
Alaska Construction Spending Forecast

Anchorage Forecast Breakfast
January 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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CIPF Background



Construction
Industry
Progress Fund

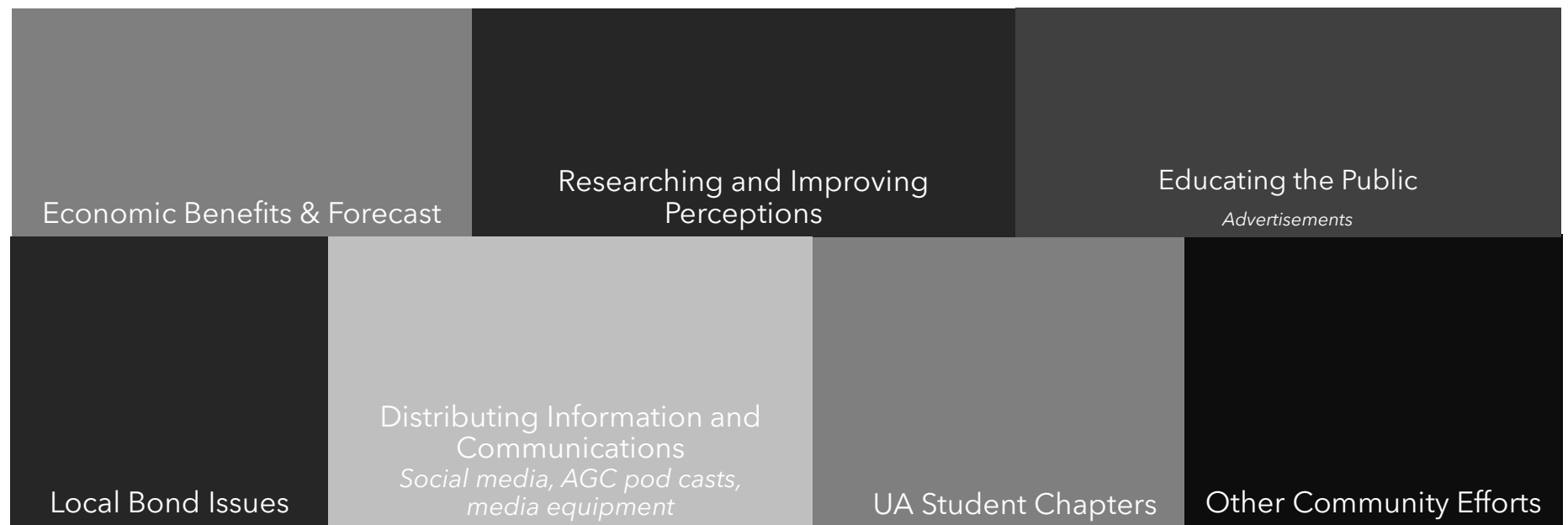


Jointly administered
by labor and
management in 2000



Goal is to improve the
image of the
construction industry

CIPF Supports Alaskans and the Construction Industry



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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

