
Alaska Construction Spending Forecast

Resource Development Council

February 2026

PREPARED FOR:



McKinley Research Group, LLC is a team of respected professionals with 50 years experience providing research, consulting, and advisory services to clients seeking answers to questions and solutions to organizational complexities.

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Advocate, Educate, Promote



**Workforce
development**

Training



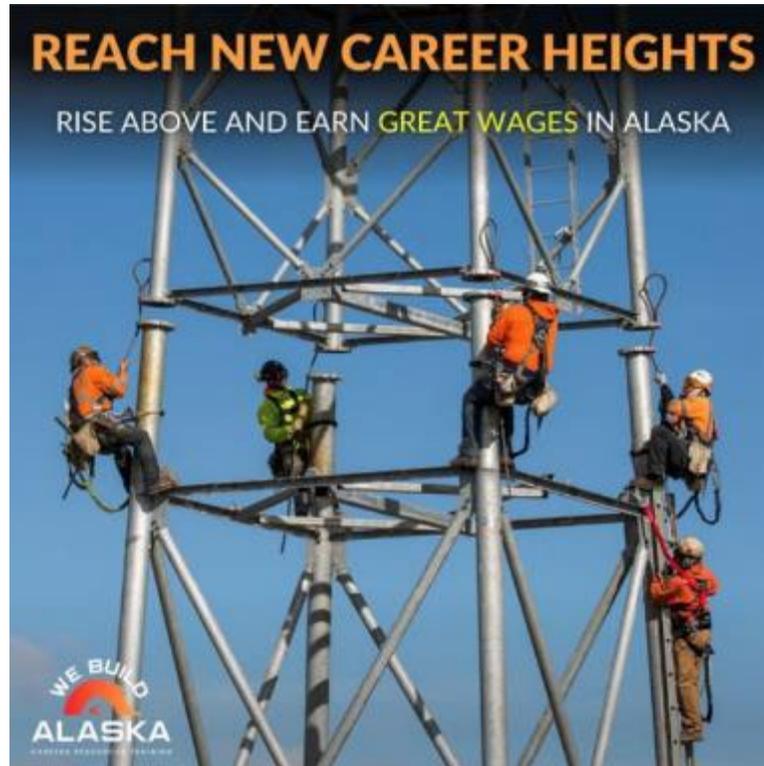
**Safety
resources**

**Events and
Awards**





We Build Alaska



McKinley Research Group

- Research and consulting since 1972
- Offices in Juneau and Anchorage
- Economic Analysis, Community Economic Planning, Business Development, Survey Research and more
- Conducted 100+ economic impact studies including Alaska's:
 - Oil and Gas Industry (AOGA)
 - Mining Industry (AMA/CAP)
 - Seafood Industry (ASMI)
 - Visitor Industry (DCCED/ATIA)
 - And many more
- 7th year of construction analysis and forecast



