

APRIL 2021

The Economic Benefits of Alaska's Construction Industry

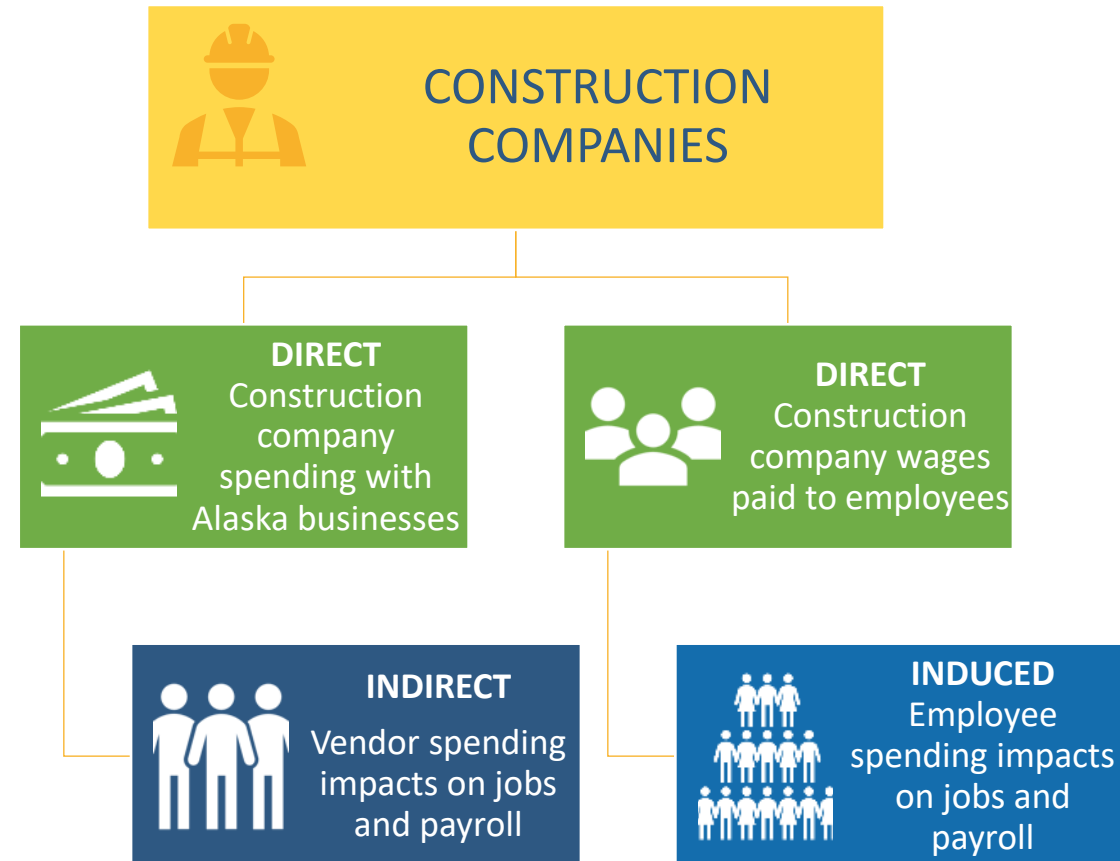
PREPARED FOR:



Formerly McDowell Group



HOW MONEY FLOWS THROUGH OUR ECONOMY



IN 2019, ALASKA'S CONSTRUCTION INDUSTRY...

Employed Alaskans

- Employed **24,000 workers**, including wage & salary, and self-employed workers
- **81% Alaska Residents** making **86% of Alaska wages**
- **1 in 20 Alaska jobs** (5%) was in construction

Paid Alaskans

- Paid **\$2.3 billion in labor income**, or 7% of all earnings in Alaska

Generated Multiplier Effects

- Total impacts of **42,000 jobs** and **\$3.4 billion** in wages
 - 9% of total employment in Alaska
 - 10% of total labor income in Alaska



2,507 CONSTRUCTION INDUSTRY EMPLOYERS

Alaska Construction Industry Employers, Jobs, and Wages, 2019 (By Top 10 Boroughs)

