

# Statewide jobs forecast for 2025

## 1.6% growth expected, led by construction and oil projects

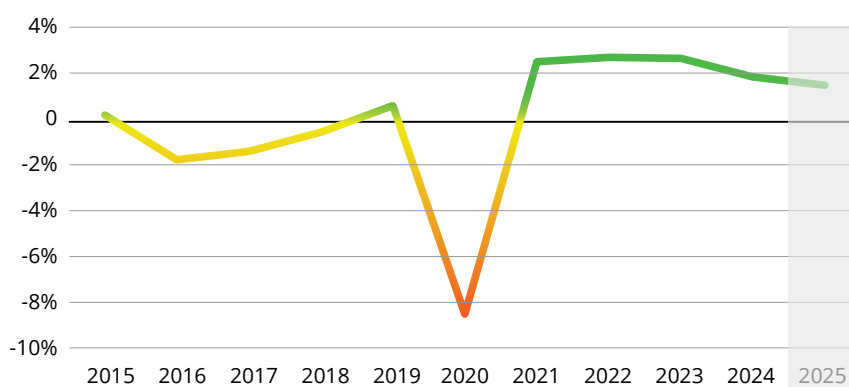
By KARINNE WIEBOLD

**W**e forecast Alaska will add another 5,300 jobs in 2025, led by construction, health care, transportation, and the oil and gas industry.

Alaska's total job count finally reached its pre-pandemic level in 2024, although the recovery by industry was far from balanced. The state entered 2025 with the transportation, warehousing, and utilities sector as well as health care and construction well above their 2019 employment levels while others lagged, particularly oil and gas.

National and state job growth have both slowed, but Alaska pulled ahead of the U.S. growth rate in 2023 and 2024 for the first time in many years. Since the pandemic, Alaska has added jobs at a

### Steady statewide job growth set to continue



**Note:** 2023 and 2024 are preliminary.  
**Source:** Alaska Department of Labor and Workforce Development, Research and Analysis Section

fairly steady rate but U.S. growth slowed considerably starting in 2023.

Several positives are on Alaska's employment horizon in 2025 with infrastructure projects moving forward, oil and gas developments under way at Pikka and Willow, and a full anticipated slate of cruise ship passengers. These conditions aren't new this year; they have driven job gains for the last year or two and continue to boost economic activity in the state.

Alaska also faces several constraints. The labor shortage, ongoing state budget issues, looming federal job and budget cuts, and seafood industry tumult all have the potential to weigh on the economy this year.

### Job recovery forecast by industry

Industry	2019	2025	Change
Total Nonfarm Employment	330,000	339,700	2.9%
Total Private Sector	250,200	259,400	3.7%
Mining and Logging	13,400	13,500	0.7%
Oil & Gas	9,900	8,700	-12.1%
Construction	16,400	20,600	25.6%
Manufacturing	13,100	11,400	-13.0%
Trade, Transp, and Utilities	64,600	66,900	3.6%
Wholesale Trade	6,600	6,500	-1.5%
Retail Trade	35,600	34,700	-2.5%
Transp, Warehousing, Util	22,500	25,700	14.2%
Information	5,400	4,300	-20.4%
Financial Activities	11,600	10,600	-8.6%
Professional/Business Services	27,700	29,500	6.5%
Educational and Health Svcs	50,800	54,000	6.3%
Health Care	38,700	43,000	11.1%
Leisure and Hospitality	36,200	36,200	0.0%
Other Services	11,000	12,400	12.7%
Total Government	79,900	80,300	0.5%
Federal	14,900	15,600	4.7%
State	23,200	24,000	3.4%
Local	41,800	40,700	-2.6%

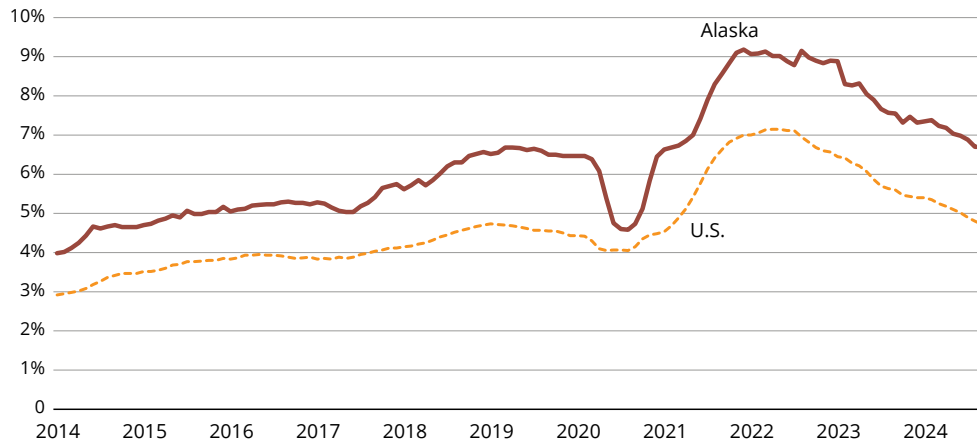
**Source:** Alaska Department of Labor and Workforce Development, Research and Analysis Section

### Hiring difficulties continue

Statewide unemployment is higher than a year ago but remains historically low. Job openings are high and with a relatively small supply of unemployed workers to fill them.

