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Economic Impacts of Anchorage's Visitor Industry

2024-25

PREPARED BY



PREPARED FOR



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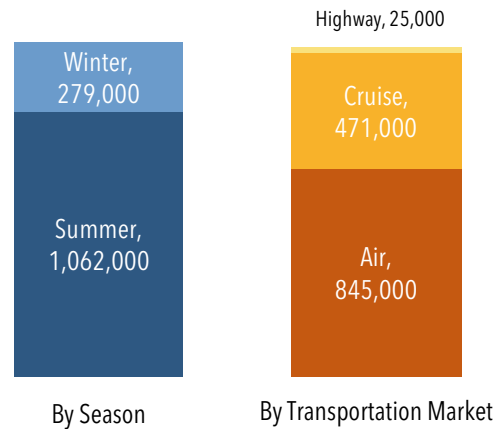
Executive Summary

Visit Anchorage contracted with McKinley Research Group (MRG) to assess the economic impacts of Anchorage’s visitor industry. The study focused on out-of-state visitors who traveled to Anchorage during the 12-month period of May 2024 to April 2025. A major source for the study was the *Anchorage Airport Wi-Fi Survey*, conducted by MRG for Visit Anchorage. Other sources included Cruise Line Agencies of Alaska, Municipality of Anchorage, and *Alaska Visitor Volume, 2024-25*. The economic modeling tool IMPLAN was used to calculate impacts. Following are key findings of the study.

Visitor Volume

An estimated 1.34 million people visited Anchorage during the study period. The bulk of travelers (79%) visited between May and September, while 21% visited between October and April. Nearly two-thirds of visitors (63%) were air visitors (traveled to and from the state by air, did not travel by cruise ship). One-third of visitors (35%) were cruise visitors (spent at least one night on a cruise ship during their Alaska visit). Just 2% traveled by highway.

Anchorage Out-of-State Visitor Volume, May 2024-April 2025



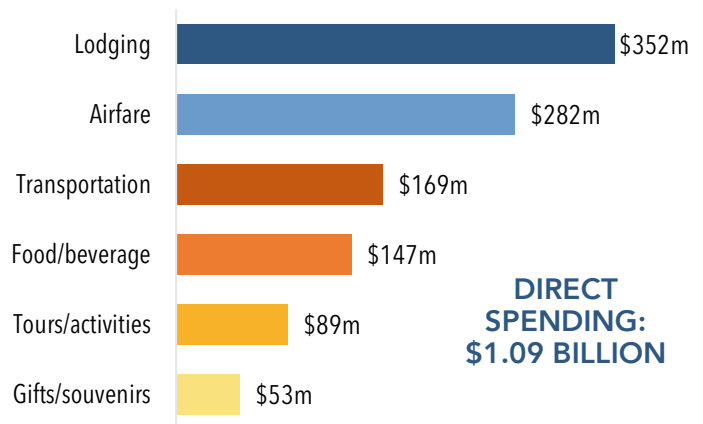
TOTAL VISITORS: 1.34 MILLION

Visitor Spending

Out-of-state visitors spent an estimated \$1.09 billion with Anchorage businesses during the study period, 81% of which occurred in the summer. Visitors spent an average of \$815 per person in Anchorage.

By spending category, lodging represented the largest share of spending at 32%, followed by airfare (26%), transportation (15%), food/beverage (13%), tours/activities (8%), and gifts/souvenirs (5%).

Anchorage Out-of-State Visitor Spending, May 2024-April 2025

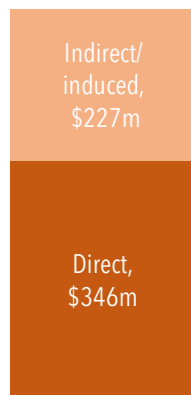


Economic Impacts

Direct economic impacts are jobs and labor income generated at businesses where visitors spend their money. Indirect impacts are jobs and labor income resulting from tourism businesses making local purchases, while induced impacts result from employees of tourism businesses spending their wages in the local economy. Adding together direct, indirect, and induced impacts, Anchorage’s visitor industry supported nearly 10,000 jobs, \$573 million in wages, and \$1.64 billion in total spending in 2024-25.