Roadmap

1

**Transportation
Funding**

2

**2026
Construction
Spending
Forecast**

3

Jobs Update

1

Transportation Funding

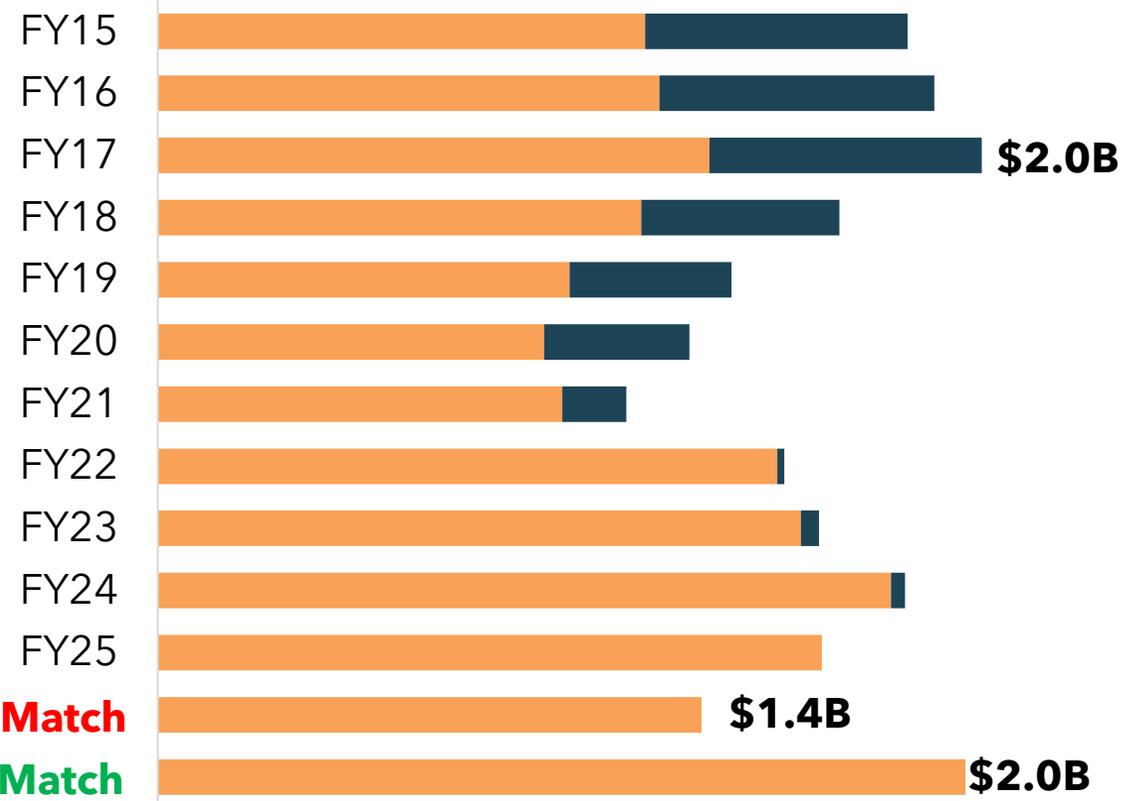


State of Alaska Transportation Funding

- State transportation match funding not appropriated *for fiscal year 2026*
 - Potential **\$660 million** funding lost for **June 30, 2025-July 1, 2026**
- Inflation erodes purchasing power
 - FY2026 **with full state match** would be equivalent to FY2017 purchasing power

Alaska DOT&PF Capital Appropriations, FY17-FY26

- Nominal dollars as appropriated in that year
- Adjusted to \$2025 dollars



FY26 Without Full State Match

FY26 With Full State Match

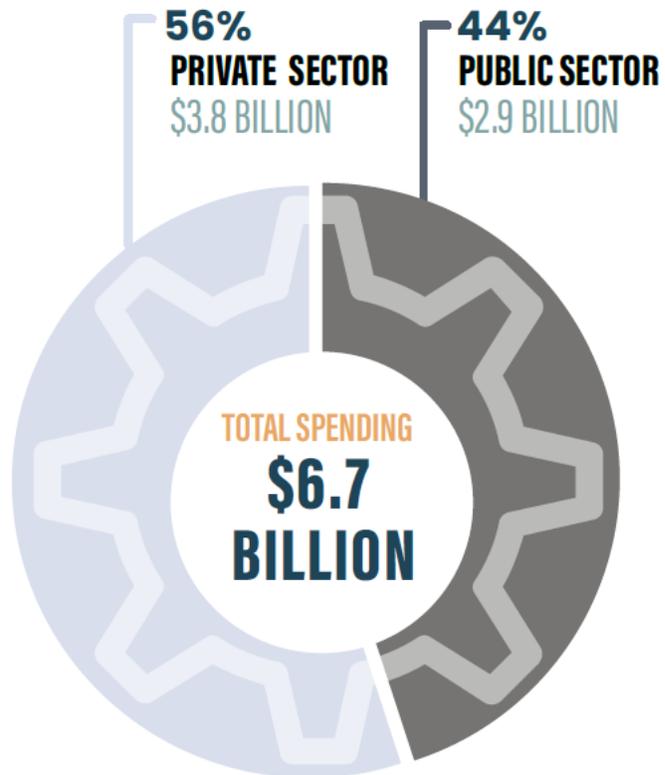
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2026 Construction Spending Forecast



Construction Spending Forecast Summary

CONSTRUCTION SPENDING FORECAST



2026 ALASKA CONSTRUCTION SPENDING FORECAST SUMMARY (\$MILLION)

Category	Total Spending	% of Total Spending
Private Construction Spending	\$3,765	56%
Oil and Gas	\$1,400	21%
Utilities	\$750	11%
Residential	\$430	6%
Hospitals/Health Care	\$280	4%
Mining	\$190	3%
Other Basic Industry	\$215	3%
Other Industrial/Commercial	\$500	8%
Public Construction Spending	\$2,945	44%
Airports, Ports/Harbors, Railroad	\$900	14%
Highways and Roads	\$690	10%
National Defense	\$515	8%
Education	\$200	3%
Other State and Local Government	\$440	7%
Other Federal Government	\$200	3%
TOTAL	\$6,710	100%