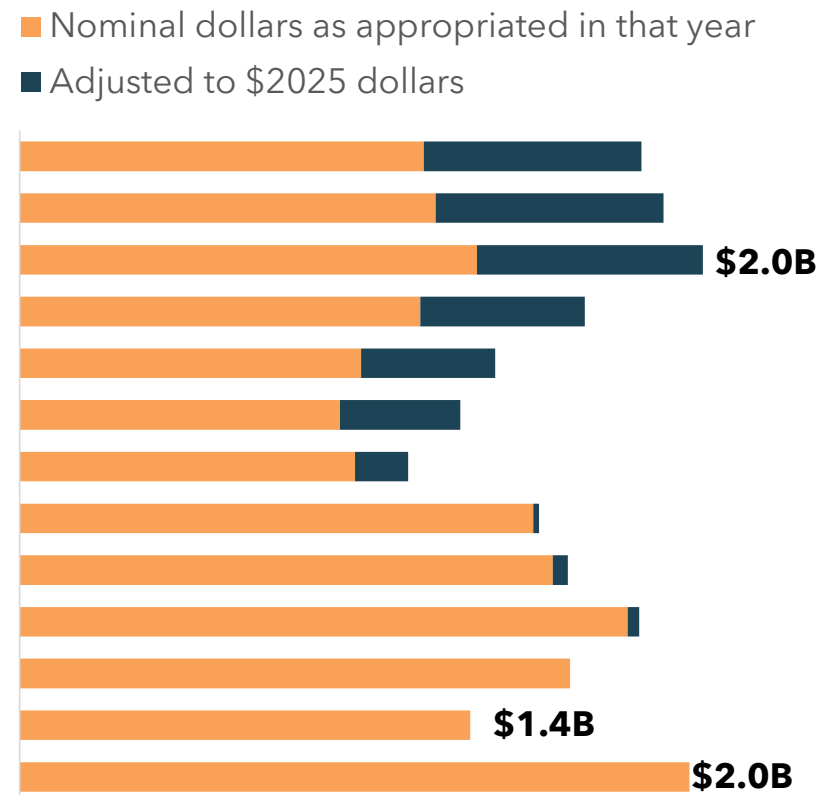
Transportation Funding



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



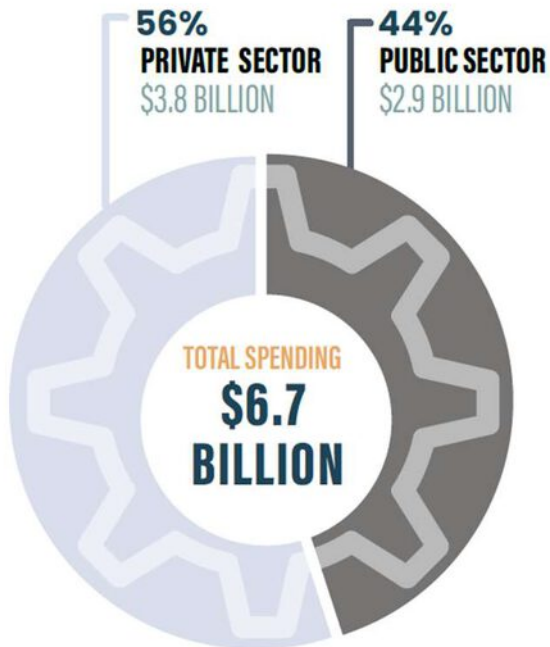
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2026 Construction Spending Forecast



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

7% 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

13% of Total Spending

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



National Defense

\$515 Million

13% 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

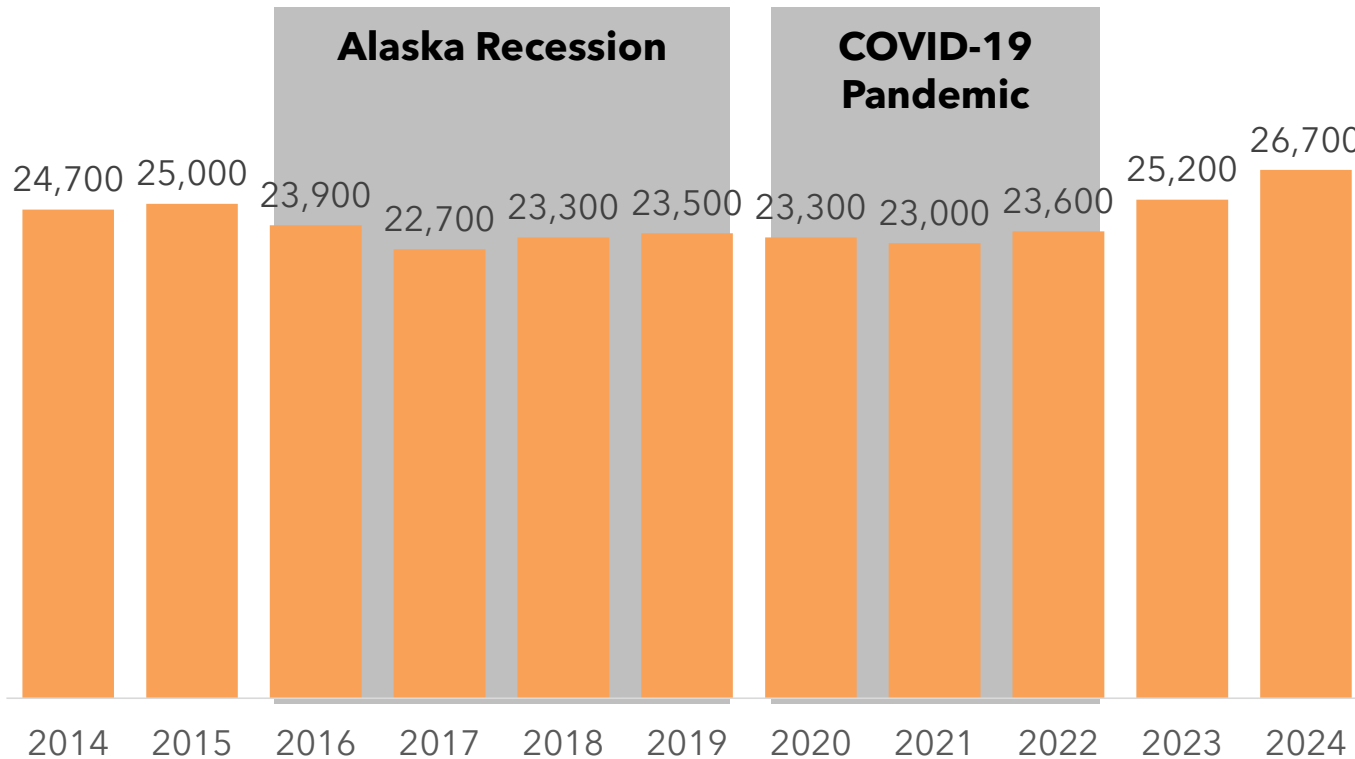
- Alcan Border Crossing contracting
- Wildland fire crew housing in Denali
- Petersburg Forest Service office renovations
- Alaska Cabins Project bringing new public use cabins in the Chugach and Tongass National Forests
- Denali National Park road repair expected to continue in 2026, with full opening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

