

# The Economic Benefits of Alaska's Construction Industry

January 2025

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.

## CONSTRUCTION INDUSTRY BY THE NUMBERS

**25,200**

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

**↑37%**

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

**2,663**

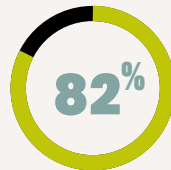
NUMBER OF CONSTRUCTION INDUSTRY EMPLOYERS IN ALASKA

**\$3.6 BILLION**

TOTAL STATEWIDE LABOR INCOME IMPACT, INCLUDING MULTIPLIER EFFECTS

**1 in 20**

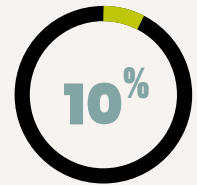
SHARE OF JOBS IN ALASKA'S ECONOMY THAT WERE IN THE CONSTRUCTION SECTOR



PERCENTAGE OF CONSTRUCTION JOBS HELD BY ALASKA RESIDENTS

**41,900**

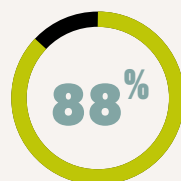
TOTAL NUMBER OF STATEWIDE CONSTRUCTION-RELATED JOBS, INCLUDING MULTIPLIER EFFECTS



PERCENTAGE OF ALL ALASKA INCOME RELATED TO CONSTRUCTION ACTIVITY

**\$2.5 BILLION**

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



PERCENTAGE OF CONSTRUCTION WAGES PAID TO ALASKA RESIDENTS



PERCENTAGE OF ALL ALASKA JOBS RELATED TO CONSTRUCTION ACTIVITY

**↑10.8%**

PREDICTED GROWTH IN CONSTRUCTION TRADES BETWEEN 2020 AND 2030

**\$93,500**

AVERAGE ANNUAL CONSTRUCTION WORKER WAGE

**\$6.7 BILLION**

ESTIMATED 2025 CONSTRUCTION SPENDING, UP FROM 2024 SPENDING FORECAST

# Alaska's Construction Industry Jobs

Alaska's construction industry is an important source of jobs and wages. The industry employed 25,200 workers, including 17,103 wage and salary employees.

## JOBS THROUGHOUT ALASKA

Every census area and borough in Alaska has construction industry employers. Of the \$1.6 billion in wages paid by Alaska's 2,663 construction industry employers, almost half are paid in Anchorage (\$718 million). Matanuska-Susitna Borough was second (\$284 million), followed closely by the Fairbanks North Star Borough (\$282 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 (By Top 10 Boroughs)

Borough/Census Area	Total number of Employers	Total Jobs (monthly avg)	Total Wages (\$million)
Anchorage Municipality	926	7,538	\$718
Matanuska-Susitna Borough	537	3,197	\$284
Fairbanks North Star Borough	335	2,663	\$282
Kenai Peninsula Borough	282	1,076	\$71
Juneau City and Borough	136	690	\$55
North Slope Borough	19	306	\$46
Ketchikan Gateway Borough	63	297	\$26
Kodiak Island Borough	45	185	\$16
Sitka City and Borough	42	178	\$19
Northwest Arctic Borough	10	79	\$11
All other Boroughs and Census Areas	268	894	\$72
<b>TOTALS</b>	<b>2,663</b>	<b>17,103</b>	<b>\$1,600</b>

Source: Based on Alaska Department of Labor and Workforce Development, 2023 Quarterly Census of Employment and Wages.

## 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 \$93,500, 37% higher than the overall statewide average wage (\$68,100).

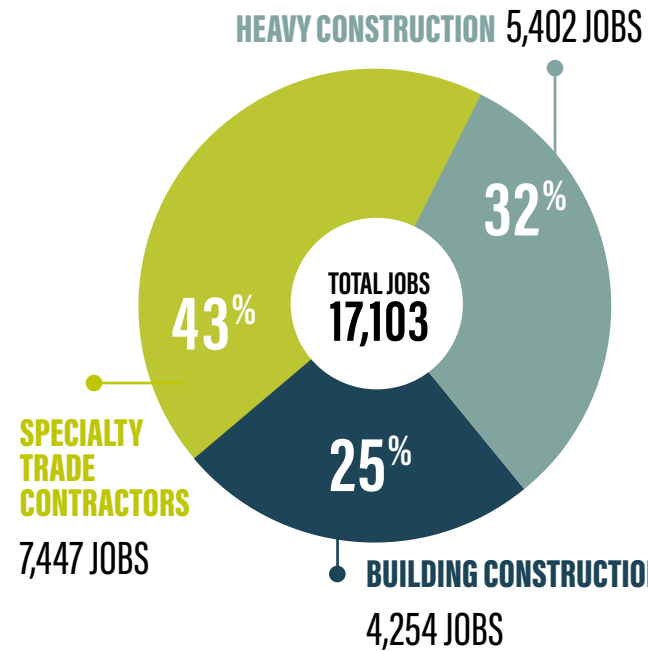
## SEASONALITY

The industry is an important source of jobs year-round, never falling below 13,900 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.