Private Sector Outlook





Oil and Gas

\$1.4 Billion

21% of Total Spending

- Investments on Alaska's North Slope include the largest new oil developments in decades
 - Pikka (Santos) moves into production
 - Willow (ConocoPhillips) development continues
- Hilcorp Project Taiga (Prudhoe Bay) and Point Thomson ice road

Project

Spotlight

- Renewed work on Alaska LNG pipeline project
 - Glenfarne became lead developer in 2025
- Two phases
 - Phase 1: 807-mile pipeline
 - Phase 2: LNG terminal and related export infrastructure
- Awaiting final engineering, cost analysis, and FID



Utilities

\$750 Million

11% of Total Spending

- Continued work on broadband, water-sanitation infrastructure
- Electric utilities continue project development despite some federal funding cancellations/pauses
- LNG import facility construction/conversion FIDs expected in 2026



Hospitals & Health Care

\$280 Million

4% of Total Spending

- Continued emergency department expansion and skilled nursing facility at ANMC in Anchorage
- Southcentral Foundation continues behavioral health center in Anchorage, and significant Primary Care expansion in the Mat-Su
- SEARHC expanding service in Haines
- Nenana Health and Wellness Complex



Mining

\$190 Million

3% of Total Spending

- Strong commodity price environment and exploration activity
- Federal support for project development
- Construction spending at Alaska's seven large, producing mines continues



Other Basic Industry

\$215 Million

3% of Total Spending

- Continued development/planning for new cruise docks in Southeast
- Fountainhead Transportation Museum relocation
- Seafood industry improvement in 2025 following significant processing consolidation
 - Routine maintenance expected across seafood processing plants
- Seaweed processing facility development expected in Kodiak



Residential

\$430 Million

6% of Total Spending

- Private residential construction increased in 2025 amid rate cuts
- Regional housing authorities develop new housing



Other Industrial/ Commercial

\$500 Million

8% of Total Spending

- Businesses continue investing in upgrades, renovations, and new facilities
- Long-planned air cargo project extended
- Anchorage downtown redevelopment work



Public Sector Outlook



Highways & Roads

\$690 Million

10% of Total Spending

- **Highly contingent upon state match funding**
- Notable projects for 2026 include
 - Improvements to the Richardson and Parks highways
 - Haines landslide repairs
 - Wasilla Main Street Rehabilitation



Airports, Ports, Harbors, & Railroad

\$900 Million

14% of Total Spending

- Port of Nome project re-bid
- Port of Alaska (Anchorage) Terminal 1 Replacement
- Port MacKenzie
- Major improvements to taxiways, runways, and facilities at airports across the **state require state match funding**

National Defense



\$515 Million
8% of Total Spending

- USACE
 - JBER flight training facility
 - Fort Wainwright fieldhouse
 - Shemya Island pier repair
- Coast Guard
 - Facilities to homeport Coast Guard Cutter Douglas Denman in Sitka
 - Housing and water/sanitation infrastructure in Kodiak
 - Repair and maintenance in Ketchikan

Education



\$200 Million
3% of Total Spending

- New facilities and building upgrades statewide
 - Anvik, Rampart, Nome
 - Mat-Su Borough School District charter school expansion
- University system has work planned
 - UAA Alaska Leaders Archives
 - UAF childcare facility
 - UAS facilities in Sitka, Ketchikan



Other State & Local Government

\$440 Million

7% of Total Spending

- Decreased spending on projects and expenditures not captured in other public sector categories
- Projects in this category include
 - Fairbanks Trooper Post renovation
 - Alaska Performing Arts Center renovation
 - Animal control facility in Bethel, among others



