



AEDC
Anchorage Economic
Development Corporation

2026 ECONOMIC FORECAST

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TABLE OF CONTENTS

The Big Picture	1
Demographics and Employment	2
Population	2
Employment	3
Purchasing Power	4
Personal Consumption and Confidence	4
Inflation	6
Visitor Industry	7
Air Passenger Volume	8
Cruise Ship Passenger Volume	8
Leisure and Hospitality Employment	9
Transportation Industry	10
Anchorage Air Cargo	10
Port of Alaska Marine Cargo	11
Transportation Employment	12
Oil and Gas Industry	13
Alaska North Slope Oil Price and Production	13
Oil and Gas Employment	14
Construction Industry	15
Building Permit Values	15
Construction Employment	16
Healthcare Industry	18
Healthcare Employment	18

THE BIG PICTURE

Anchorage enters 2026 with a stable economic outlook, supported by strength in transportation, tourism, health care, and construction. Cargo volumes through Ted Stevens Anchorage International Airport and the Port of Alaska reached record levels in 2025, and transportation employment continued to grow. Health care remains a primary source of job growth, with new behavioral health and skilled nursing facilities opening in 2026. Residential and commercial construction activity has strengthened as well, reflected in sharply higher building permits and elevated permit values, supported by major projects such as the Port of Alaska Terminal 1 replacement, downtown redevelopment, and new cargo facilities.

Households, however, continue to face pressure from high prices. U.S. consumer confidence is at its lowest level in a decade, down more than 30 percent over the past year. Since 2020, prices in Anchorage have risen by about 25 percent, and local inflation is expected to remain near 2.5 percent in 2026, driven largely by food and home energy costs. These conditions are expected to constrain discretionary spending, particularly in leisure, hospitality, and retail. Visitor activity is expected to remain flat in 2026, although cruise cabin capacity is expanding and air passenger volumes are stabilizing.

Resource development remains a central influence on Anchorage's economy. Alaska North Slope oil production is expected to increase as the Pikka project enters production, with the Willow project following later in the decade. At the same time, near-term oil prices are expected to remain under downward pressure, creating uncertainty for State of Alaska revenues and public spending.

Construction employment reached its highest summer levels in nearly a decade, but the outlook for 2026 is mixed. Uncertainty around state matching funds for federal transportation programs presents a risk to statewide construction activity. Because many construction firms are headquartered in Anchorage but operate across Alaska, changes in statewide capital spending continue to directly affect local employment.

Looking ahead, four issues will be especially important to monitor in 2026: consumer spending trends driven by inflation and consumer confidence; oil price movements and their effects on State revenues; developments related to the Alaska Liquefied Natural Gas (LNG) project and other major resource investments, particularly any final investment decision; and changes in health care subsidies, premiums, and enrollment.

DEMOGRAPHICS AND EMPLOYMENT

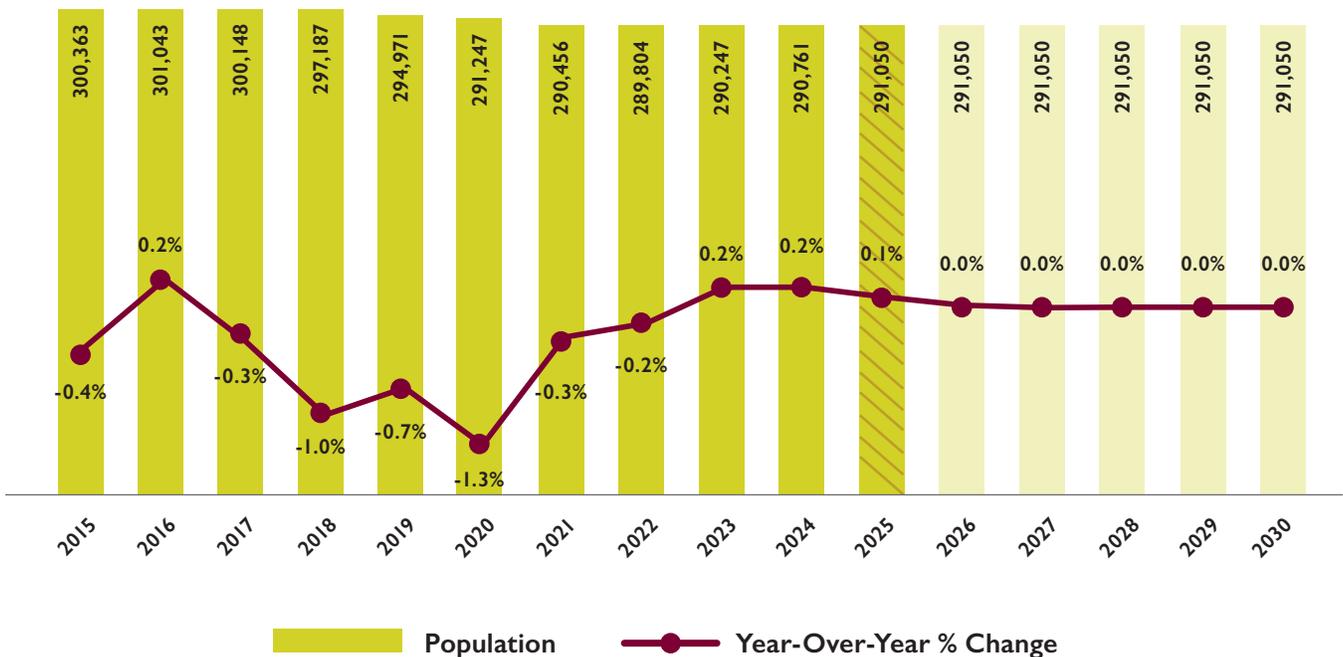
POPULATION

Anchorage's population increased slightly in 2025 and is expected to remain largely flat over the next several years.

FACTORS CONTRIBUTING TO THE FORECAST

- Net outmigration spurred by the statewide recession period has slowed.
- Total population decline has stabilized.
- A smaller working-age population will limit labor supply.

Anchorage Population Forecast



Source: Alaska Department of Labor and Workforce Development (2015-2025), McKinley Research Group estimates (2026-2030).

EMPLOYMENT

Employment growth was moderate in 2025, and modest growth is expected in the coming year.

FACTORS CONTRIBUTING TO THE FORECAST

- Anchorage added about 2,000 jobs in the first half of 2025.
- Total employment remains below its historical peak.
- Employment is forecast to grow modestly in 2026, with healthcare and transportation employment leading the way.

Anchorage Average Employment, 2015-2026(F)



Source: Alaska Department of Labor and Workforce Development (2015-2024), McKinley Research Group estimates (2025-2026).

