

Fairbanks jobs forecast for 2025

Infrastructure projects and stability in area's basic drivers

By KARINNE WIEBOLD

Fairbanks enters 2025 with a stable economy set to benefit from North Slope oil and gas activity and federal infrastructure projects.

We forecast 1.3 percent growth this year with gains or stability in all sectors except local government. The strongest growth will come from the transportation, warehousing, and utilities sector, construction, and health care.

Federal infrastructure projects under way

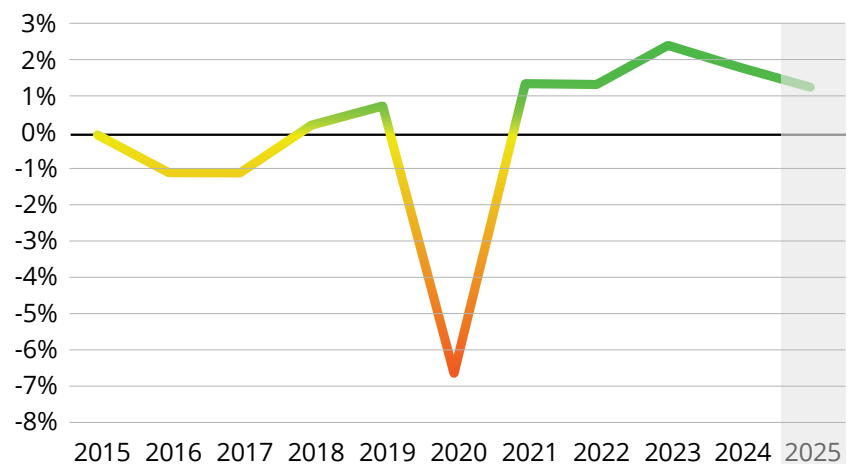
A myriad of federally funded infrastructure projects in the interior will boost construction and transportation, although the timing of some projects is unclear or in flux.

- Improvements to the Moose Creek barrier wall are midway through and expected to finish in early 2026. This upgrade is part of the Chena River lakes flood control project, a \$148 million, multi-year undertaking.
- The Gerstle Bridge replacement is scheduled for 2025.
- The Steese and Johansen highway interchange is pending. Construction may not begin until 2026.
- In federal fiscal year 2025, the U.S. Department of Transportation awarded Alaska \$25 million to replace 45 miles of the Alaska Highway affected by permafrost in Fairbanks.

Foundations of the area's economy

The Fairbanks North Star Borough has a diverse economy with several major drivers — drivers bring

Slightly less job growth for Fairbanks this year



Note: 2024 number is preliminary

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

in outside money and often explain why a place exists or what keeps it ticking. In Fairbanks, that's primarily the military, the university, mining, and tourism.

The military

The borough has 10,000 active-duty service members and thousands of dependents. With its globally strategic location, Fairbanks provides a unique arctic training environment. The military bases also generate federal civilian jobs and employ private contractors, and service members and their families support local businesses such as restaurants, bars, and car dealerships.

Recent years' expansion of Eielson Air Force Base increased the military population in the borough, with the last influx in 2022 when the final two F-35 fighter jets arrived to complete the squadron.

In late 2024, after several years of delays, the Air Force agreed to assign four additional KC-135 refueling tankers to the base. The timing of the relocation has not been announced, but it will bring in more than 200 additional airmen and their families.

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Both bases' facilities have been upgraded in the last couple of years, with more improvements on the horizon, and both have seen pay boosts recently. The Air Force also began paying an arctic bonus.

No shifts in Fairbanks' military presence are on the horizon this year. The borough's federal civilian employment has remained at 3,200 for the last four years and is forecasted to hold steady in 2025.

University of Alaska Fairbanks

The University of Alaska Fairbanks is the public university system's flagship campus. UAF employed 2,900 people and had a student population of 7,500 in 2023, the most recent year available. Both numbers are considerably lower than a decade ago.

Enrollment declined over most of the last decade but has stabilized since the pandemic. (See the graph on the next page.) University employment has fallen by nearly a third since 2013, bottoming out in 2020-2021 at 2,600. Since then, UAF has added 300 jobs. We expect it to represent the bulk of state government growth in 2025, a forecasted 100 total jobs.

Mining

Fairbanks is home to one large mine, Fort Knox, and many small ones. The surrounding areas also have major mining operations that benefit Fairbanks, including the Pogo Gold Mine in the Southeast Fairbanks Census Area and the new Manh Choh mine near Tetlin, which started producing in 2024. Manh Choh has a five-year anticipated lifespan, with the potential for adjacent development.

Economic ties are tight between the Manh Choh mine and Fairbanks. Ore is trucked through the city to the Fort Knox Gold Mine to be milled, generating transportation and mining employment for Fairbanks.

Mining weathered the pandemic without substantial job loss and has grown slightly since. We forecast it will remain flat in 2025, and transportation will add 200 jobs.

Tourism

About 20 percent of Alaska's visitors make it to the interior, and tourist numbers have rebounded since the pandemic, although not without setbacks.