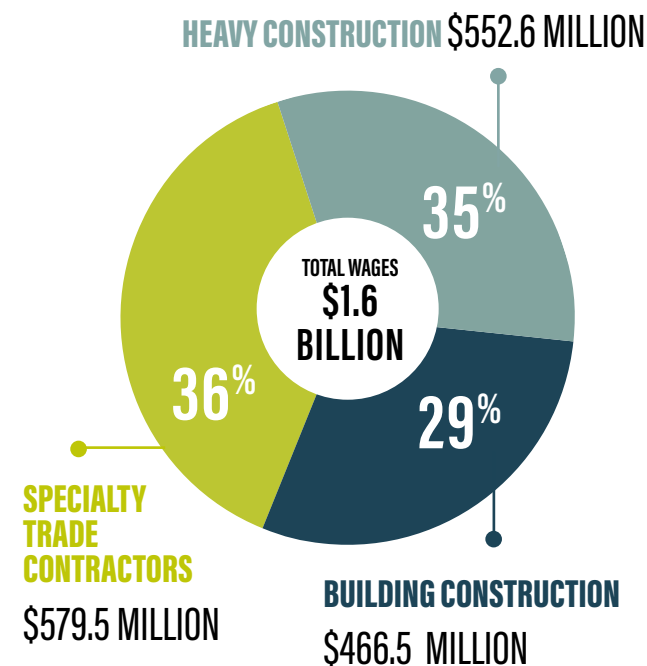
## A DIVERSE CONSTRUCTION INDUSTRY

Specialty-trade contractors make up 43% of total construction jobs and 36% of total wages, followed by heavy construction jobs (32%) and wages (35%), and building construction jobs (25%) and wages (29%).

Construction Employment in Alaska, by Major Category



Construction Wages in Alaska, (\$Millions) by Type



Source: Based on Alaska Department of Labor and Workforce Development, 2023 Quarterly Census of Employment and Wages.

# Economic Impact of the Construction Industry

Statewide construction industry-related jobs represent 9% of all Alaska jobs (41,900 of 467,000).

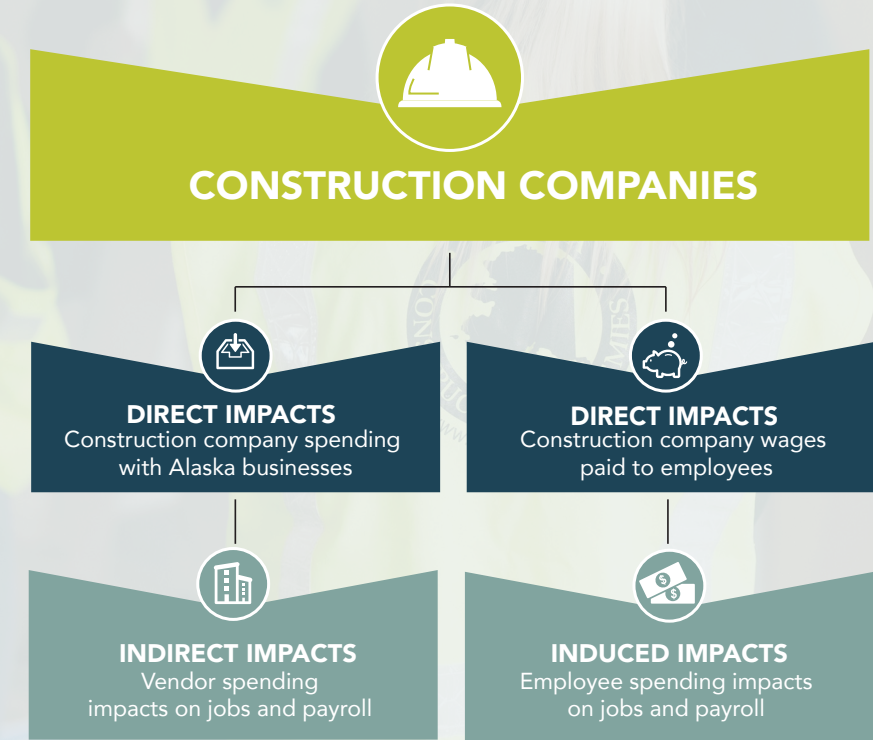
Construction industry-related activity accounted for \$3.6 billion in labor income, 10% of Alaska's total labor income (\$37.3 billion).