PURCHASING POWER

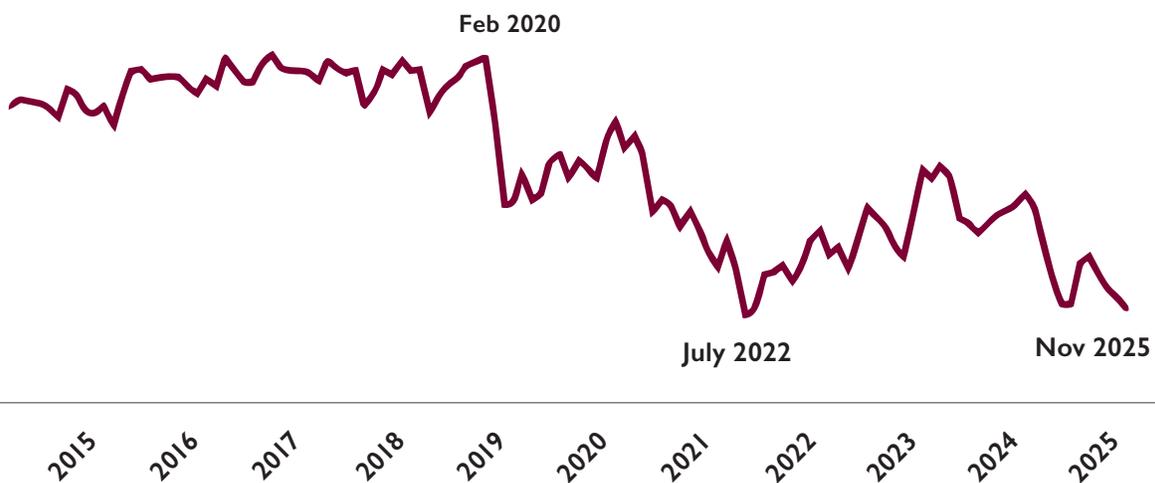
PERSONAL CONSUMPTION AND CONFIDENCE

Inflation and weak consumer sentiment are expected to weigh on discretionary spending over the near term.

FACTORS CONTRIBUTING TO THE FORECAST

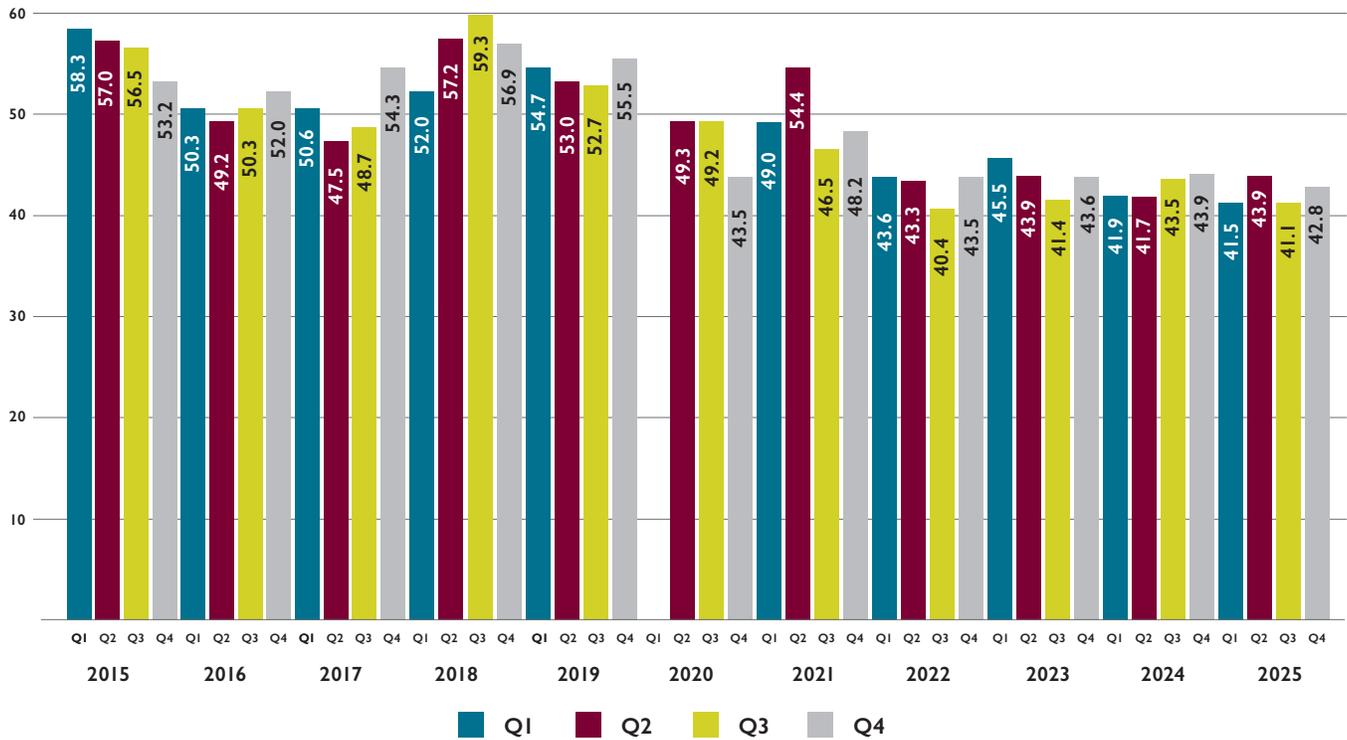
- Consumer confidence is at its lowest level in ten years, declining 31 percent over the past 12 months.
- Local inflation is forecast at approximately 2.5 percent in 2026, driven primarily by home energy costs.
- Discretionary spending is expected to remain constrained, particularly in retail, dining, and entertainment.