Borough/Census Area	Total Number of Employers	Total Jobs (Monthly Average)	Total Wages (\$Millions)
Anchorage Municipality	886	7,660	\$645
Fairbanks North Star Borough	341	2,729	\$237
Matanuska-Susitna Borough	466	2,495	\$179
Kenai Peninsula Borough	251	919	\$56
Juneau City and Borough	123	622	\$41
Ketchikan Gateway Borough	67	280	\$18
Valdez-Cordova Census Area	37	185	\$19
Kodiak Island Borough	45	184	\$13
Sitka City and Borough	37	155	\$12
Haines Borough	16	91	\$10
All Other Boroughs/Census Areas	238	1,076	\$102
Total	2,507	16,396	\$1,332

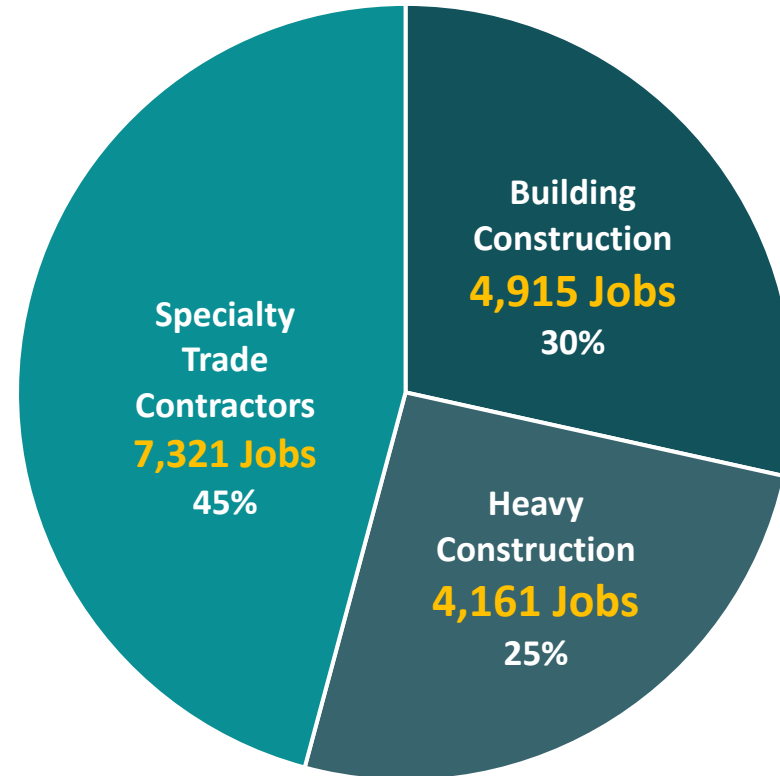
Source: Alaska Department of Labor and Workforce Development



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CONSTRUCTION WAGE AND SALARY JOBS, BY TYPE

Total Wage and Salary Employment: **16,396**



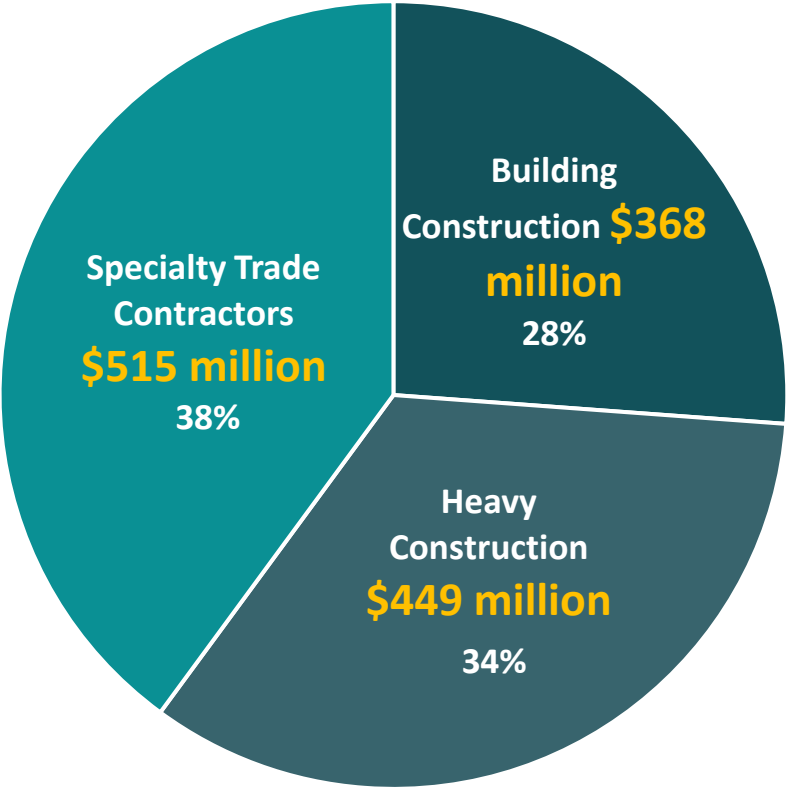
Source: Alaska Department of Labor and Workforce Development.