Construction Industry-Related Jobs and Labor Income Impacts in Alaska

	Jobs	Labor Income
Direct	25,200	\$2.5 BILLION
Indirect & Induced	16,700	\$1.1 BILLION
<b>TOTAL</b>	<b>41,900</b>	<b>\$3.6 BILLION</b>

Direct impacts, U.S. Bureau of Economic Analysis, U.S. Census Bureau, and Alaska Department of Labor and Workforce Development; Indirect and Induced impacts, McKinley Research Group estimates.

How Construction Industry Money Flows through Alaska's Economy

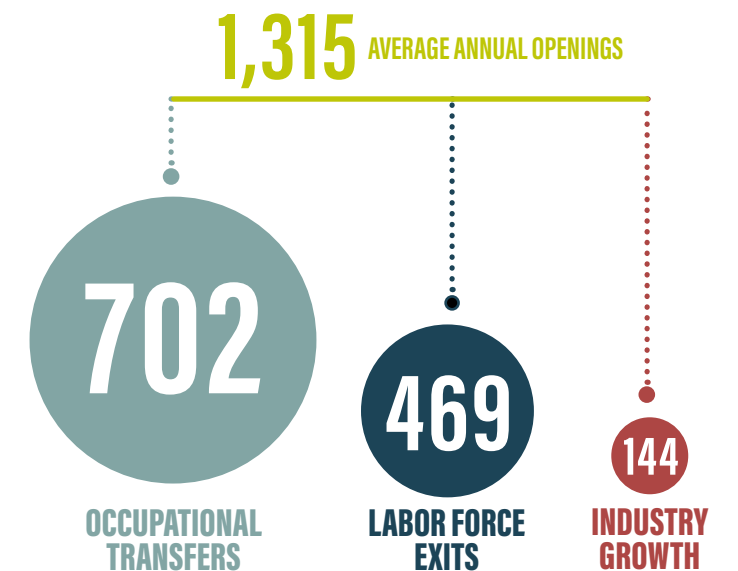


## Workforce Needs

The Alaska Department of Labor and Workforce Development projects average annual openings of 1,315 in construction occupations through 2032. 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 702 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 469 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 144 openings each year.