U.S. Consumer Confidence, 2015-2025

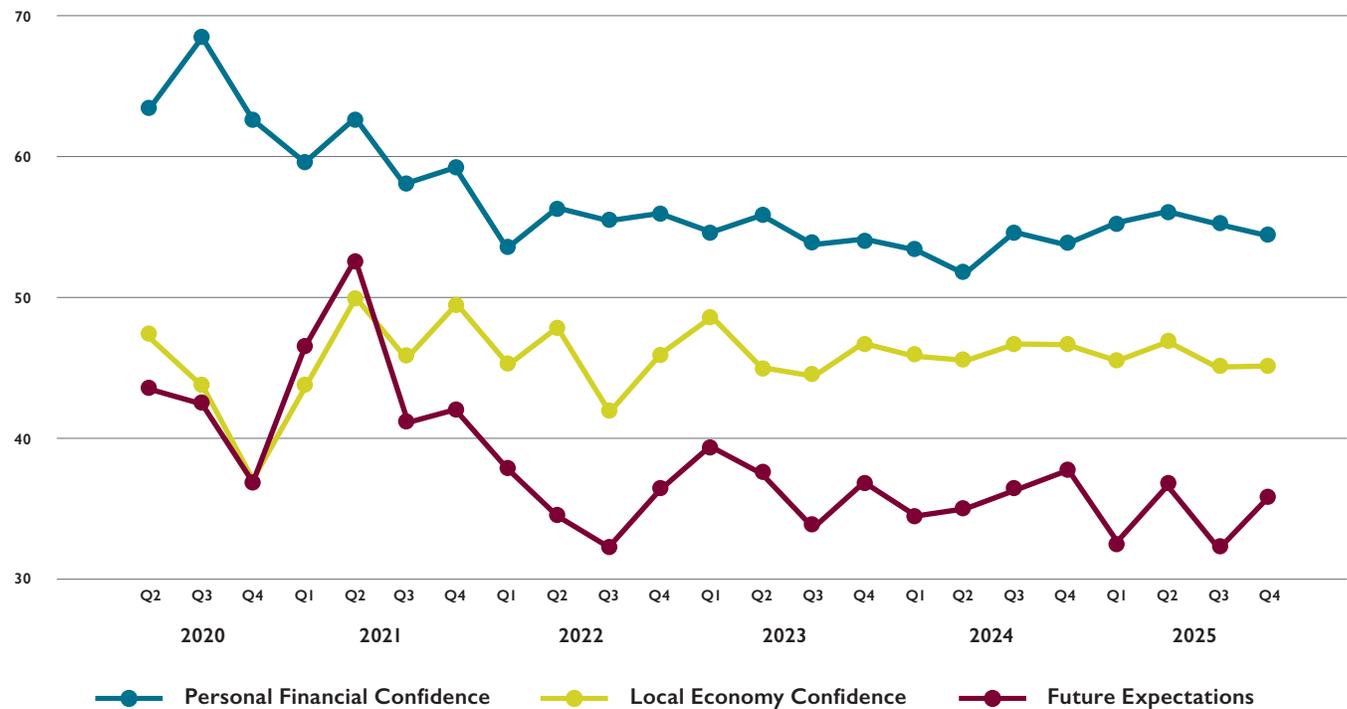


Source: "Surveys of Consumers, University of Michigan, University of Michigan: Consumer Sentiment © [UMCSENT], retrieved from FRED, Federal Reserve Bank of St. Louis, (Accessed January 12, 2026).

Anchorage Consumer Confidence Index



Anchorage Consumer Confidence



Source: Alaska Survey Research. 2025/26 Winter Alaska Survey. Alaska Survey Research, 2026.

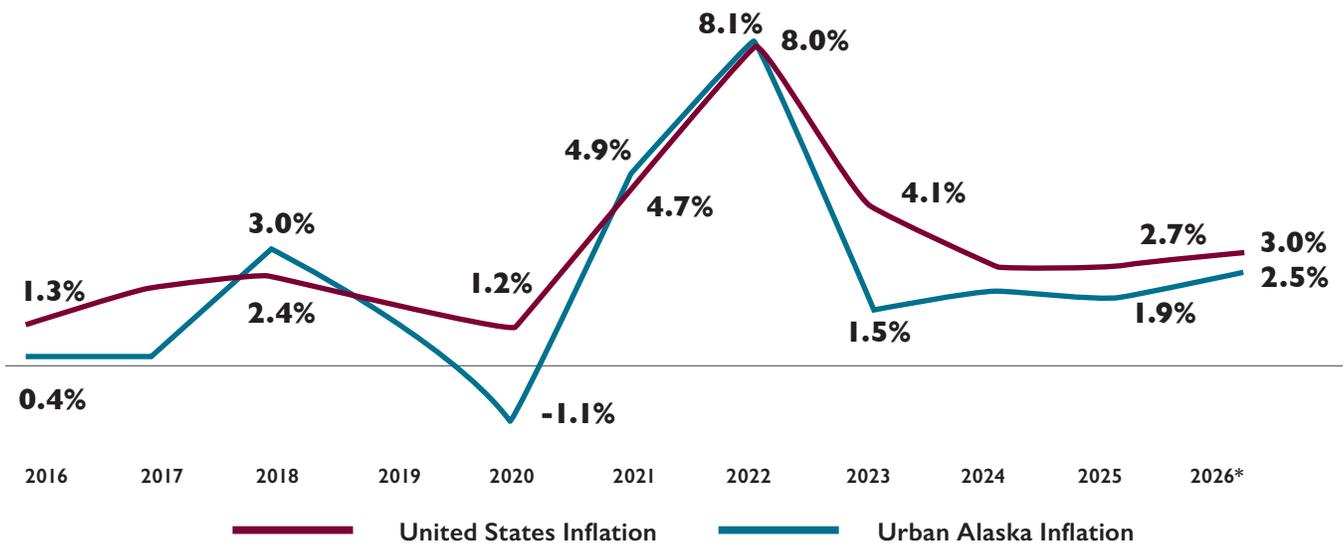
INFLATION

Inflation: Inflation continues at an elevated rate compared to the historical average and the cumulative affect may cause some households to pull back on discretionary spending.

FACTORS CONTRIBUTING TO THE FORECAST

- Overall prices in Anchorage have increased by approximately 25 percent since January 2020.
- Local inflation is expected to increase to 2.5% next year, driven primarily by food and home energy prices.
- Elevated price levels continue to constrain household purchasing power.

Consumer Price Index, 2016-2026(F)



Category	Price Increase 2025 vs. 2024
Rent	3.9%
Dairy Products	5.4%
Meat / Fish / Eggs	6.6%
Apparel	6.9%
Used Cars	7.9%

Source: U.S. Bureau of Labor Statistics (2013-2025), U.S. Federal Reserve.

VISITOR INDUSTRY

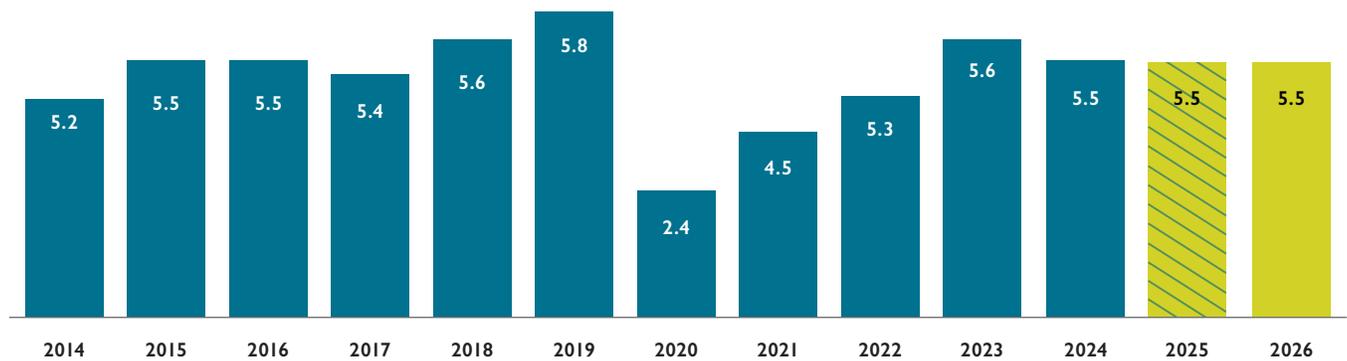
AIR PASSENGER VOLUME

Air passenger volume is expected to remain relatively stable.