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CONSTRUCTION WAGES

Total Wage & Salary Wages: **\$1.3 B**



Source: Alaska Department of Labor and Workforce Development.

Wage & Salary Wages: \$1.3 B
+ Self-Employed Wages: \$1.0 B
Total Wages: **\$2.3 B**

Average Annual
Construction Worker Wage:
\$81,258
43% above average Alaska wage
(\$56,983)



TOTAL ECONOMIC IMPACT

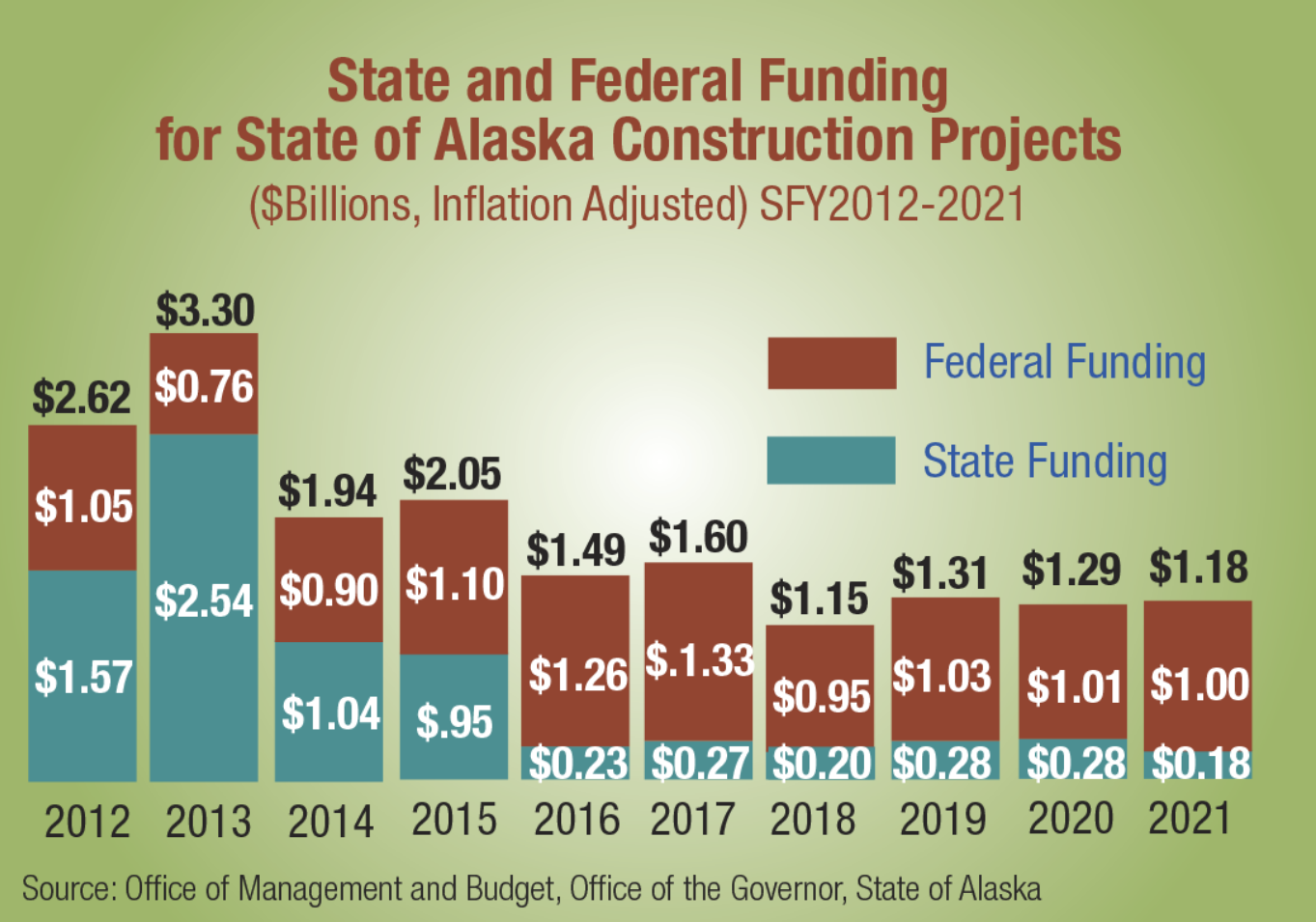
- Statewide construction industry-related jobs represent **9%** of all Alaska jobs (**42,000** of 453,788)
- Construction industry-related activity accounted for **\$3.4B** in labor income, **10%** of Alaska's total labor income (\$32.7B)