Workers have more opportunities than usual to look for other, higher-paying jobs, and many businesses have increased wages to attract or keep them amid the higher turnover.

## Job openings rate remains significantly higher in Alaska



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Alaska's worker shortage stems from several factors. We have lost more people to migration than we've gained for an unprecedented 12 straight years. The current population is getting older, as the large group of people who moved here in the late 1970s and early 1980s with the oil boom continue to reach retirement age.

At the same time, Alaska's birth rate has fallen for decades — although it remains higher than most states' — meaning fewer young people are aging into their working years.

These trends have reduced the number of Alaskans in their prime working ages, 18 to 64, by 34,000 people between 2013 and 2023. Demographers anticipate the working-age population will continue to decline through 2030, then tick up slightly before trending downward again starting in 2040.

Out-of-state workers have always been an important part of Alaska's workforce. Nonresidents often provide specialized expertise, work on variable-length projects, and work when and where there aren't enough locals to fill jobs — Dutch Harbor during fishing season and Denali in the summer are examples.

In 2023, the most recent year available, Alaska imported proportionally more labor than we had in 20-plus years. That trend is likely to continue as labor remains scarce amid strong short-term job growth.

## All government faces headwinds

The federal government has an outsized presence here, with Alaska receiving far more than the typical state's share of federal funding. The federal

government has added 700 jobs in Alaska since 2019, including 400 in 2024, but the incoming Trump administration plans to significantly reduce the size and scope of the federal government.

It takes time to make those changes, even by executive order, so drastic job cuts are unlikely this year. However, the announcement will likely have a chilling effect on federal recruitment and retention.

We forecast federal civilian employment will remain flat in 2025. The military is not included in our employment numbers.

The state government continues to grapple with how to fund operations. The revenue model from the 1980s, which relied almost exclusively on oil and gas, is no longer viable. Oil revenue plummeted in fiscal year 2015, and draws from Alaska Permanent Fund earnings overtook oil revenue the following year. The most recent forecast by the Alaska Department of Revenue shows oil revenues falling over the next several years, with prices and production lower than previous estimates.

Draws from Permanent Fund earnings now pay for most of state government and the annual dividend paid to residents. The state has used most of its other savings accounts.

Despite fiscal challenges, state government added 700 jobs in 2024 and is forecasted to add 200 more in 2025. The state has struggled to fill positions in recent years, citing recruitment and retention challenges. Ongoing efforts to hire and keep workers and to restore interrupted or delayed services will fuel that growth.

State financial problems also affect local

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governments, and especially public education, as the state is responsible for a substantial amount of school districts' expenses.

Rising costs in recent years amid the highest annual inflation since 1981 have eaten into the base student allocation, and districts around the state are grappling with budget deficits, which often mean job cuts.

In 2024, Eielson Air Force Base's middle/high school closed, and Juneau's two high schools and two middle schools combined in a multi-building shuffle. Other districts are planning to consolidate in the near future. The story goes beyond budget cuts, as enrollment has fallen and that trend will likely continue with ongoing net migration losses and lower projected fertility rates.

Teacher recruitment and retention are challenges across the state, and some districts have resorted to hiring teachers internationally through the J-1 visa program.

Beyond the schools, local governments are working to balance resident expectations for services such as snow removal, road maintenance, permitting, and public safety with the reality of worker shortages and aging equipment and infrastructure.

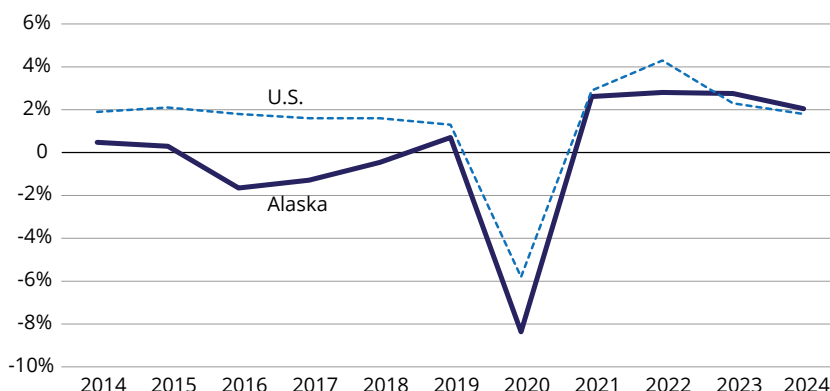
## Projects provide a stimulus

Large infrastructure and oil and gas projects will continue in 2025. Construction at the Pikka oil field will wrap up this year for Phase 1, as Santos aims to begin production in early 2026. The Willow development will continue for several more years. Federally funded infrastructure projects are harder to track.