FACTORS CONTRIBUTING TO THE FORECAST

- New routes at Ted Stevens Anchorage International Airport and increased cross gulf cruise calls will help offset softness in broader air travel demand.

**Anchorage International Airport
Air Passenger Volume (Millions), 2025-2026 Forecast**



Source: State of Alaska Department of Transportation and Public Facilities (2015 – 2024), McKinley Research Group Estimates (2025 – 2026).

Source: Cruise Line Agency of Alaska and McKinley Research Group estimates.

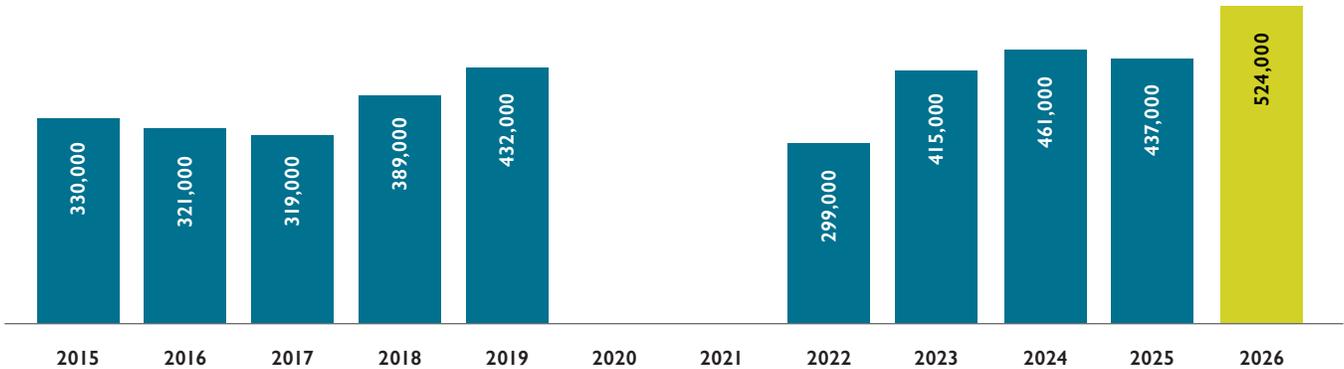
CRUISE SHIP PASSENGER VOLUME

Anchorage will see increases in cruise capacity in 2026.

FACTORS CONTRIBUTING TO THE FORECAST

- Cruise passenger volume through the cross gulf ports of Whittier and Seward declined by approximately 5 percent in 2025.
- Cruise passenger volume is not forecasted currently, as bookings are not typically finalized until the spring.
- Cruise passenger capacity is expected to increase by up to 20 percent in 2026 with the opening of the new Whittier cruise terminal. However, capacity does not necessarily contribute to passenger volume, which is not forecasted at this time.

Cross-Gulf Cruise Ship Passenger Volume (2015-2025), 2026 Capacity



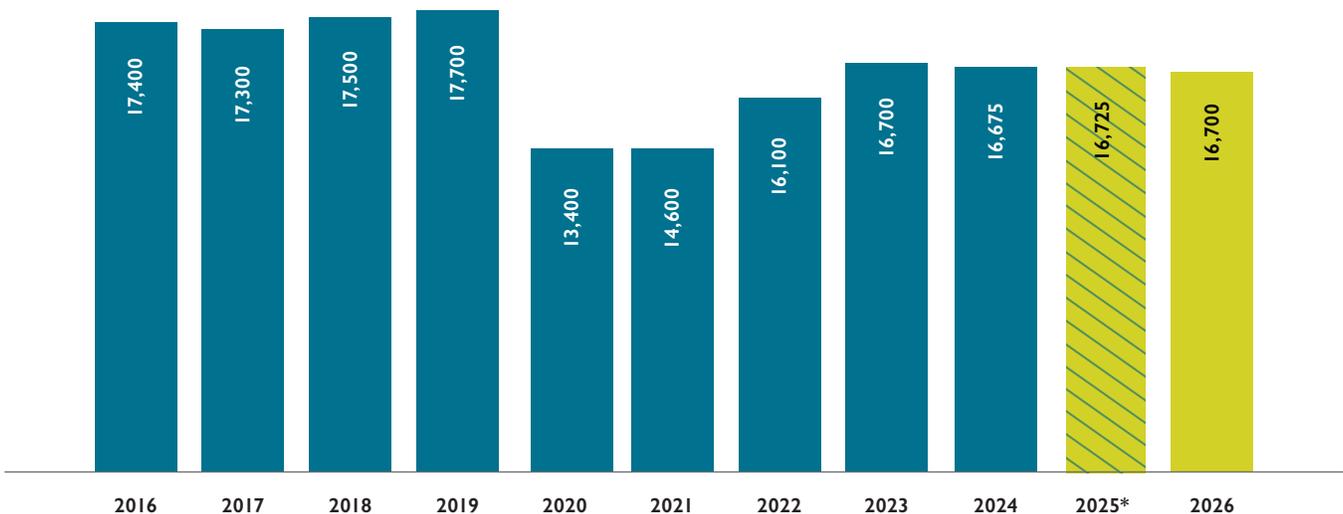
LEISURE AND HOSPITALITY EMPLOYMENT

Employment in leisure and hospitality is expected to remain roughly flat in 2026, supported by strong visitor activity but constrained by high prices and softer local demand.

FACTORS CONTRIBUTING TO THE FORECAST

- Sector employment totaled approximately 17,000 jobs in 2025.
- Air passenger volumes are expected to remain stable in 2026.
- Cruise passenger capacity is expected to increase in 2026.

**Leisure and Hospitality Employment,
2016-2026(F)**



Source: Alaska Department of Labor and Workforce Development (2016 – 2024), McKinley Research Group Estimates (2025 – 2026) *Employment estimate is preliminary.