Construction Industry-Related Jobs and Labor Income Impacts in Alaska, 2019

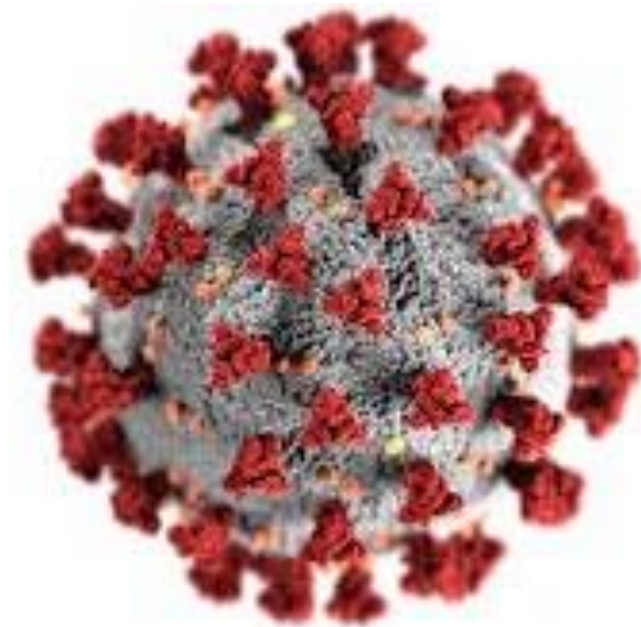
Impacts	Jobs	Labor Income
Direct	24,000	\$2.3 billion
Indirect & Induced	18,000	\$1.1 billion
Total	42,000	\$3.4 billion

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

STATE/FEDERAL FUNDING FOR STATE OF ALASKA CONSTRUCTION PROJECTS



COVID-19 IMPACTS



CONSTRUCTION ACTIVITY IMPACTS

- As essential workers, the construction industry continued work on projects across Alaska throughout the pandemic.
- However, due to revenue constraints, supply chain challenges, and complicated logistics, construction activity was significantly impacted in 2020; these impacts are expected to continue in 2021



Identified COVID-19 Impacts on Construction Activity in 2020

**\$50
MILLION**

Amount of
Cancelled Contracts

**\$50
MILLION**

Amount of
Deferred Spending



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CONSTRUCTION COMPANY IMPACTS