Other Federal Government

\$200 Million

3% of Total Spending

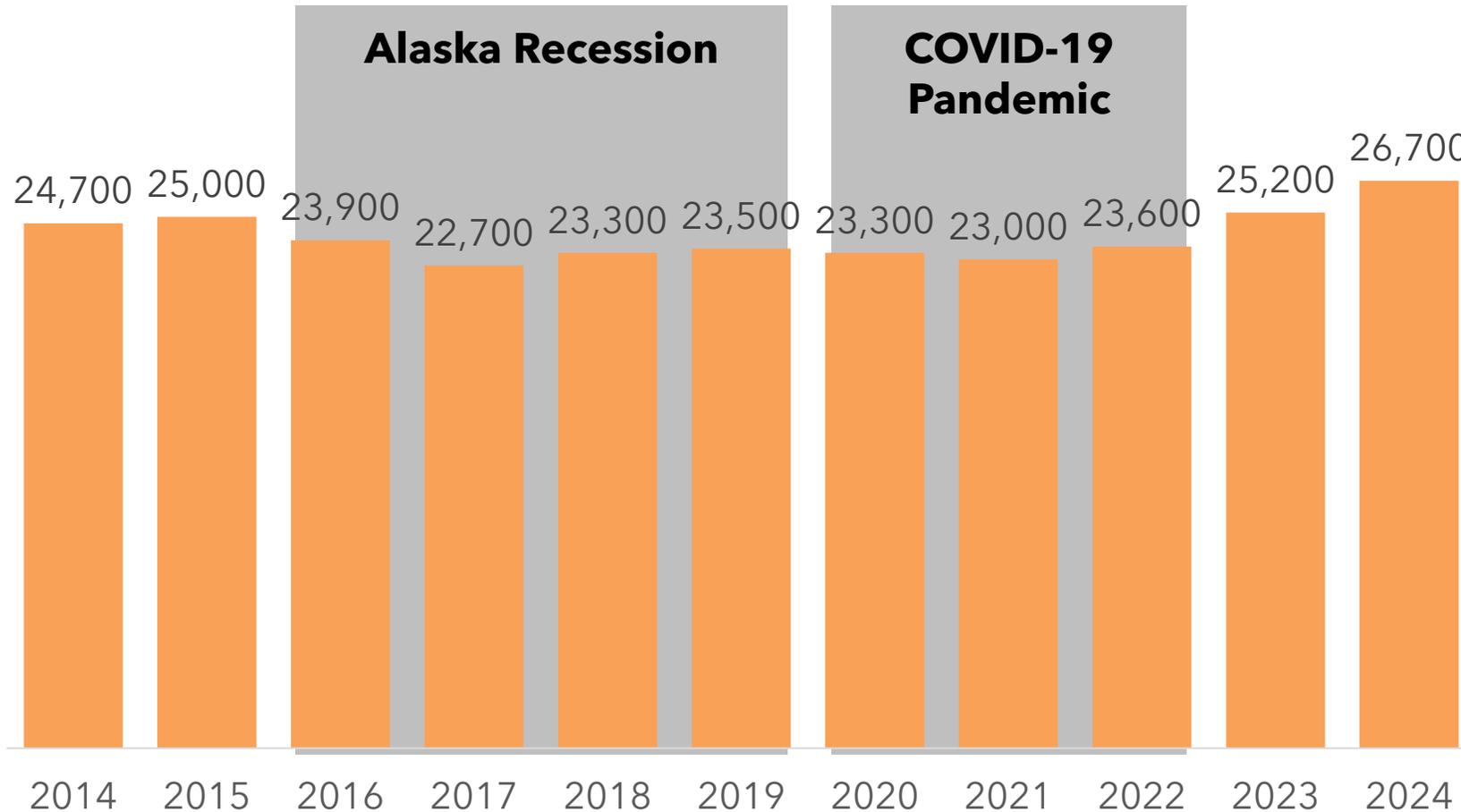
- Alcan Border Crossing contracting
- Wildland fire crew housing in Denali
- Petersburg Forest Service office renovations
- Alaska Cabins Project bringing new public use cabins in the Chugach and Tongass National Forests
- Denali National Park road repair expected to continue in 2026, with full opening in summer 2027

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Alaska's Construction Industry Workforce