TRANSPORTATION INDUSTRY

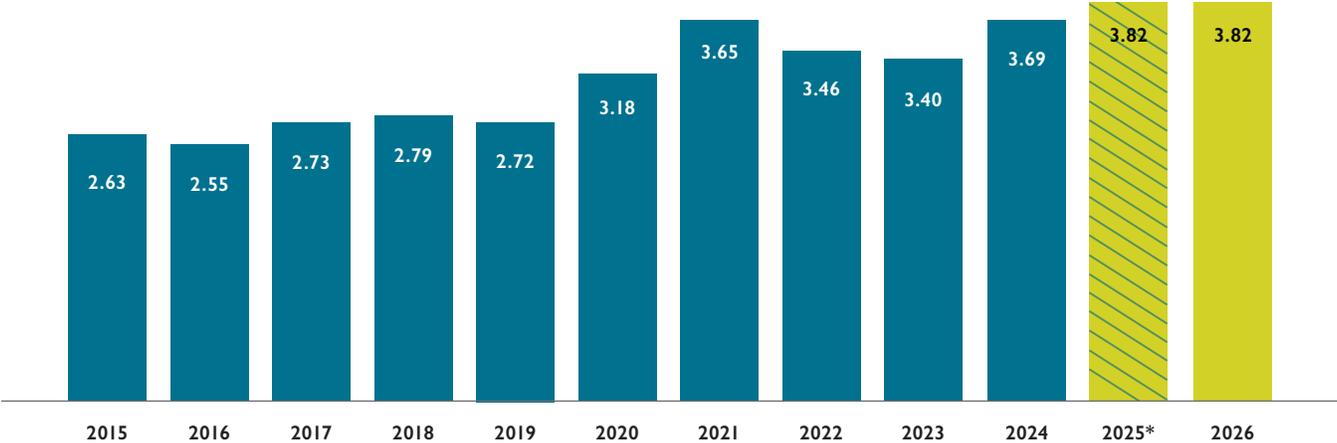
ANCHORAGE AIR CARGO

Cargo volumes and employment reached record levels in 2025 and are expected to remain elevated, supported by Anchorage’s role as a major international cargo hub.

FACTORS CONTRIBUTING TO THE FORECAST

- Air cargo volume reached a record 3.82 million metric tons in 2025 at Ted Stevens Anchorage International Airport.
- Anchorage’s transshipment role between Asia and the Lower 48 continues to support high cargo throughput. Air cargo volumes are closely tied to U.S. consumer demand for imported goods.

**Anchorage International Airport Cargo
(Million Metric Tons), 2015-2025**



Source: State of Alaska Department of Transportation and Public Facilities (2015 – 2024), McKinley Research Group Estimates (2025 – 2026).

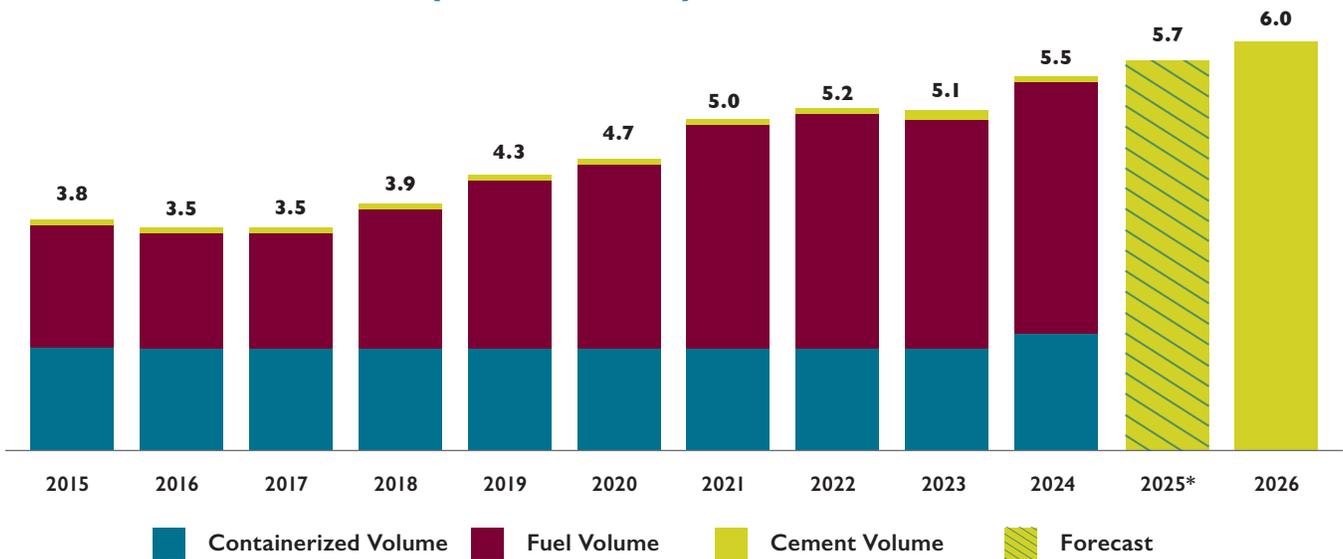
PORT OF ALASKA MARINE CARGO

Port cargo volumes are expected to increase in 2026, driven by rising jet fuel demand associated with expanded passenger air service.

FACTORS CONTRIBUTING TO THE FORECAST

- New passenger air routes are expected to increase demand for jet fuel shipments through the Port of Alaska.
- Port of Alaska cargo volume reached a record 5.7 million tons in 2025.
- Consumer sentiment is expected to remain subdued, limiting growth in non-fuel cargo.

**Port of Alaska Volume
(Million Tons), 2015-2026**



Source: Municipality of Anchorage, Port of Alaska (2015 – 2024), McKinley Research Group Estimates (2025 – 2026).

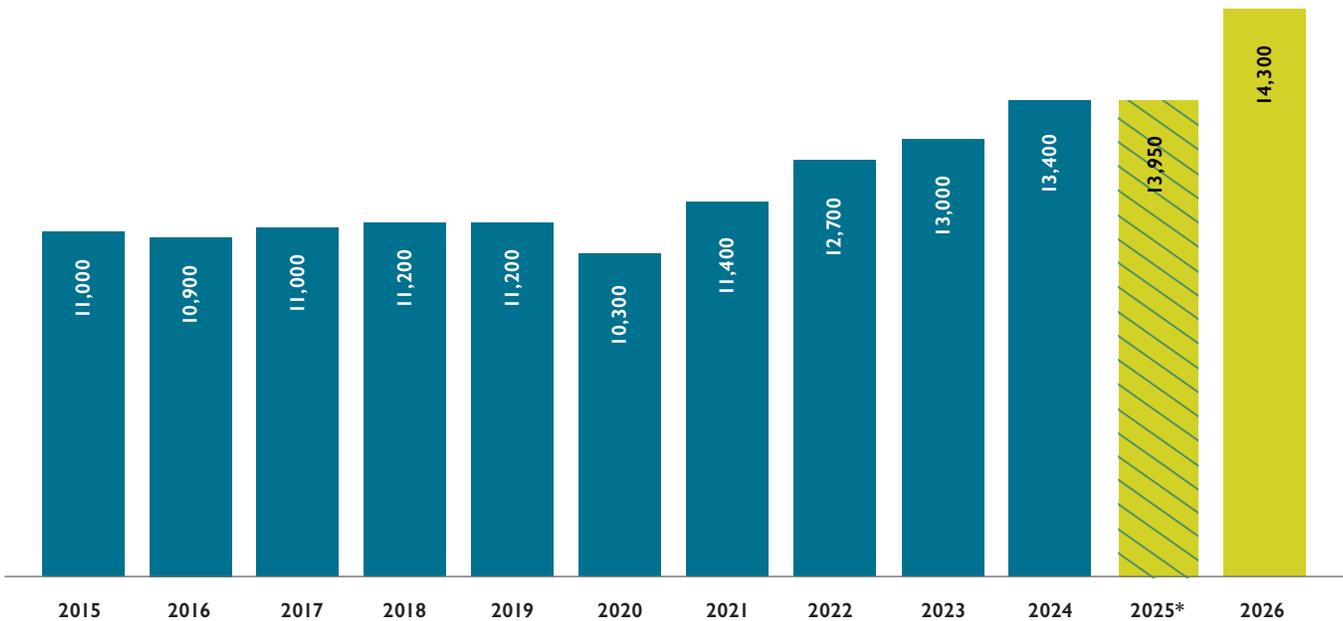
TRANSPORTATION EMPLOYMENT

Transportation employment is expected to continue growing in 2026, driven by warehousing, storage, and last-mile delivery activity.