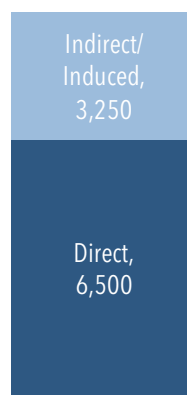
Economic Impacts of Anchorage’s Out-of-State Visitor Industry, 2024-25

**TOTAL WAGES:
\$573 MILLION**



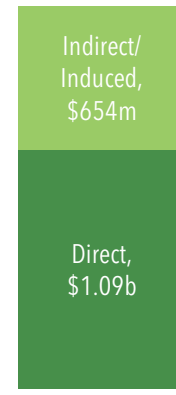
WAGES

**TOTAL EMPLOYMENT:
9,750 JOBS**



EMPLOYMENT

**TOTAL SPENDING
\$1.64 BILLION**



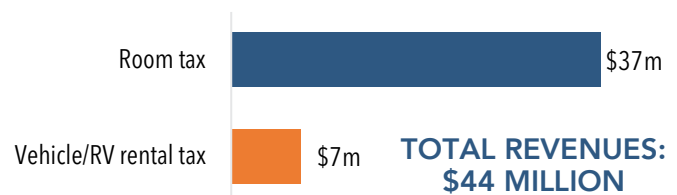
TOTAL SPENDING

Municipal Revenues

During the study period, the Municipality of Anchorage received \$59 million from room and vehicle/RV taxes. Of these revenues, an estimated \$44 million were attributable to out-of-state visitors.

While difficult to measure, property taxes paid by visitor industry businesses represent an additional source of municipal revenue. A Visit Anchorage analysis found that hotels contributed a minimum of \$10 million in property tax revenues in 2024. Other tourism businesses paying property taxes include tours, attractions, shops, restaurants, and transportation providers.

Municipality of Anchorage Selected Tax Revenues from Out-of-State Visitors, 2024-25



Introduction and Methodology

Introduction

Visitor spending is an important part of economic activity in Anchorage. Businesses that serve visitors include restaurants, bars, accommodations, attractions, tours, transportation providers, and retail shops, among others. These businesses and their workers spend visitor-generated dollars with other businesses and service providers, creating ripple effects in the local economy. Visit Anchorage contracted with McKinley Research Group (MRG) to conduct a study of the economic impacts of Anchorage's out-of-state visitor industry.

This study measures the economic impacts of out-of-state visitors to Anchorage for the 12-month period of May 2024 through April of 2025. This study measures impacts of out-of-state visitors only; it excludes impacts of visitors from elsewhere in Alaska.

Methodology

Visitor Volume

Estimates of Anchorage visitor volume are based on the following sources.

- *Alaska Visitor Volume, 2024-25*, conducted by MRG for Alaska Travel Industry Association
- *Anchorage Airport Passenger Wi-Fi Survey, 2024-25*, conducted by MRG for Visit Anchorage (see below)
- Cruise passenger data from Cruise Line Agencies of Alaska
- Passenger enplanement statistics from Ted Stevens Anchorage International Airport

Visitor Spending

Visitor spending was largely based on the *Anchorage Airport Passenger Wi-Fi Survey*, conducted for Visit Anchorage between May 2024 and April 2025. The survey was offered to passengers who signed into the airport's Wi-Fi system. Nearly 20,000 passengers from out-of-state started the survey over the 12-month period; after screening out non-overnighters and seasonal workers, the final sample size of out-of-state visitors was about 7,500. Of these, about 2,500 provided details on their spending in Anchorage. Please refer to the summer and winter reports, available at:

<https://tr.ee/LmbePz> and <https://tr.ee/tj5sr4>

While passengers did not report their spending on airfare, this study used an average per-person ticket price, with 50% of spending remaining in the Anchorage economy.

Economic Impact

Multiplier impacts were estimated using IMPLAN, an industry-standard economic modeling tool. Modeling is based on the Municipality of Anchorage data set for model year 2023, the most recent year available. Findings of this analysis were compared to publicly available employment data published by the Alaska Department of Labor and Workforce Development.

Tax Revenues

Estimated tax revenues attributable to out-of-state visitors were based on Municipality of Anchorage tax revenue reports for 2024 Quarters 2-4 and 2025 Quarter 1, reflecting the study period. Total revenues were adjusted to remove revenues associated with in-state visitation.

Visitor Volume

Measuring Anchorage’s visitor volume during the study period is a necessary step in determining economic impacts. For purposes of this study, visitor volume was measured in two ways, reflecting the differing spending habits of each market.

By Season: Summer visitors (May-September 2024) were estimated separately from Winter visitors (October 2024-April 2025). While a few cruise visitors arrive in April and October, they are counted as summer visitors for simplicity.

By Transportation Market: Visitors traveling to/from Anchorage exclusively by air were estimated separately from cruise ship visitors and those traveling by highway. While most cruise visitors use the Anchorage Airport, they are excluded from the air market in volume estimates.

- An estimated 1.34 million out-of-state travelers visited Anchorage in the 12-month period of May 2024 through April 2025.
- Summer visitors represented 1.06 million, or 79%, of full-year volume; winter visitors represented 279,000, or 21%.
- Among summer visitors, over half (53%) were air visitors, meaning they flew in and out of Anchorage via air and did not participate in an overnight cruise. A slightly smaller portion (44%) were cruise passengers, while 2% were traveling by highway.
- Considering full-year volume, 63% were air visitors; 35% were cruise visitors; and 2% were highway visitors.