Alaska Construction Employment



2024 Employment

- ~ 1,700 jobs *above* 2015
- Highest level since 2006/07

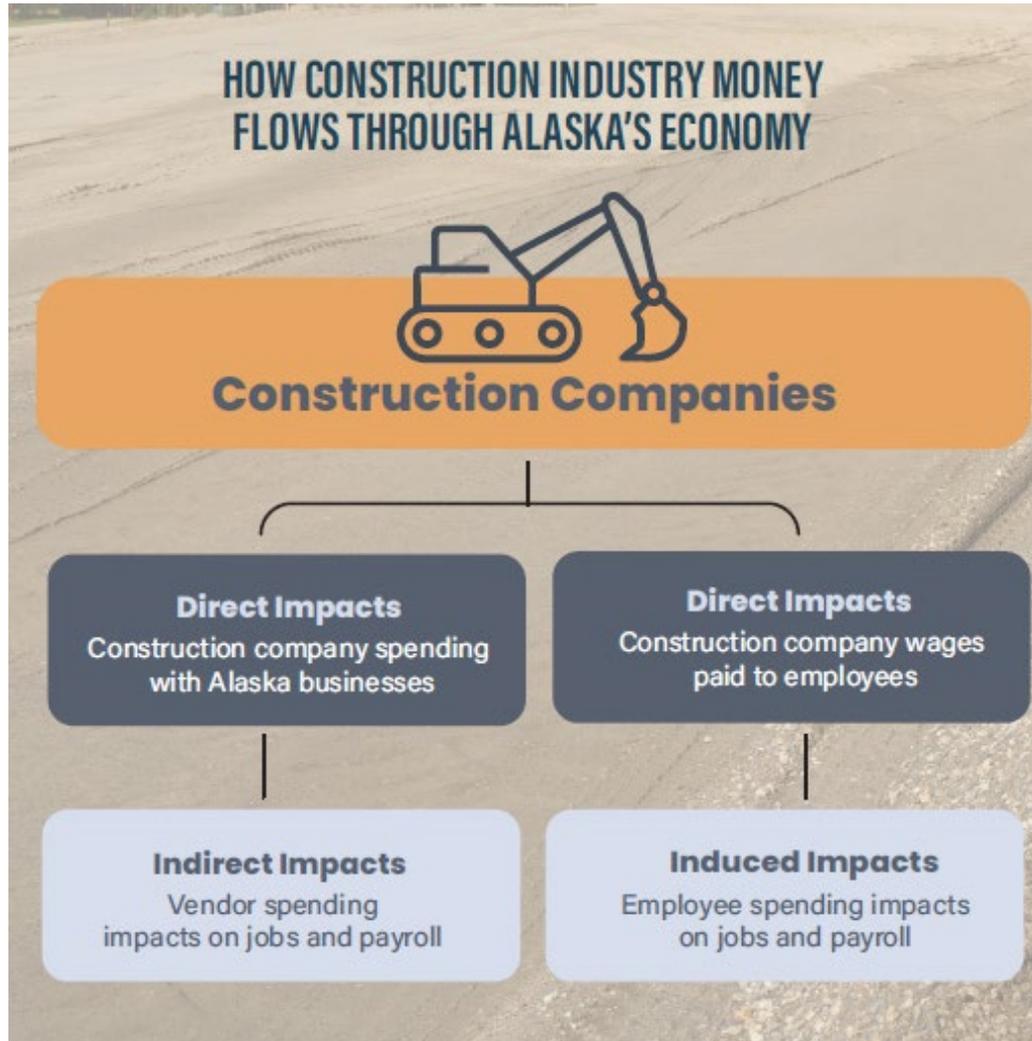
2025 Employment

- Up 6% based on early data (+1,000 jobs)

2026 Employment

- Expected to be up 4% (+700 jobs)
- May be impacted by state match situation

Alaska's Construction Industry



Total Impacts	44,400 \$4.2 Billion in labor income
Direct Jobs	26,700 \$2.9 Billion in labor income
Indirect + Induced	17,700 \$1.3 Billion in labor income

In Summary



Key Takeaways



\$6.7 Billion in estimated 2026 spending, flat from 2025



Private project activity increase outweighs lower public spending



State transportation match funding appropriation **critical** for 2026 public forecast

Where things stand today



Governor Dunleavy's budget proposal includes a \$70M supplemental unlocking \$700M for statewide projects.



This is a time-sensitive catch-up. FY27 must also be funded.

Without the match, Alaska will lose access to more than half-a-billion in federal funding for statewide transportation projects.



How you can help

Add your voice. Help move Alaska forward:

Share

AGC's Meet the Match campaign content with your employees and networks.

Encourage

your networks to contact their state lawmakers about Meeting the Match.

Show up

for public testimony when the Legislature takes comment.

Bring urgency and unity:

Meeting the match means work stays in Alaska, jobs stay local and our communities stay strong.





Visit
agcak.org/meetthematch

Want to know more?

Download the Economic Benefits and Construction Spending Forecast Reports:
www.agcak.org



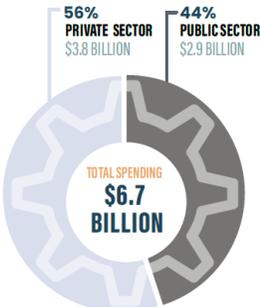
January 2026

Alaska's 2026 Construction Spending Forecast

An anticipated increase in private sector projects is expected to outweigh decline in public sector infrastructure spending. Forecasted public sector spending will be significantly influenced by the availability of State of Alaska funding to unlock federal transportation construction dollars.