FACTORS CONTRIBUTING TO THE FORECAST

- Transportation employment increased by approximately 550 jobs in 2025.
- An additional 450 transportation jobs are forecast in 2026.
- Employment growth is concentrated in warehousing, storage, and last-mile delivery services.
- Growth in delivery activity is linked to e-commerce and retail distribution demand.

**Alaska Transportation Employment,
2015-2026(F)**



Source: Alaska Department of Labor and Workforce Development (2015– 2024), McKinley Research Group Estimates (2025 – 2026) *Employment estimate is preliminary.

OIL AND GAS INDUSTRY

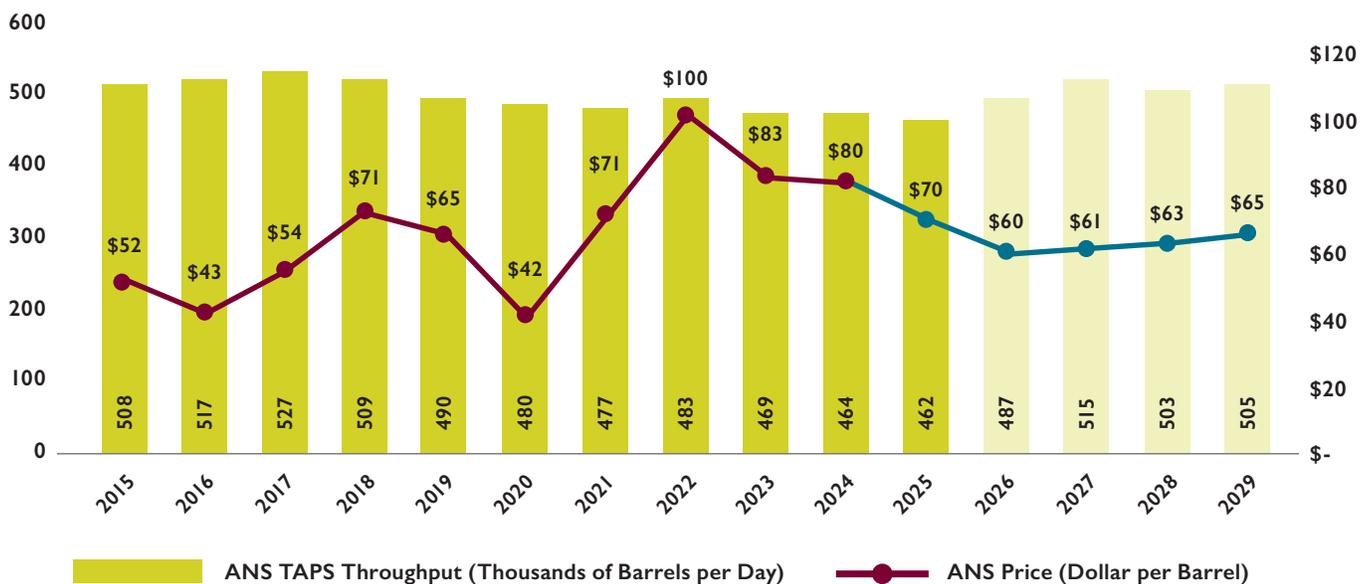
ALASKA NORTH SLOPE OIL PRICE AND PRODUCTION

Alaska oil production is expected to increase in the near term despite a weaker price environment.

FACTORS CONTRIBUTING TO THE FORECAST

- Alaska North Slope production remained stable despite operating in a low price environment.
- The Santos Pikka project is expected to begin production during the forecast period.
- ConocoPhillips' Willow project is expected to enter production shortly after the forecast period.
- Near-term oil prices are expected to trend downward.
- Additional downside price risk is tied to potential increases in global supply, including Venezuela and Organization of the Petroleum Exporting Countries (OPEC) production changes.

Alaska North Slope Crude Oil Production (Thousands of Barrels per Day) and Prices (Dollars per Barrel), 2015-2029



Source: Alaska Department of Revenue, Energy Information Administration, CME Group, McKinley Research Group calculations.

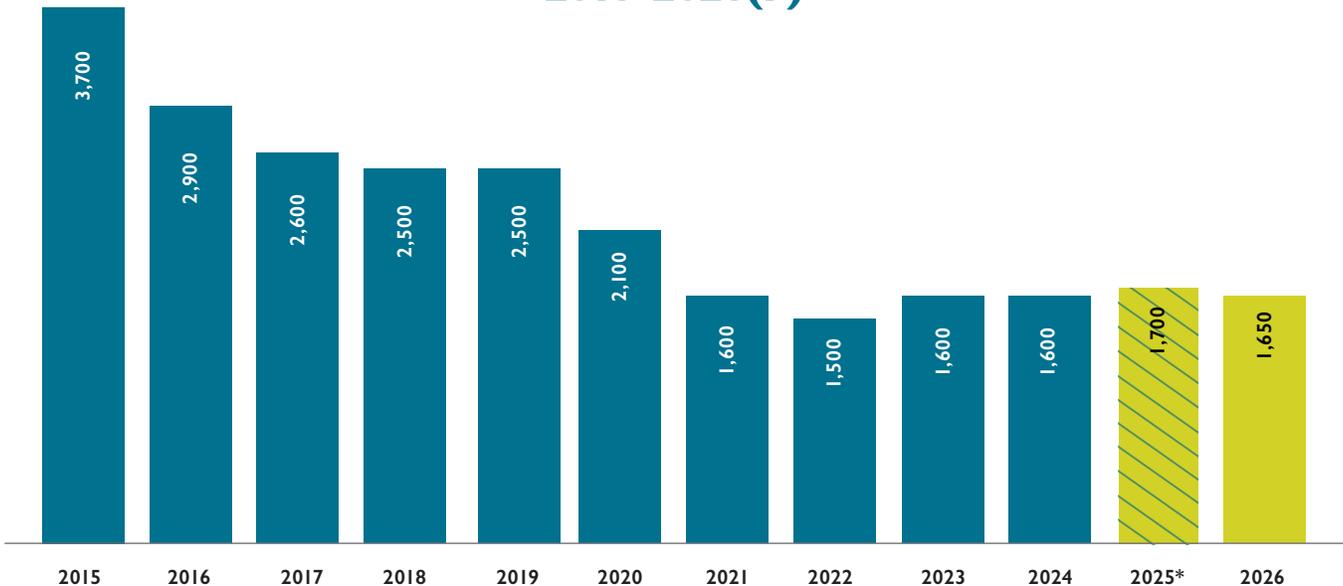
OIL AND GAS EMPLOYMENT

Anchorage-based oil and gas employment is expected to decline in 2026, despite continued large-scale capital investment on the North Slope.

