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Cincinnati commercial construction created \$9 billion in economic impact in 2022




Image: Allied Construction Industries

Jordan Vogel is the executive director of Allied Construction Industries.

ALLIED CONSTRUCTION INDUSTRIES



By **Abby Miller** – Reporter, Cincinnati Business Courier
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Commercial construction generated more than \$9 billion in economic activity in the Cincinnati region last year, according to a first-of-its-kind report looking to quantify the impact of construction in the region.

Allied Construction Industries released in November the first-ever commercial construction economic impact analysis of the Cincinnati metropolitan statistical area, conducted by the University of Cincinnati's Economics Center. The report helps quantify what those in Greater Cincinnati have known for years, ACI Executive Director Jordan Vogel said: Construction is a strong sector of the local economy.

The report also serves as a reference point for comparing Cincinnati to other metropolitan areas in the region, Vogel said. ACI hopes the report can be used by politicians and other decision makers as a source of key information about the industry as Cincinnati continues to grow.

"I feel very strongly about the renaissance that we all know has been underway here in the region," Vogel told the *Business Courier*. "The commercial construction industry, in particular, was part of that renaissance.

"Now, not only do we have the belief, but we've got the proof to back it up. That was very important. It's a way of providing our elected officials something they need when they make decisions. It's providing them with the facts, to say that this sector contributes mightily to the renaissance and vibrancy and health of the region."



Key stats from ACI's economic impact analysis are shown in a table.

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Both locally and compared to other metropolitan areas in the region, the report shows several points that illustrate Cincinnati's strength in commercial construction. Vogel pointed to more than \$3.7 billion in job earnings locally as one of the key figures of the report. That's more than the Cleveland, Columbus, Lexington and Louisville MSAs.

It also contributed to \$231.2 million in earnings and sales tax revenue in 2022.

"That's changing lives," Vogel said. "That's the kind of stuff that fills our cups."

Additionally, the report found Cincinnati's commercial construction industry made total purchases of \$2.7 billion in 2022, including materials, equipment, services and more. The majority of that was spent locally in Cincinnati, with the bulk of the spending falling under manufacturing.

That figure shows what a mutualistic relationship the construction and [manufacturing](#) industries have locally, Vogel said. Manufacturing is also one of Cincinnati's strongest sectors, and the two help fuel each other.

"You can imagine it wouldn't be as strong a sector without the local commercial construction sector feeding it," he said.

Another highlight in the report is the MSA comparisons, Vogel said. Not only did Cincinnati best competitors like Columbus, Cleveland, Lexington and Louisville in earnings, it topped those cities in the number of construction jobs and sales. Columbus was the only exception, besting Cincinnati in sales.

In areas where Cincinnati didn't beat its competitors, he predicts the region will land on top soon. Projects such as the [Brent Spence Bridge](#) and [Duke Energy Convention Center renovation](#) are slated to bring a slew of new jobs and rippling economic impact to the region. And the report helps quantify [Vogel's belief that the workforce is there](#) to build those projects - and more.

The report also sheds light on data points the industry could improve on, Vogel said.

The report found more than 85% of construction jobs are held by those ages 25 or older. With [concerns about an aging labor pool](#), Vogel said it's an important metric to keep in mind. It's also one ACI and the UC Economics Center plan to track differently next time, considering when individuals enter the construction industry, not just how old they currently are.

The report also found nearly 90% of those in the construction industry are men, and 88% of those in the industry are white. Those statistics show there's opportunity to draw even more individuals to the construction industry, Vogel said.

Part of ACI's work is helping its members understand how it can be more attractive employers to those not traditionally in the construction industry, and the report helps

ACI see where the industry needs to improve.

“It tells you that you're leaving talent on the table,” Vogel said. “It tells you that if you're struggling in terms of the number of workforce you need, you're clearly going to want to fish in other pools that you may not currently be terribly good at fishing.”

ACI plans to commission a similar report again in the future, Vogel said. The trade association is still evaluating the frequency and timing for when later reports would be released.