



January 2024

The Economic Benefits of Alaska's Construction Industry

The construction industry is a critical component of Alaska's economy. It is integral to all industrial, commercial, residential, and infrastructure development in Alaska. Its economic reach spans the entire state, from the smallest village to the largest city.

2022 BY THE NUMBERS

23,600

NUMBER OF ALASKA CONSTRUCTION WORKERS, INCLUDING WAGE AND SALARY AND SELF-EMPLOYED WORKERS

1 in 20

SHARE OF JOBS IN ALASKA'S ECONOMY THAT WERE IN THE CONSTRUCTION SECTOR

\$2.3 BILLION

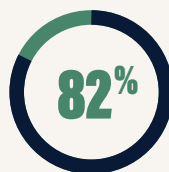
TOTAL LABOR INCOME OF CONSTRUCTION WORKERS, INCLUDING SELF-EMPLOYED WORKERS

\$85,000

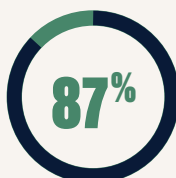
AVERAGE ANNUAL CONSTRUCTION WORKER WAGE

↑ 31%

PERCENTAGE OF CONSTRUCTION WORKER WAGE ABOVE THE AVERAGE WAGE FOR ALL ALASKA WORKERS



PERCENTAGE OF CONSTRUCTION JOBS HELD BY ALASKA RESIDENTS



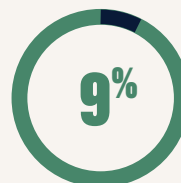
PERCENTAGE OF CONSTRUCTION WAGES PAID TO ALASKA RESIDENTS

2,600

NUMBER OF CONSTRUCTION INDUSTRY EMPLOYERS IN ALASKA

39,200

TOTAL NUMBER OF STATEWIDE CONSTRUCTION-RELATED JOBS, INCLUDING MULTIPLIER EFFECTS



PERCENTAGE OF ALL ALASKA JOBS SUPPORTED BY CONSTRUCTION-RELATED ACTIVITY

\$3.3 BILLION

TOTAL STATEWIDE LABOR INCOME IMPACT, INCLUDING MULTIPLIER EFFECTS



PERCENTAGE OF ALL ALASKA INCOME RELATED TO CONSTRUCTION-RELATED ACTIVITY

↑ 9.8%

PREDICTED GROWTH IN CONSTRUCTION TRADES BETWEEN 2020 AND 2030

\$6.4 BILLION

ESTIMATED 2024 CONSTRUCTION SPENDING, UP FROM 2023 SPENDING FORECAST

Alaska's Construction Industry Jobs (2022)

Alaska's construction industry is an important source of jobs and wages. The industry employed 23,600 workers, including 16,105 wage and salary employees.

JOBS THROUGHOUT ALASKA

Every census area and borough in Alaska has construction industry employers. Of the \$1.4 billion in wages paid by Alaska's 2,600 construction industry employers, almost half are paid in Anchorage (\$621 million). Mat-Su Borough was second (\$262 million), followed by Fairbanks North Star Borough (\$222 million).

These wages do not include self-employment income. Over one-third of Alaska's construction companies and nearly half of construction jobs are based in Anchorage; however, Anchorage-based workers often provide construction services throughout the state.

Alaska Construction Industry employers, Jobs, and Wages, 2022 by top 10 Boroughs)

Borough/Census Area	Total number of Employers	Total Jobs (monthly avg)	Total Wages (\$million)
Anchorage Municipality	919	7,142	\$621
Matanuska-Susitna Borough	513	3,196	\$262
Fairbanks North Star Borough	325	2,414	\$222
Kenai Peninsula Borough	276	955	\$60
Juneau City and Borough	135	704	\$55
Ketchikan Gateway Borough	63	281	\$22
Kodiak Island Borough	41	166	\$14
Sitka City and Borough	39	174	\$16
Haines Borough	22	79	\$8
Chugach Census Area	22	42	\$2
All other Boroughs and Census Areas	245	952	\$88
TOTALS	2,600	16,105	\$1,370

Source: Alaska Department of Labor and Workforce Development.