Table 1. Out-of-State Visitor Volume to Anchorage, 2024-25, By Season and Transportation Market

Transportation Market	Summer 2024	Winter 2024-25	Full Year
Air	568,000	277,000	845,000
Cruise	471,000	-	471,000
Highway	23,000	2,000	25,000
Total	1,062,000	279,000	1,341,000

Source: MRG estimates

Please see Methodology section for a list of sources used to determine visitor volume.

Visitor Spending

Economic impact analysis starts with “direct spending.” Direct visitor spending is estimated by applying per-visitor average spending figures to estimated volumes, by season and by transportation market.

- Direct visitor spending totaled \$1.09 billion during the study period. The bulk of this spending (81%) is attributable to the summer season, while 19% occurred in winter months.
- Total spending of \$1.09 billion by 1.34 million visitors indicates a per-person average spending figure of \$815.
- Visitors spent most on lodging, accounting for 32% of spending, followed by airfare at 26%, transportation at 15%, food and beverage at 13%, tours at 8%, and retail at 5%.

Table 2. Total Visitor Spending, 2024-25, by Season

	Spending	% of Total
Summer	\$880 million	81%
Winter	\$210 million	19%
Full-year	\$1.09 billion	100%

Table 3. Total Visitor Industry Spending, 2024-25, by Sector

	Spending	% of Total
Lodging	\$352 million	32%
Airfare	\$282 million	26%
Rental cars/fuel/transportation	\$169 million	15%
Food/beverage	\$147 million	13%
Tours/activities/entertainment	\$89 million	8%
Gifts/souvenirs/clothing	\$53 million	5%
Total	\$1.09 billion	100%

Please see Methodology section for a list of sources used to determine visitor spending.

Total Economic Impacts

Economic impacts are usually defined in terms of three categories: direct, indirect, and induced. As they apply to the visitor industry, these terms are defined as follows.

Direct Impacts: Jobs and labor income (wages, employer paid benefits, and sole proprietor income) generated at businesses where visitors spend their money; these jobs and income primarily occur in the lodging, retail, food/beverage, attractions, tour, and transportation sectors.

Indirect Impacts: Jobs and labor income resulting from tourism businesses making local purchases; for example, when a tour bus purchases fuel, or a restaurant buys local produce.

Induced Impacts: Jobs and labor income resulting from employees of tourism businesses spending their wages in the local economy; for example, when a tour guide spends his earnings on groceries.

- Direct visitor spending supported an annual average of 6,500 jobs and \$346 million in labor income in 2024-25. Lodging accounted for the most jobs (2,700), followed by food/beverage (1,150) and tours (1,000).
- Adding together direct, indirect, and induced impacts, Anchorage’s visitor industry supported nearly 10,000 jobs, \$573 million in wages, and \$1.64 billion in total spending in 2024-25.

Table 4. Direct Impacts from Anchorage’s Out-of-State Visitor Industry, 2024-25, by Sector

	Employment	Wages
Lodging	2,700	\$118 million
Food and beverage	1,150	\$45 million
Tours/activities/entertainment	1,000	\$52 million
Rental cars/fuel/transportation	800	\$40 million
Airfare	550	\$79 million
Gifts/souvenirs/clothing	300	\$12 million
Total	6,500	\$346 million

Table 5. Economic Impacts of Anchorage’s Out-of-State Visitor Industry, 2024-25

	Direct	Indirect/Induced	Total Impacts
Employment	6,500 jobs	3,250 jobs	9,750 jobs
Wages	\$346 million	\$227 million	\$573 million
Spending	\$1.09 billion	\$654 million	\$1.64 billion

Municipal Tax Revenues

The Municipality of Anchorage receives revenue through room taxes and rental vehicle/RV taxes. Out-of-state visitors are responsible for a majority of revenues; the remaining collections are connected to in-state visitation and resident business. Out of the total revenues collected from room and vehicle/RV taxes over the study period (\$59 million), an estimated \$44 million were attributable to out-of-state visitors.

Table 6. Municipality of Anchorage Revenues From Out-of-State Visitors, 2024-25

	Total Revenues	Out-of-State Visitor Revenues
Room tax	\$49 million	\$37 million
Vehicle/RV tax	\$10 million	\$7 million
Total revenues	\$59 million	\$44 million

Supplemental to room tax and vehicle/RV tax revenues are property tax revenues attributable to the out-of-state visitor industry. Visit Anchorage studied 2024 property tax rolls and reports that Anchorage hotels paid a minimum of \$10 million in local property taxes in 2024. While Alaska residents also pay room taxes, this figure does not account for property taxes paid by tourism-driven businesses such as attractions, tour companies, retail shops, and transportation providers. Due to property tax data limitations, it is difficult to determine exact property revenues attributable to out-of-state visitors.

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