1995 accounted for 5.5 percent of all jobs in the state (see figure 1).

Fig 1. Construction Employment in Indiana



While this growth is impressive, it only matches the expansion of construction employment nationally. Indiana's share of all construction jobs in the nation actually fell slightly from 2.6 percent in 1969 to 2.5 percent in 1995.

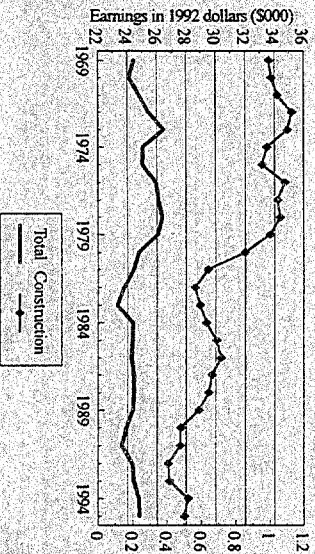
Construction jobs pay well. In 1995, construction jobs in Indiana paid 12 percent more than the average of all jobs in the state. But this premium is down from its peak of 40 percent in 1970. While annual real earnings per job in Indiana has remained just under \$25,000 for more than a decade, construction jobs for Hoosiers have shown a downward trend in real earnings (see figure 2).

The greatest premiums for construction employment are shown in figure 3. Nineteen counties show construction

earnings at least 20 percent above the average earnings for all jobs. But in 43 counties, this premium disappears as construction earnings per job fall below the average level of earnings for all types of employment in those counties. (Data are not available for construction earnings in Adams and Martin counties.)

Thus, while construction jobs are a rising share of total employment, the total earnings of construction workers and the proprietors of construction companies is a

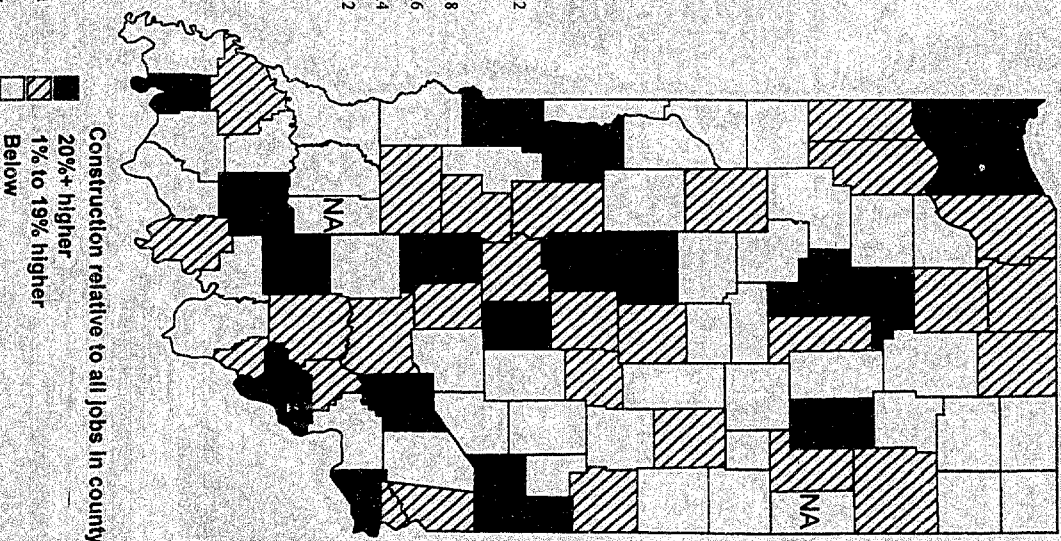
Fig 2. Annual Real Earnings Per Job



decreasing share of Indiana's total earnings. There construction accounted for 6.8 percent of all earnings in 1969, it fell to just 6.2 percent in 1995.

This decline in real and relative wages for construction workers may explain why so many builders and householders find it difficult to find an adequate supply of these workers.

Fig3. Earnings Per Job in Construction by County, 1994



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