ABOVE AVERAGE WAGE RATE

Only a few Alaska industry sectors have higher average annual wages than construction (e.g., oil and gas, and mining). The average wage for a construction worker was \$85,000, 31% higher than the overall statewide average wage (\$64,700).

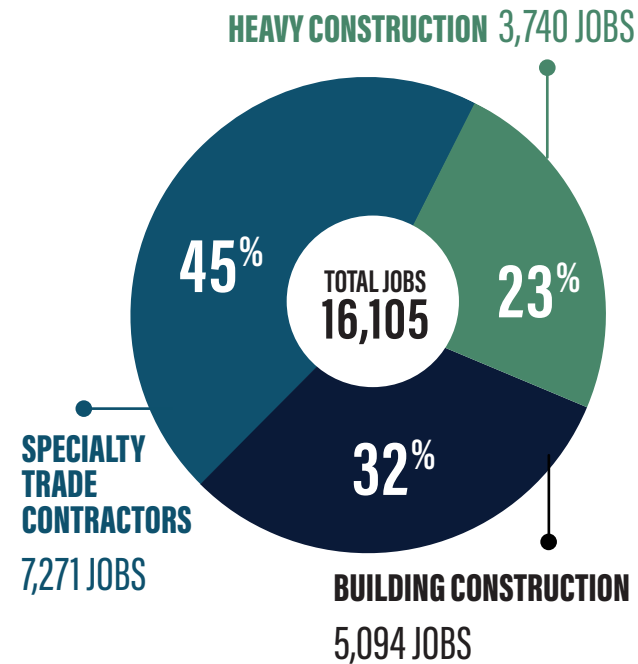
SEASONALITY

The industry is an important source of jobs year-round, never falling below 13,200 jobs at any point in the year. However, construction employment in Alaska tends to be seasonal, with summer employment about 40% higher than the winter low point.

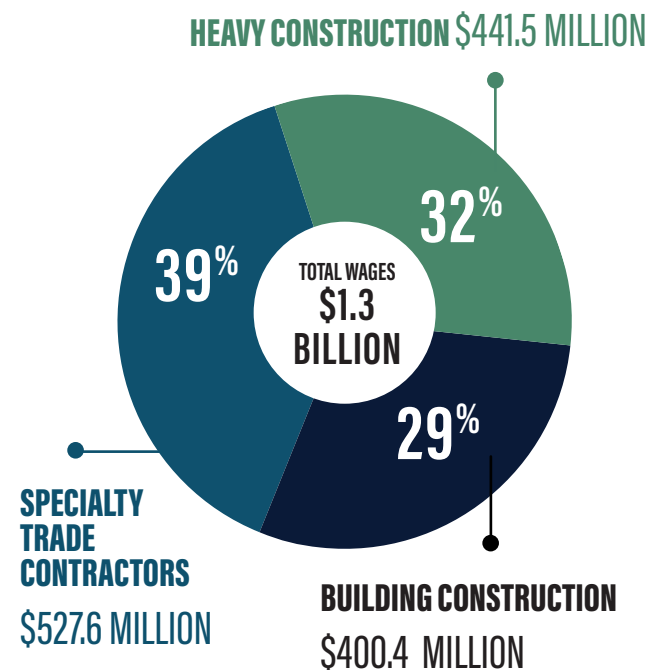
A DIVERSE CONSTRUCTION INDUSTRY

Specialty-trade contractors make up 45% of total construction jobs and 39% of total wages, followed by building construction jobs (32%) and wages (29%), and heavy construction jobs (23%) and wages (32%).

Alaska Construction Wage & Salary Jobs by Type, 2022



Alaska Construction Wages by Type, 2022



Source: Alaska Department of Labor and Workforce Development.

