

The Jobs Impact of an Existing Home Purchase:

The National Association of Realtors® estimates that one job is generated or supported for every two home sales. Using that ratio, 1,000 home sales generate 500 jobs.

Impact of Single Existing Home Purchase

Median Price \$197,100

Real Estate Industries	Furniture	Multiplier	New Housing	Total
\$17,739	\$5,829	\$11,313	\$33,225	\$68,106

The ratio is derived from the economic impact of an existing home sale. Each home sale contributes about sixty thousand dollars to the economy or Gross Domestic Product (GDP). The component measures of this figure are shown in the table below (full methodology page available).

GDP can be measured in three ways, one of which is the sum of all income¹. Using the income concept and comparing GDP² to the number of payroll workers in the US³, we find that the average income per employee was \$123,000 in 2013. This is an overestimation of salary income since income can be earned from profits, rents, and other sources, however this gives us a ceiling to earnings per worker. Survey data show that full time, year-round US workers aged 15 years and older had a median earnings of \$45,100 and average earnings of \$59,000⁴ in 2013.

Putting these figures together reveals that every two home sales generate or support one job.

Income from two home sales:	\$136,212	Income from two home sales:	\$136,212
Income per worker		Income per worker	
(GDP/worker):	\$123,400	(Average Earnings):	\$59,000
Workers per two home sales:	1.1	Workers per two home sales:	2.3

Impact => 2 home sales = 1 job

Impact => 2 home sales = 2 jobs

¹ GDP can also be measured using what is called the expenditure approach or the value added approach. See http://www.bea.gov/national/pdf/nipa_primer.pdf for details.

² GDP ranged between \$16.5 and \$17.1 trillion in 2013 per the Bureau of Economic Analysis.

³ Payroll employment in 2013 ranged between 135 and 137 million per the Bureau of Labor Statistics (BLS)

⁴ BLS/Census Current Population Survey's Annual Social and Economic Supplement 2012 Earnings Data for Full-time, year-round US workers, inflation adjusted to 2013 dollars