FACTORS CONTRIBUTING TO THE FORECAST

- Billions of dollars of capital investment on the North Slope is supporting production activity and worker incomes.
- Industry layoffs and a challenging price environment are weighing on Anchorage-based employment.
- Growth in North Slope production may support consumer spending in Anchorage, but is not expected to increase Anchorage-based employment.
- The Alaska LNG project is in early execution, but no final investment decision has been made.

**Alaska Oil and Gas Employment,
2015-2026(F)**



Source: Alaska Department of Labor and Workforce Development (2015 – 2024), McKinley Research Group Estimates (2025 – 2026) *Employment estimate is preliminary.

CONSTRUCTION INDUSTRY

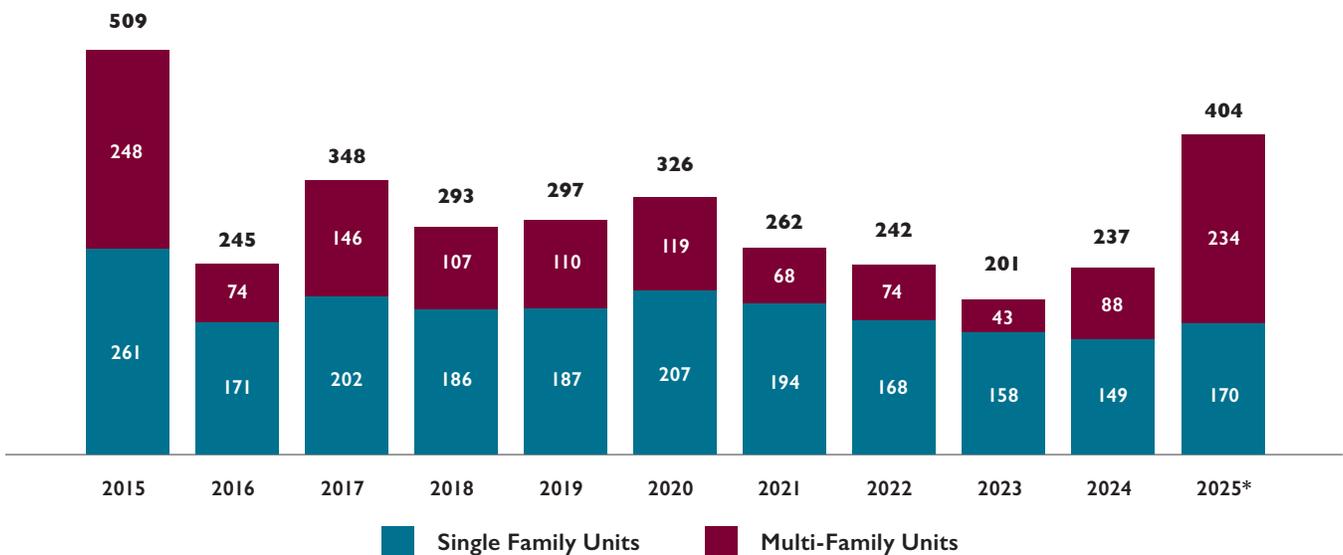
BUILDING PERMIT VALUES

Residential construction activity increased sharply in 2025 and is expected to remain elevated, while housing prices continue to reflect a supply-constrained market.

FACTORS CONTRIBUTING TO THE FORECAST

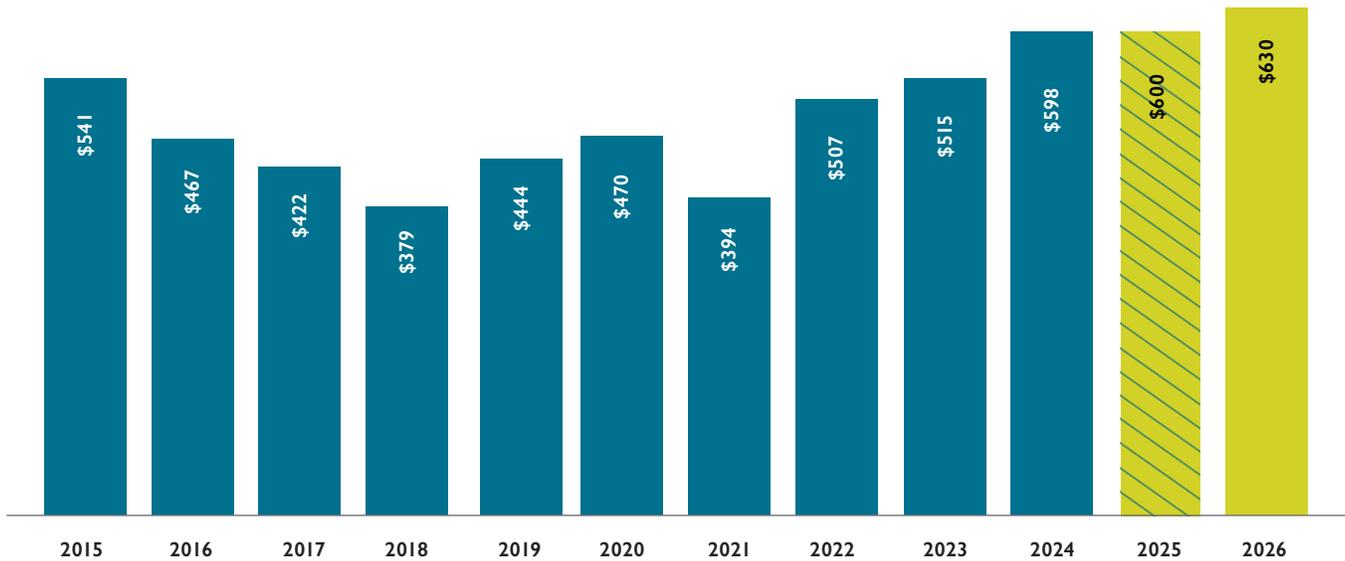
- New residential permits increased by approximately 70 percent in 2025, led by multi-family units.
- The median home sale price reached approximately \$531,000 in 2025, up from \$375,000 in 2019, and housing demand continues to exceed supply.
- Multi-family development accounted for the majority of new residential permitting activity.
- Aggregate municipal building permit values are expected to increase in 2026.
- Building material and construction costs remain elevated and are unlikely to decline.
- Several large commercial projects are underway or expected to break ground in 2026, including the 4th Avenue Marketplace, Alaska Cargo and Cold Storage, the Port of Alaska Terminal I replacement, and downtown redevelopment.