Projected Annual Openings in Alaska, 2022-2032

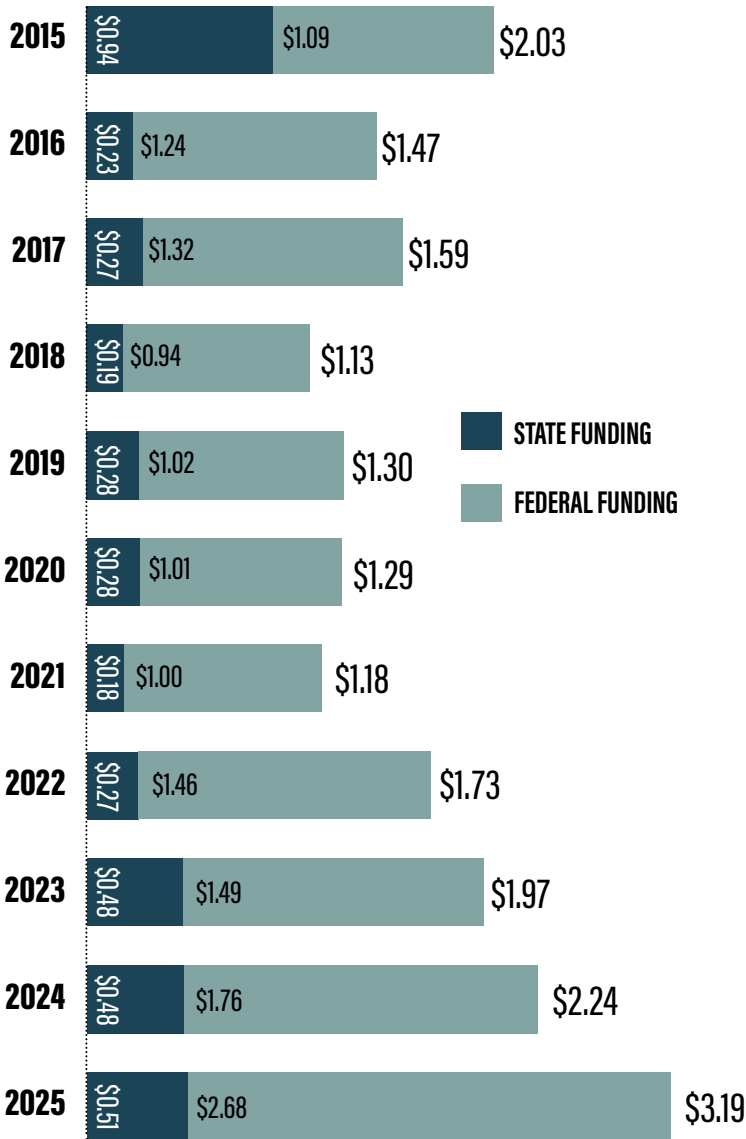


Source: Alaska Department of Labor and Workforce Development.

## STATE GOVERNMENT CONSTRUCTION APPROPRIATIONS

State capital budget appropriations for construction (including federal funds) increased in SFY2025. This increase was significantly impacted by a single, large federal broadband grant appropriated to the State of Alaska. In SFY2025, the state capital budget for construction was \$3.19 billion, including \$511 million in state funding support.

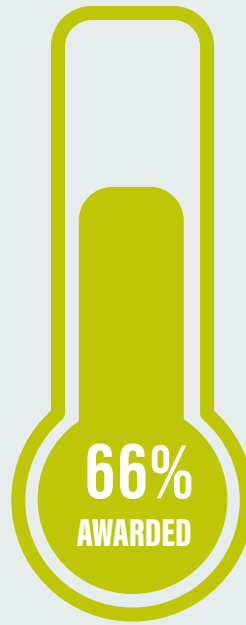
State and Federal Funding for State of Alaska Construction Projects, (\$Billions), SFY2015-2024



## FEDERAL INFRASTRUCTURE FUNDING

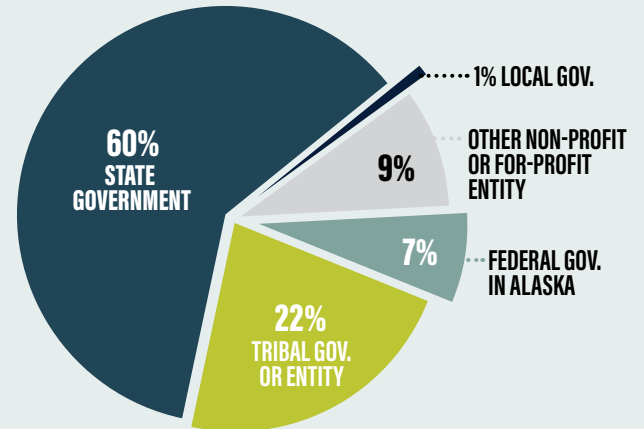
Passed in November 2021, the federal Infrastructure Investment and Jobs Act (IIJA) authorized billions in funding for infrastructure construction nationwide. As of November 2024, \$570 billion in funding had been awarded, about 66% of the total funding authorized.

Between FFY2022 and FFY2025, Alaska entities have been awarded \$8.5 billion in IIJA funding. About 60% of funding has been awarded to the State of Alaska in formula funding and competitive grants.



Source: Brookings Institute

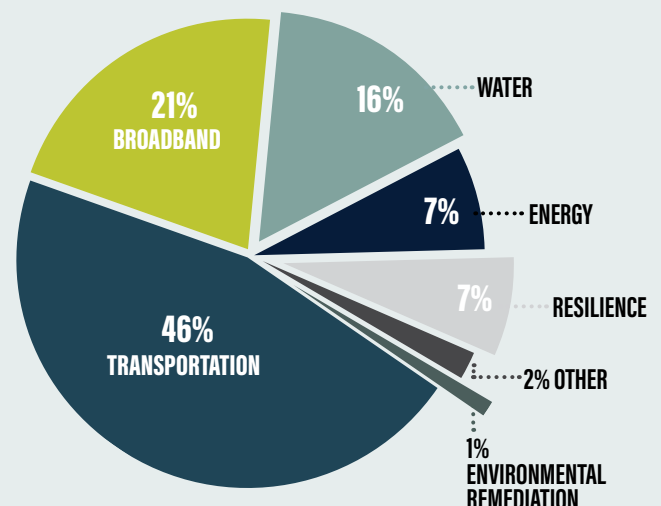
Federal Infrastructure Act Grant Funding Awarded to Alaska Recipients by Recipient Type



Source: Invest.gov

Note: Award data as of November 15, 2024. Categories may not add to 100% due to rounding.

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



Source: Invest.gov

Note: Award data as of November 15, 2024. Categories may not add to 100% due to rounding.



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