While it's easy to see when the infrastructure funds are assigned, the time between receipt and the start of a project can be long and variable.

The largest Infrastructure Investment and Jobs Act allocation came in 2022, and the amounts were considerably lower in the subsequent years. On-the-ground work and associated employment appear to lag by a few years. Activity picked up in 2024, and 2025 will be similar, if not busier.

## Alaska job growth rate slightly overtakes U.S.



Note: 2023 and 2024 are preliminary.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## The outlook for key industries

### Construction, transportation, and professional and business services

The construction, professional and business services, and transportation sectors will continue to benefit from infrastructure spending and North Slope extraction projects. As demand for construction workers increases, pressure to raise wages and seek out-of-state labor will continue. In 2024, construction added 2,000 jobs and in 2025 we forecast an additional 1,500.

Professional and business services, which includes architecture and engineering, tends to move with construction. This category added 900 jobs in 2024, with 700 more expected this year.

Transportation, grouped with warehousing and utilities, has grown substantially in recent years. In 2024, the sector was 2,200 jobs above 2019 with 1,100 of those added just last year. Construction projects also support the transportation sector, as it brings raw materials into the state and moves materials, equipment, and labor to job sites. Visitors also support transportation, and strong visitor numbers are anticipated this year, with slightly more than 2024's 1.8 million cruise ship passengers expected as well as a significant number of independent travelers.

### Oil and gas

Oil and gas has added 1,400 jobs since the industry low of 6,700 total jobs in 2021. We expect growth to continue in 2025 at a faster clip with increased activity (600 jobs). Industry employment dropped

## The outlook for statewide jobs, by industry

	Monthly avg, 2023 <sup>1</sup>	Monthly avg, 2024 <sup>1</sup>	Change, 2023-24	Percent change	JOBS FORECAST		
					Monthly avg, 2025	Change, 2024-25	Percent change
<b>Total Nonfarm Employment<sup>2</sup></b>	<b>327,800</b>	<b>334,400</b>	<b>6,600</b>	<b>2.0%</b>	<b>339,700</b>	<b>5,300</b>	<b>1.6%</b>
Total Private	249,300	254,500	5,200	2.1%	259,400	4,900	1.9%
Mining and Logging	11,700	12,500	800	6.8%	13,500	1,000	8.0%
Oil and Gas	7,600	8,100	500	6.6%	8,700	600	7.4%
Construction	17,100	19,100	2,000	11.7%	20,600	1,500	7.9%
Manufacturing	12,800	12,000	-800	-6.3%	11,400	-600	-5.0%
Trade, Transportation, and Utilities	65,300	65,900	600	0.9%	66,900	1,000	1.5%
Wholesale Trade	6,400	6,400	0	0%	6,500	100	1.6%
Retail Trade	35,300	34,800	-500	-1.4%	34,700	-100	-0.3%
Transportation, Warehousing, and Utilities	23,600	24,700	1,100	4.7%	25,700	1,000	4.0%
Information	4,600	4,400	-200	-4.3%	4,300	-100	-2.3%
Financial Activities	10,900	10,700	-200	-1.8%	10,600	-100	-0.9%
Professional and Business Services	28,100	29,000	900	3.2%	29,500	500	1.7%
Educational (private) and Health Services	51,400	52,900	1,500	2.9%	54,000	1,100	2.1%
Health Care	40,300	41,800	1,500	3.7%	43,000	1,200	2.9%
Leisure and Hospitality	35,700	35,900	200	0.6%	36,200	300	0.8%
Other Services	11,700	12,100	400	3.4%	12,400	300	2.5%
Total Government	78,500	79,900	1,400	1.8%	80,300	400	0.5%
Federal, except military	15,200	15,600	400	2.6%	15,600	0	0%
State, incl. University of Alaska	23,100	23,800	700	3.0%	24,000	200	0.8%
Local and tribal, incl. public schools	40,200	40,500	300	0.7%	40,700	200	0.5%

<sup>1</sup>Preliminary and adjusted estimates. <sup>2</sup>Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

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drastically during the pandemic but production remained remarkably stable. After several years of that unusual balance, job growth resumed, but in 2024, total employment remained about 1,800 below 2019 levels.