Economic Impact of the Construction Industry (2022)

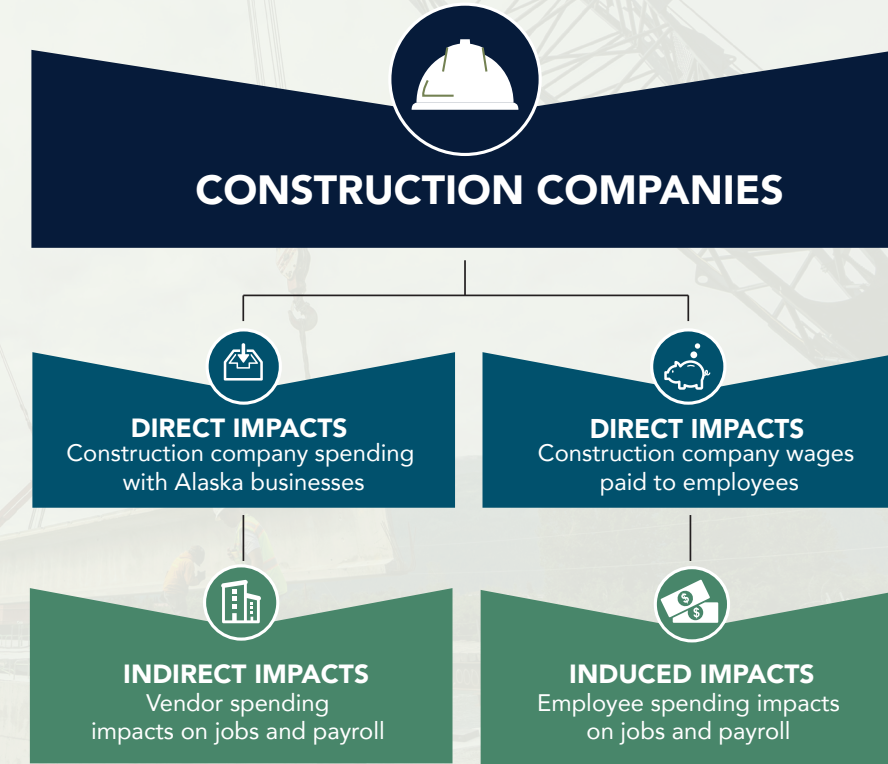
Statewide construction industry-related jobs represent 9% of all Alaska jobs (39,200 of 458,000).

Construction industry-related activity accounted for \$3.3 billion in labor income, 10% of Alaska's total labor income (\$34.5 billion).

Construction Industry-Related Jobs and Labor Income Impacts in Alaska, 2022		
	Jobs	Labor Income
Direct	23,600	\$2.3 BILLION
Indirect & Induced	15,600	\$1.0 BILLION
TOTAL	39,200	\$3.3 BILLION

Source: Direct impacts, U.S. Bureau of Economic Analysis. Indirect and induced impacts, McKinley Research Group estimates.

How Construction Industry Money Flows through Alaska's Economy



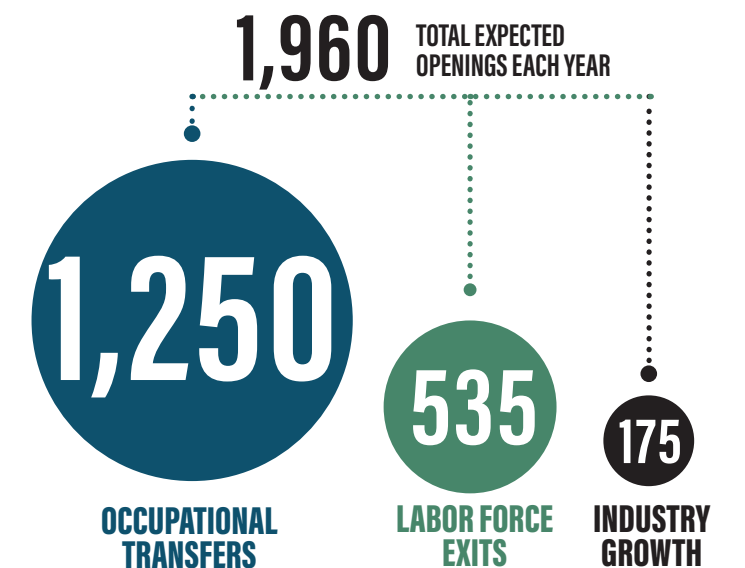
Workforce Needs

The Alaska Department of Labor and Workforce Development projects average annual openings of 1,960 in construction occupations through 2030. Openings reflect opportunities for a new worker to enter a construction occupation, including openings due to:

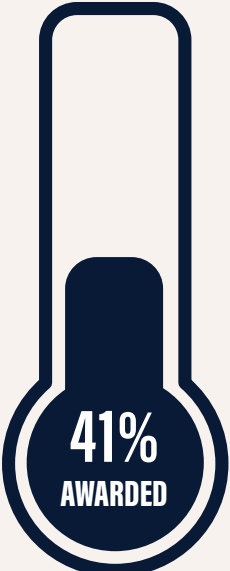
- OCCUPATIONAL TRANSFERS:** These openings are the result of worker turnover. As workers leave construction occupations for different jobs, they are expected to create about 1,250 openings each year.
- LABOR FORCE EXITS:** These openings are the result of workers leaving the workforce entirely due to retirement, moving out of Alaska, or other circumstances. Construction workers leaving Alaska's labor force are expected to create 535 openings each year.
- INDUSTRY GROWTH:** These openings are the result of higher demand for workers in construction occupations. New growth opportunities are expected to create about 175 openings each year.

Average annual openings are expected to be highest for construction trades workers such as carpenters, electricians, plumbers, operating engineers, and construction laborers.

Projected Annual Openings in Alaska, 2020-2030



Source: Alaska Department of Labor and Workforce Development



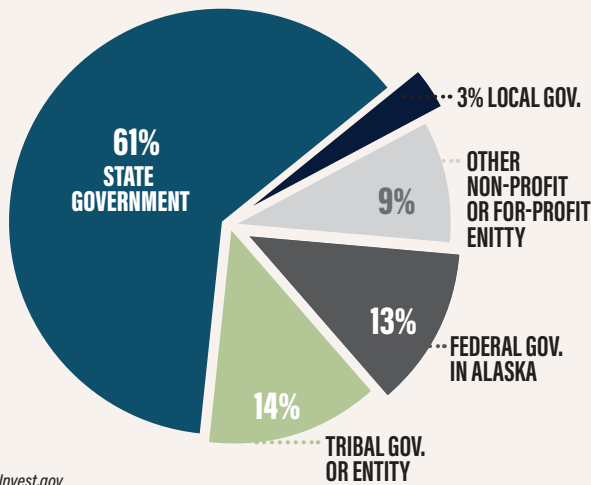
FEDERAL INFRASTRUCTURE FUNDING

Passed in November 2021, the federal Infrastructure Investment and Jobs Act (IIJA) authorized billions in funding infrastructure construction nationwide. As of November 2023, about \$350 billion in funding had been awarded, 41% of the total funding authorized.

Between FFY2022 and FFY2024, Alaska entities have been awarded \$6.4 billion in IIJA funding. More than 60% of funding has been awarded to the State of Alaska in formula funding and competitive grants. Over 50% of funding awarded to Alaska entities are for transportation infrastructure, followed by 28% for broadband.

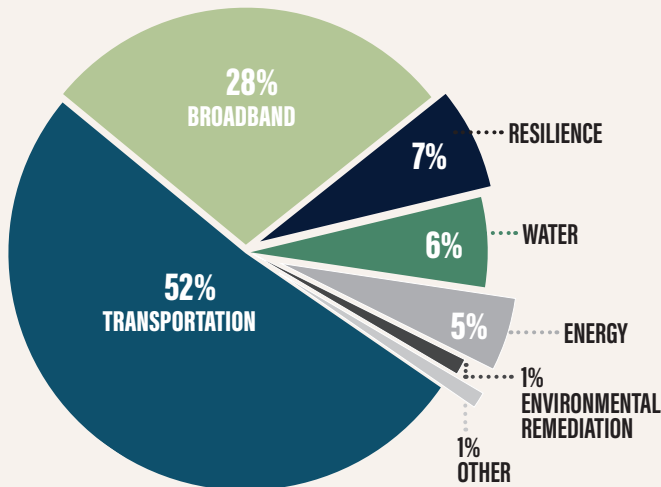
Source: Brookings Institute

Federal Infrastructure Act Grant Funding Awarded to Alaska Recipients by Recipient Type