In Summary



Key Takeaways



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



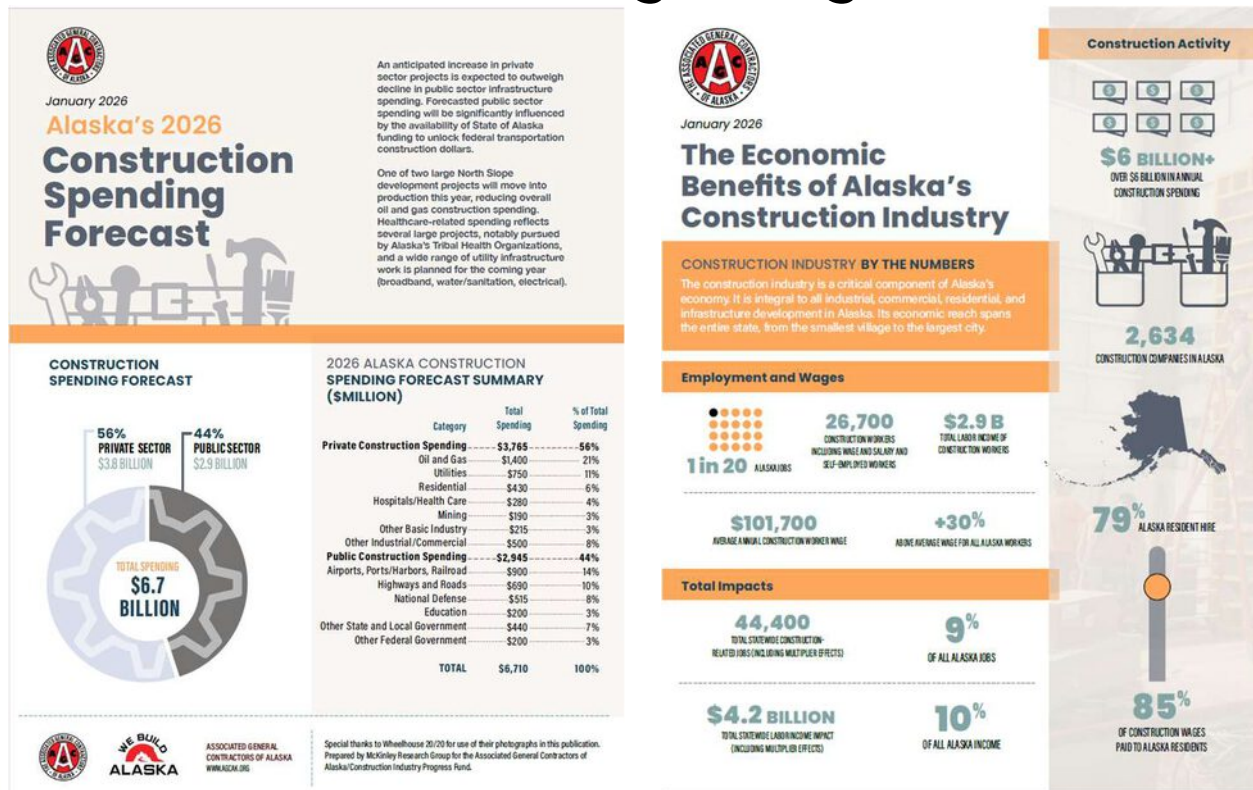
Private project activity increase outweighs lower public spending



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

Want to know more?

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



THANK YOU!



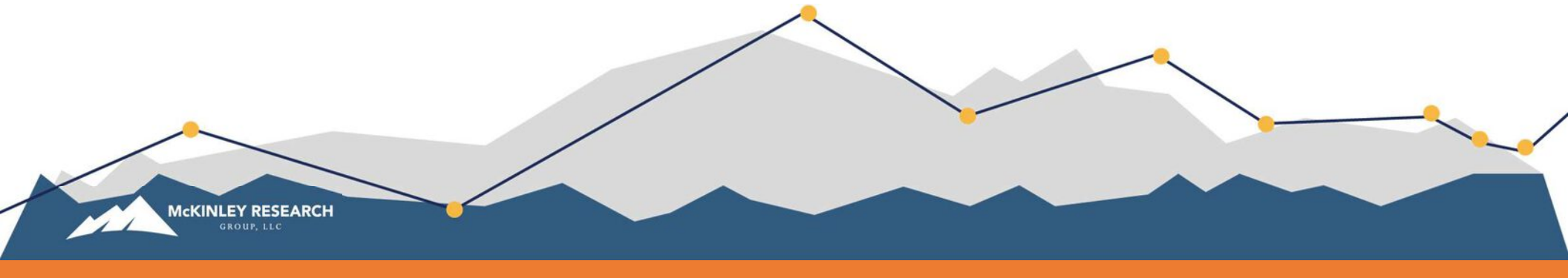
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McKinley Research Group, LLC is a team of respected professionals with 50 years experience providing research, consulting, and advisory services to clients seeking answers to questions and solutions to organizational complexities.

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