Pikka and Willow, expected to begin production in 2026 and 2029, respectively, aren't yet generating many jobs in the oil industry but are bolstering employment in construction, transportation, and even manufacturing and wholesale.

### Mining

Mining growth has been steady in recent years and we expect it to rise again in 2025. The Manh Choh mine in the Southeast Fairbanks Census Area opened in 2024 and poured its first gold in July. Mature mines such as Greens Creek gold mine and Red Dog zinc mine are pursuing additional resources near their current operations as they near the ends of their life spans.

Other mines are under study, such as the Graphite One project outside of Nome, which received a large Department of Defense grant for an accelerated feasibility study.

Mining will get a longer-term boost from the U.S. statutory designation of certain minerals as "critical," based partly on supply chain vulnerabilities. The U.S. aims to reduce its dependence on China, the lead producer, and other countries for minerals used for everything from computer chips and batteries to high-tech weapon and defense systems.

### Seafood processing

In Alaska, about two-thirds of manufacturing jobs are in seafood processing with the remainder spread among the production of multiple goods, from food and cannabis products to tents and boats. The manufacturing sector lost 800 jobs in 2024, and we forecast further losses in seafood processing.

Seafood processing is seasonal and often remote. At the summer peak, employment soars to five or six times the winter low, and four out of five workers are from outside Alaska.

The processing landscape changed considerably in late 2023 and 2024 when major players Trident, Peter Pan, and OBI announced sales or closures in the wake of historically low prices and a flooded market. In [the April issue](#), we estimated the impacted employment could equal as much as 15 percent of the seafood processing job count.

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## Southeast Forecast

situation, a state can either spend the windfall or replenish its savings accounts to fill holes and cushion volatility in the years when revenue falls.

Windfall years have been scarce for the last decade, though, and are unlikely for the foreseeable future given Alaska's oil production forecasts and prices.

One of the consequences has been a shrinking

state government. Southeast had 5,500 state government jobs in 2014 and 4,300 in 2023, a 22 percent decline with a corresponding loss of services.

State government employment rose slightly in Southeast in 2024, and the forecast is flat at 4,400 total jobs. The budget problems are far from solved, however, and will broadly impede growth.

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## Anchorage Forecast

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changed the way their services are delivered: information, financial activities, and retail.

Employment in the information industry peaked in 2001 at 4,800 and was half that by 2024. The industry, which includes jobs in radio and television, newspapers, and telecommunications, has seen drastic reforms to its products and revenue models as news and entertainment have moved online. We project a 3.7 percent decline in 2025.

Finance employment peaked in 2007 at 9,200 and is now 32 percent lower. Today, personal banking is largely self-service through the internet and ATMs. Many wealth management and insurance services are performed remotely by staff in corporate headquarters outside of Alaska who can video call clients. We forecast a further 3.2 percent reduction in this

sector's employment in 2025.

Anchorage's retail employment peaked in 2015 at 18,100 and is now 16 percent lower. The industry has faced growing e-commerce pressure and years of new technology, such as self-checkouts. After losing 9 percent of its jobs during the pandemic restrictions of 2020, retail recovered slightly for a few years before shifting back to annual cuts.

It may not be a coincidence that 2024's 1.9 percent retail job loss coincided with the first full year of operation for the Anchorage Amazon distribution center, which recently celebrated more than 3 million packages delivered. We expect similar retail job losses in 2025 (-2 percent).

Barring unexpectedly large population increases in the future, there is little reason to believe these industries will ever return to their peak job levels.

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### Health care

Health care continues to grow, with 1,200 additional jobs forecasted in 2025. Alaska's services are still expanding. According to the Centers for Disease Control, Alaska had 10 physicians per 10,000 people in 1985, which grew to 28.3 by 2019. The rising needs of an aging population also contribute to growth.

Major projects like the Alaska Native Tribal Health Consortium's multi-year Anchorage emergency room expansion began as construction jobs this year and will boost health care when the facility opens.

As the health care industry develops, the ownership landscape also changes. For example, in recent years, the nonprofit tribal Southeast Regional Health

Consortium, expanded its services and took over both private and public practices and facilities.

### Industries in decline

Manufacturing will lose jobs this year because of the instability in seafood processing, but other industries will continue their long-term losses stemming from changes in how they do business.

The internet and self-service have become the norm in banking, investing, and insurance. The information sector includes cellphone companies and print, radio, and television. Changing technology and business practices have also reduced their need for workers.

Retail has also faltered in recent years because of online sales, self checkout, and population stagnation.

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