Source: Invest.gov
Note: Award data as of November 29, 2023

Federal Infrastructure Act Grant Funding Awarded to Alaska Recipients by Infrastructure Type

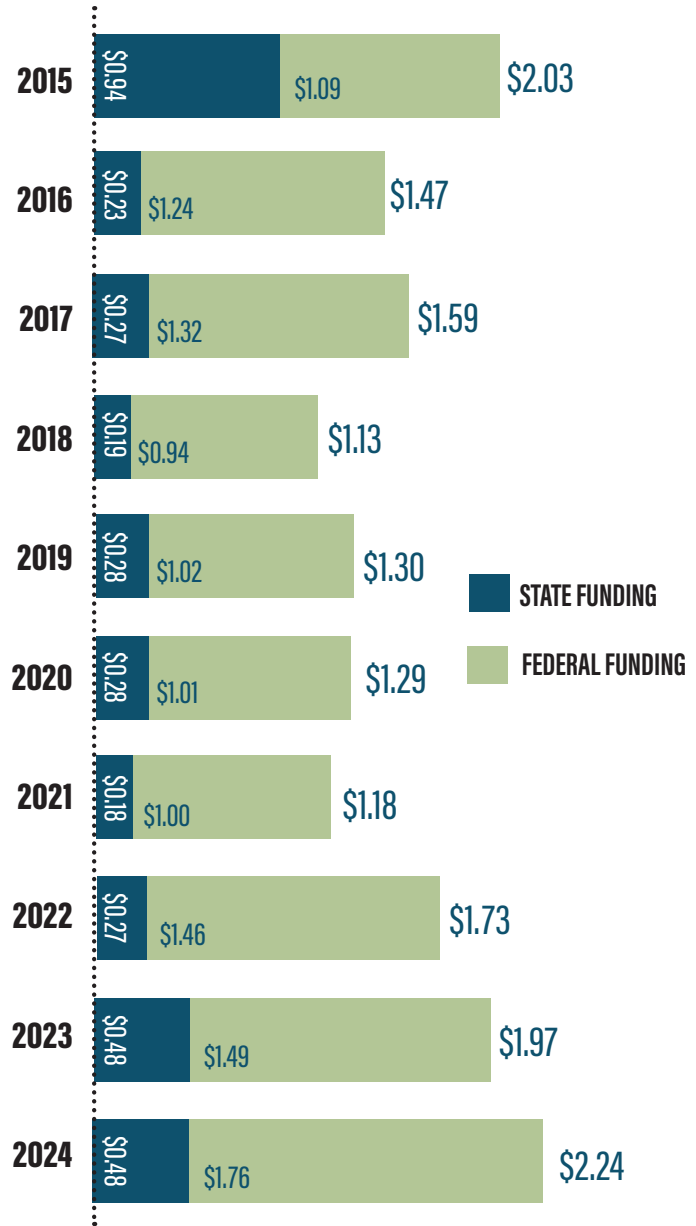


Source: Invest.gov
Note: Award data as of November 29, 2023

STATE GOVERNMENT CONSTRUCTION SPENDING

State capital budget appropriations for construction (including federal funds) increased in SFY2023 and SFY2024 with increases in federal funding. In SFY2024, the state capital budget for construction was \$2.24 billion, including \$480 million in state funding support.

State and Federal Funding for State of Alaska Construction Projects, (\$Billions), SFY2015-2024



CONSTRUCTION INDUSTRY PROGRESS FUND
WWW.WEBUILDALASKA.COM



ASSOCIATED GENERAL CONTRACTORS OF ALASKA
WWW.AGCAK.ORG

Special thanks to Swalling General Contractors, Alcan Electrical & Engineering, Laborers Training School for use of their photographs in this publication. Prepared by McKinley Research Group for the Associated General Contractors of Alaska/Construction Industry Progress Fund.