CARES Act PPP Loans to Construction Companies in 2020

1,325

Number of CARES Act PPP Loans to Construction Companies

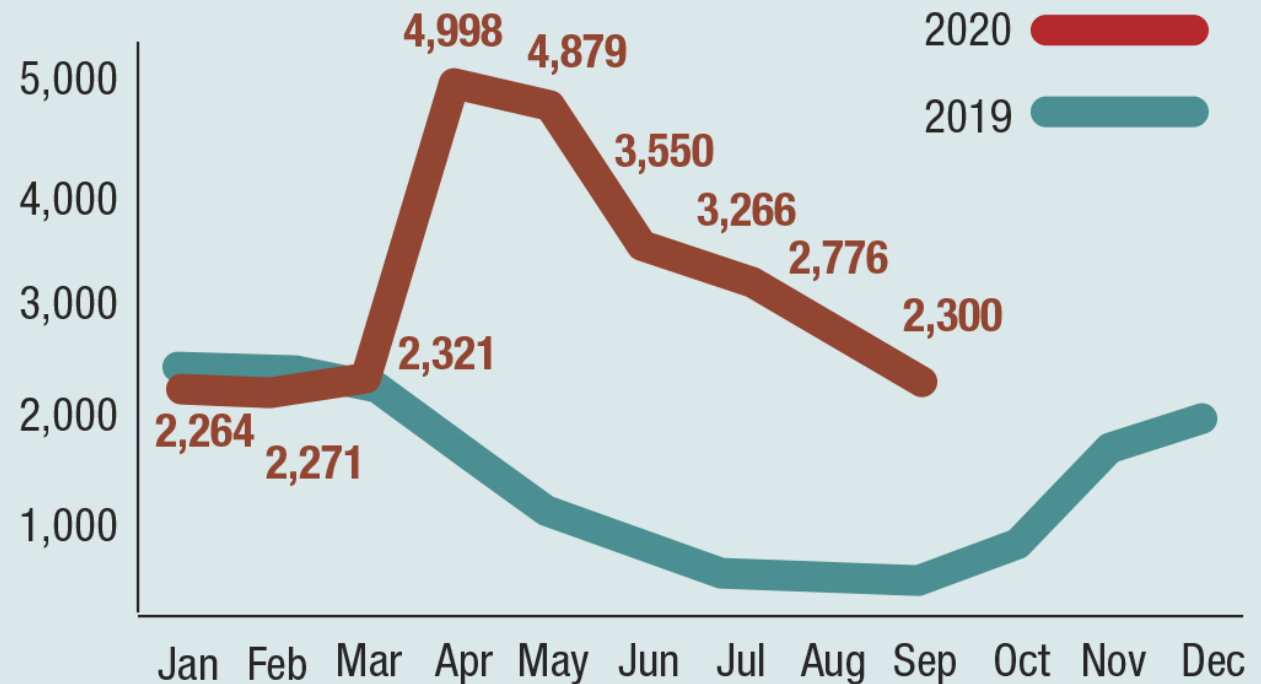
\$200 MILLION

Total Amount of CARES Act Loans

12,000

Number of Jobs Retained

Construction Worker Unemployment Claimants by Month, 2019-2020



Source: Alaska Department of Labor and Workforce Development



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THE BIG TAKEAWAYS

1

24,000 construction jobs,
earning
\$2.3 B
(**81%** Alaska Resident Hire
and **86%** Alaska Resident
Wages Paid)

2

Total Economic Impact of
Industry:
42,000 jobs
(**9%** of Alaska's jobs)
\$3.4 B
(**10%** of Alaska earnings)

3

Oil prices and COVID-19 have
significantly impacted
Alaska's construction activity
and construction companies



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Want to know more?

Download the Economic Benefit Report
www.agcak.org

THE ECONOMIC BENEFITS OF ALASKA'S CONSTRUCTION INDUSTRY

January 2021

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

2019 BY THE NUMBERS

24,000	Number of Alaska construction workers, including wage and salary and self-employed workers	2,507	Number of construction industry employers
1 in 20	Number of jobs in Alaska's economy that were in the construction sector	42,000	Number of statewide construction-related jobs, including multiplier effects
\$2.3 BILLION	Total labor income of construction workers, including self-employed workers	9%	Percentage of all Alaska jobs attributed to construction-related activity
\$81,258	Average annual construction worker wage	\$3.4 BILLION	Total statewide labor income impact, including multiplier effects
43%	Percentage of construction worker wage above the average wage for all Alaska workers	10%	Percentage of all Alaska income affected by construction-related activity
81%	Percentage of construction jobs held by Alaska residents	8.6%	Predicted growth in construction trades between 2018 and 2028
86%	Percentage of construction wages paid to Alaska residents	\$4.3 BILLION	Estimated 2021 construction spending, down from 2020 spending forecast



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