One of two large North Slope development projects will move into production this year, reducing overall oil and gas construction spending. Healthcare-related spending reflects several large projects, notably pursued by Alaska's Tribal Health Organizations, and a wide range of utility infrastructure work is planned for the coming year (broadband, water/sanitation, electrical).

CONSTRUCTION SPENDING FORECAST



56% PRIVATE SECTOR
\$3.8 BILLION

44% PUBLIC SECTOR
\$2.9 BILLION

TOTAL SPENDING
\$6.7 BILLION

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ASSOCIATED GENERAL CONTRACTORS OF ALASKA
WWW.AGCALASKA.ORG

Special thanks to Wheelhouse 20/20 for use of their photographs in this publication. Prepared by McKinley Research Group for the Associated General Contractors of Alaska/Construction Industry Progress Fund.



January 2026

The Economic Benefits of Alaska's Construction Industry

CONSTRUCTION INDUSTRY BY THE NUMBERS

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.

Employment and Wages

1 in 20 ALASKA JOBS

26,700 CONSTRUCTION WORKERS INCLUDING WAGE AND SALARY AND SELF-EMPLOYED WORKERS

\$2.9B TOTAL LABOR INCOME OF CONSTRUCTION WORKERS

\$101,700 AVERAGE ANNUAL CONSTRUCTION WORKER WAGE

+30% ABOVE AVERAGE WAGE FOR ALL ALASKA WORKERS

Total Impacts

44,400 TOTAL STATEWIDE CONSTRUCTION-RELATED JOBS (INCLUDING MULTIPLIER EFFECTS)

9% OF ALL ALASKA JOBS

\$4.2 BILLION TOTAL STATEWIDE LABOR INCOME IMPACT (INCLUDING MULTIPLIER EFFECTS)

10% OF ALL ALASKA INCOME

Construction Activity

\$6 BILLION+ OVER \$6 BILLION IN ANNUAL CONSTRUCTION SPENDING

2,634 CONSTRUCTION COMPANIES IN ALASKA

79% ALASKA RESIDENT HIRE

85% OF CONSTRUCTION WAGES PAID TO ALASKA RESIDENTS




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THANK YOU!



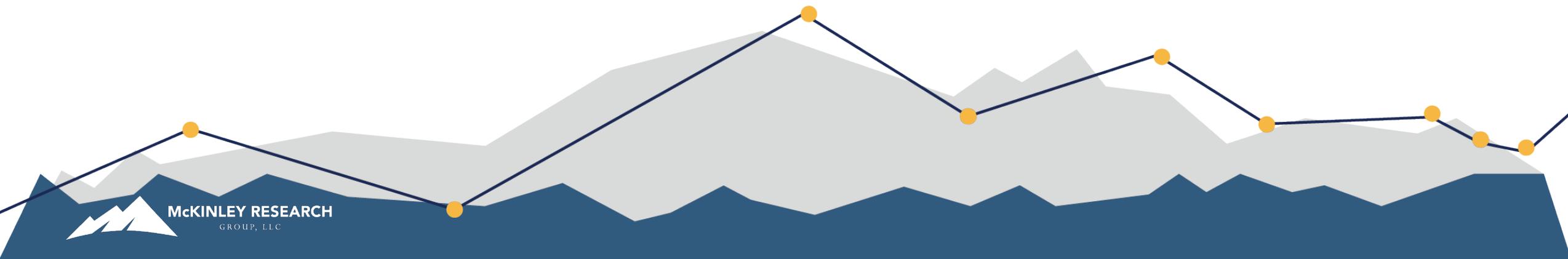
Norma M Lucero
(907) 561-5354
norma@agcak.org



Alicia Kresl
(907) 561-5354
Alicia@agcak.org



Katie Berry
(907) 339-1460
kberry@mckinleyresearch.com





McKinley Research Group, LLC is a team of respected professionals with 50 years experience providing research, consulting, and advisory services to clients seeking answers to questions and solutions to organizational complexities.

McKINLEY RESEARCH GROUP, LLC

3800 Centerpoint Drive, Suite 1100 | Anchorage, AK 99503 | (907) 274-3200

801 W. 10th Street, Suite 100B | Juneau, AK 99801 | (907) 586-6126

info@mckinleyresearch.com | mckinleyresearch.com