New Residential Units Permitted in Anchorage by Type 2015-2025



Source: Municipality of Anchorage.

Anchorage Building Permit Values (\$Millions) 2015-2026(F)



CONSTRUCTION EMPLOYMENT

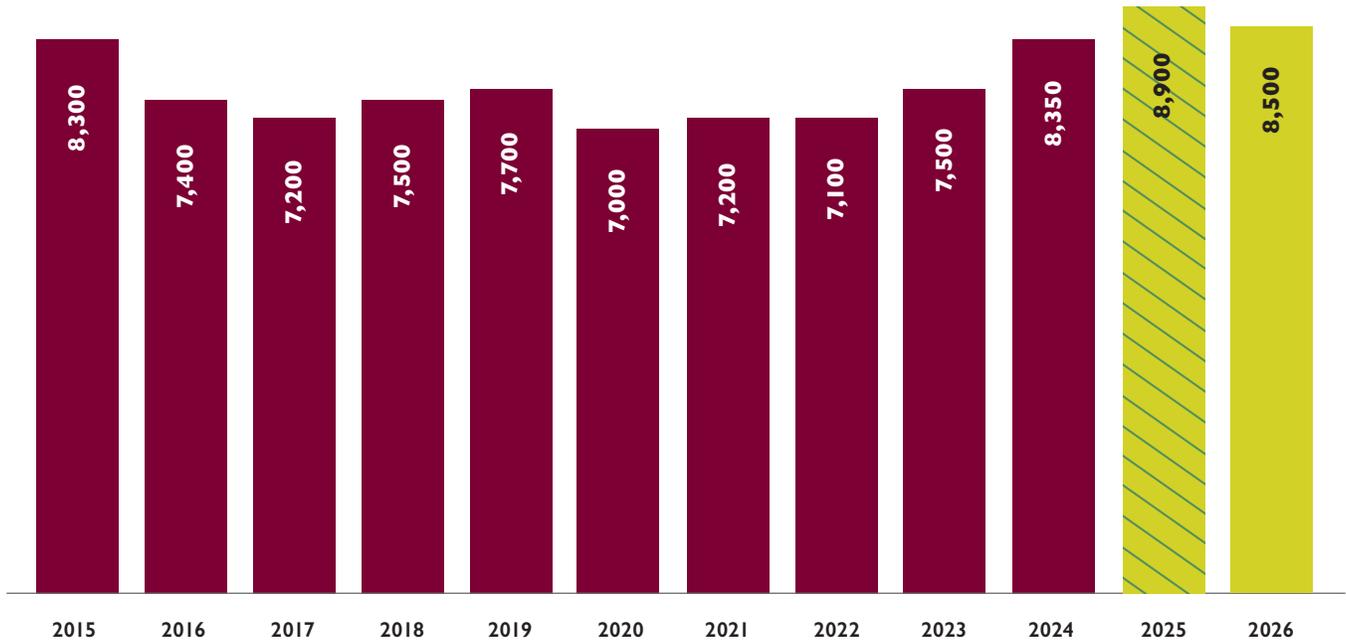
Construction employment is expected to soften in 2026 as several large projects wind down and uncertainty around transportation funding weighs on activity.

FACTORS CONTRIBUTING TO THE FORECAST

- Summer construction employment exceeded 10,000 jobs in 2024 and 2025, the highest level since 2015.
- Recent construction employment gains were driven by North Slope oil development and federal infrastructure projects.
- Several large construction projects are reaching completion.
- Uncertainty over state matching funds for federal transportation programs may reduce construction activity.

Source: Municipality of Anchorage (2015-2025), McKinley Research Group estimates (2026).

Anchorage Construction Employment, 2015-2026(F)



Source: Alaska Department of Labor and Workforce Development (2016 – 2024), McKinley Research Group Estimates (2025 – 2026) *Employment estimate is preliminary.

HEALTHCARE INDUSTRY

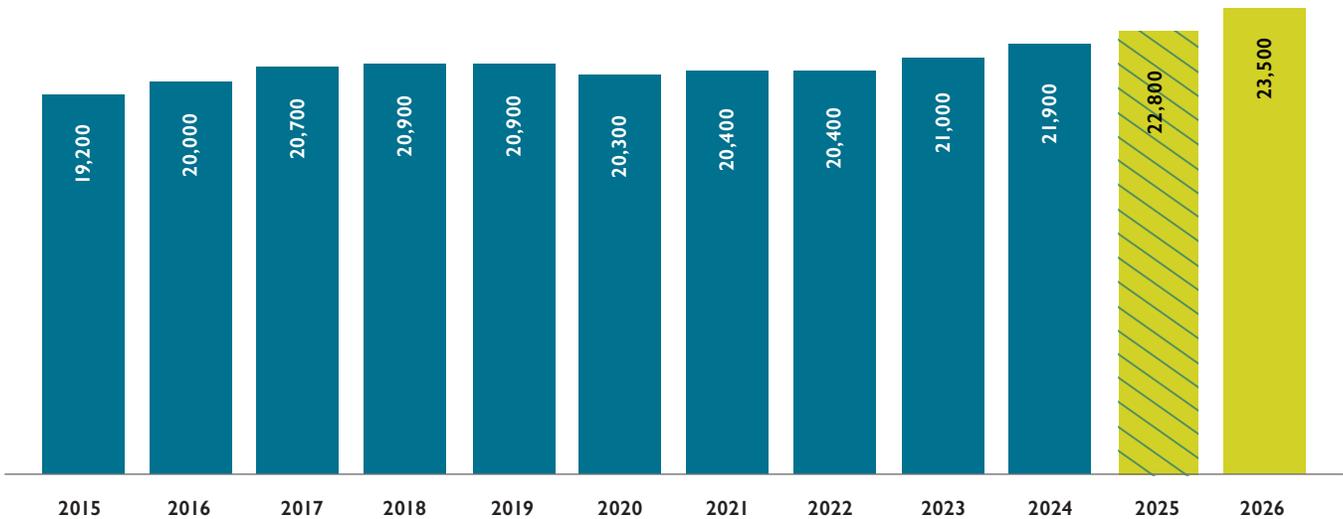
HEALTHCARE EMPLOYMENT

Health care employment is expected to continue growing in 2026, supported by new facility openings and sustained public-sector funding.

FACTORS CONTRIBUTING TO THE FORECAST

- Health care employment increased by approximately 900 jobs in 2025.
- Employment growth occurred in 2025 despite uncertainty in federal health care funding and the expiration of pandemic-era premium subsidies.
- New behavioral health and skilled nursing facilities are scheduled to open in 2026.
- New facilities are expected to absorb recent hospital layoffs and add new positions.

**Anchorage Healthcare Employment
2015-2026(F)**



Source: Alaska Department of Labor and Workforce Development (2016 – 2024), McKinley Research Group Estimates (2025 – 2026) *Employment estimate is preliminary.

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