Denali National Park is outside the Fairbanks North Star Borough but it's a major interior attraction that

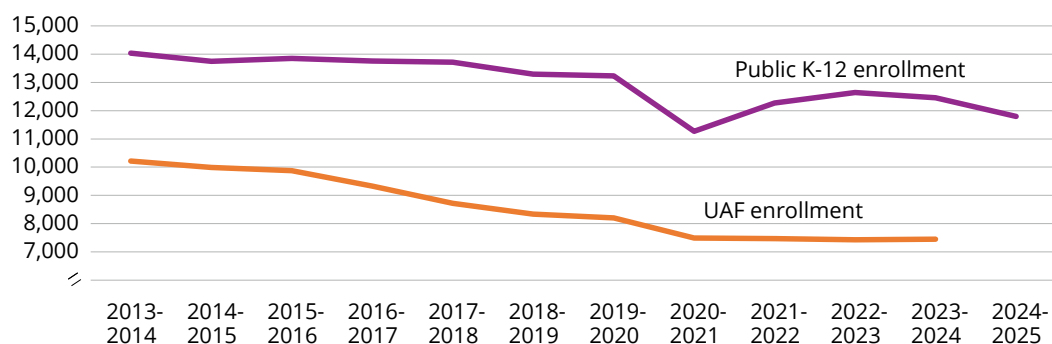
The outlook for Fairbanks North Star Borough jobs, by industry

	Monthly avg, 2023 ¹	Monthly avg, 2024 ¹	Change, 2023-24	Percent change	JOBS FORECAST		
					Monthly avg, 2025	Change, 2024-25	Percent change
Total Nonfarm Employment²	37,300	38,000	700	1.9%	38,500	500	1.3%
Total Private	26,800	27,400	600	2.2%	27,900	500	1.8%
Mining and Logging	900	900	0	0%	900	0	0%
Construction	2,700	2,900	200	7.4%	3,000	100	3.4%
Manufacturing	600	700	100	16.7%	700	0	0%
Trade, Transportation, and Utilities	7,300	7,600	300	4.1%	7,800	200	2.6%
Wholesale Trade	600	600	0	0%	600	0	0%
Retail Trade	4,600	4,600	0	0%	4,600	0	0%
Transportation, Warehousing, and Utilities	2,100	2,400	300	14.3%	2,600	200	8.3%
Information	300	300	0	0%	300	0	0%
Financial Activities	1,000	1,100	100	10.0%	1,100	0	0%
Professional and Business Services	2,500	2,400	-100	-4.0%	2,400	0	0%
Educational (private) and Health Services	5,700	5,800	100	1.8%	6,000	200	3.4%
Health Care	4,400	4,600	200	4.5%	4,700	100	2.2%
Leisure and Hospitality	4,500	4,400	-100	-2.2%	4,400	0	0%
Other Services	1,300	1,300	0	0%	1,300	0	0%
Total Government	10,500	10,600	100	1.0%	10,600	0	0%
Federal, except military	3,200	3,200	0	0%	3,200	0	0%
State, incl. University of Alaska	4,500	4,600	100	2.2%	4,700	100	2.2%
Local and tribal, incl. public schools	2,800	2,800	0	0%	2,700	-100	-3.6%

¹Preliminary and adjusted estimates. ²Excludes 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

Student enrollment trends at UAF, borough school district, 2013-2025



Sources: Fairbanks North Star Borough School District and the University of Alaska Fairbanks

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also draws visitors to Fairbanks. The 2021 Pretty Rocks landslide closed the only road into the park through summer of 2026. The train doesn't enter the park, and with the road closed, deep park entry is limited to fly-in dropoffs and hikes. The park also sustained major wildfires in 2024.

Aside from Denali's draw, Fairbanks has been attracting more winter visitors looking for the northern lights, hot springs, dog sleds, and other far-north experiences. Airport passenger numbers reached new highs last March.

For 2025, we expect leisure and hospitality, much of which supports tourism, to remain flat.

Serving as the regional hub

Fairbanks is the largest city in the interior, making it a hub for communities hundreds of miles upriver or off the highway whose residents depend on it for health care, shopping, and transportation. While Fairbanks' position is secure in its size and location, some changes are chipping away at its advantage.

Online shopping, with its low prices and free delivery, has diminished local purchases. Amazon has opened a contract sorting facility in Fairbanks, generating jobs that count as warehousing rather than retail. Internet banking and even health care have also shifted with technological changes. Telehealth visits became common during the pandemic, moving certain types of care away from in-person visits.

We forecast retail employment will remain flat in 2025 and health care will add 100 jobs.

Other industries track with these drivers

The drivers detailed above support a range of other

industries in Fairbanks, and they will grow or hold steady based on the stability of those drivers.

The rest of the economy also depends on population size, demographics, and how much money circulates locally versus being spent elsewhere.

Fairbanks' population is decreasing, reducing local demand for goods and services. At the same time, the population is aging, increasing the demand for health care.

Restraints on job growth in 2025

Several factors could squeeze the brakes on Fairbanks' economy this year.

Fairbanks faces the same worker shortage as the rest of the state, and plentiful opportunities elsewhere could make workers even harder to find.

A second constraint is potential cuts announced by the incoming Trump administration, which aims to reduce federal employment and spending — two things that disproportionately benefit Alaska and especially Fairbanks.

Finally, public schools across the state are struggling with declining enrollment and long-term budget instability. In Fairbanks, the junior/senior high school at Eielson closed in the fall of 2024. Eielson was the second base school and the fourth district school to close since 2022.

The Fairbanks School District has a \$29 million deficit for FY 2025, and school closures are an ongoing possibility that would result in local government job cuts.

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