

A winter scene with a snow-covered wooden cabin and trees. The cabin is partially obscured by snow-laden evergreen trees. The ground is covered in a thick layer of snow, and the sky is overcast.

ALASKA ECONOMIC **TRENDS**

FEBRUARY 2020

A look at Alaska's 2019 population

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Cordova

Unemployment claims
over the last decade

FROM THE COMMISSIONER

My story shows success doesn't depend on where you start

By Dr. Tamika L. Ledbetter, Commissioner

Recently, I was invited to address the student body at Burchell High School in Wasilla. I was grateful for the opportunity to share my background, and I hoped my story would build these students' confidence that they can shape their own futures, regardless of the challenges they face.

I grew up in the Bronx in New York City. I wasn't raised with privilege or wealth. In fact, my mother was an unwed teenager and my father is unknown. Rather than allow my mother to quit high school, my grandmother stepped up to raise me while my mother completed school. I share my story often, not to disparage my family or shame my mother, but to offer hope to those who wrestle with self-worth and vision for the future.

Learning didn't come easily for me, but with improved discipline and a willingness to ask for help, I made it through high school successfully. I wasn't an A student, but I earned every B or C I received, often working well into the night to "make it stick." Having to work so hard for average grades helped me develop discipline, and through my efforts to understand my assignments, I learned to ask great questions.

I'm grateful for the adults who guided me and held me accountable in my commitment to my own future. My grandmother was the most influential person in my life. She emphasized education as the way to escape the challenges of the inner city, and she pushed me to never accept less than my personal best. I also had a youth leader at church who supported me and teachers who were willing to spend extra time with me.

One teacher in particular acknowledged how hard I was working even though my efforts rarely produced an A+. She could see I was a good student and a hard worker, and when I knew that at least one person was paying attention, it became easier to build



trust, let my guard down, and ask for the additional support I needed.

While I didn't know exactly what I wanted to do as an adult, my experience taught me that I wanted to someday be in the position to help others. That is why as the Commissioner of the Department

of Labor and Workforce Development, I'm so passionate about reaching youth. Asking for help can be difficult and intimidating for young people, and because they will rarely seek assistance, we *must* reach them.

Many students across the state and nation believe few paths exist for them to escape their current struggles. It's important for the adults in their lives to recognize there are many roads to success besides college. Skill and talent are packed in many forms.

I want our department to demonstrate that recognition by ensuring our programs, services, and funding are accessible to every teen in Alaska, and especially to those who are overlooked because they don't hold the highest grade point averages or they choose a path other than college.

To kids who feel forgotten or hopeless: We see you, and we are using our department's resources to reach you. Know there are multiple paths to a bright future, and your starting place isn't relevant.

To learn more about the resources available to you, find an adult you trust who can connect you with the job center in your area. You are also welcome to contact me directly. Just call my office at (907) 465-2700 and ask to speak with the commissioner.

Contact Dr. Tamika L. Ledbetter, Commissioner, at (907) 465-2700 or commissioner.labor@alaska.gov.



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Cabin in Fairbanks, photo
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ALASKA

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Trends is a nonpartisan, data-driven magazine
that covers a range of economic topics in Alaska.

ON THIS SPREAD: The background image for 2020 is the aurora borealis in the arctic in Alaska, taken by Noel Bauza.

If you have questions or comments, contact editor Sara Whitney at sara.whitney@alaska.gov or (907) 465-6561. This material is public information, and with appropriate credit it may be reproduced without permission. To sign up for a free electronic subscription, read past issues online, or purchase a print subscription, visit labor.alaska.gov/trends.

A closer look at 2019's population

What estimates show about Alaska's trends and how we compare

By SARA WHITNEY and LIZ BROOKS

Alaska's population decreased 0.4 percent from July 2018 to July 2019, our new estimates show. The biggest drivers were a decline in the number of people moving to Alaska and fewer births.

While this was the third straight year of overall population loss, the declines have been small. Over those three years, Alaska's population fell by a total of 1.2 percent. The state's 2019 population of 731,007 is about 8,600 below the peak of 739,649 people in 2016.

Fewer than 10,000 babies born last year

While 2019's population decline was mainly a continuation of longer-term trends such as ongoing migration losses and population aging, the sharp drop in births was a notable change. The number of births in Alaska has fallen 15 percent over the last three years.

From July 2018 to July 2019, 9,885 babies were born in Alaska, which was 500 fewer than the year before. The last time Alaska's births dropped below 10,000 was 2002, when the state had about 89,000 fewer people.

This trend isn't unique to Alaska — it's just more recent. Births have been on the decline nationally

About timing and residency

Alaska population estimates are as of July 1 of each year, and data on the components of change (births, deaths, and migration) cover the previous 12 months.

The reference date of July 1 matches the Census Bureau's estimate period and is meant to represent the population at mid-year. It is not intended to capture Alaska's larger summer population, as these estimates include only those who consider Alaska their "usual residence," which the bureau defines as the place where they live and sleep most of the time. Seasonal workers are not counted if they mainly live somewhere else.

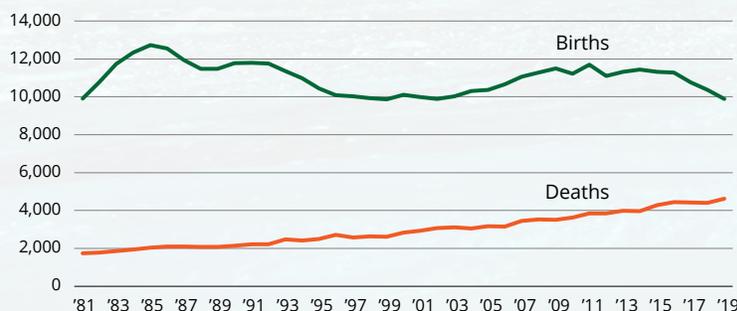
since 2007, aside from a small uptick in 2014, and the U.S. Census Bureau's 2019 estimates show births dropped in 42 states and the District of Columbia over the year.

U.S., Alaska birth rates on a decline, but Alaska's rate remains higher

In terms of birth rates, Alaska and the U.S. are both on the decline, but Alaska's rates have always been and remain above U.S. rates — especially in rural Alaska.

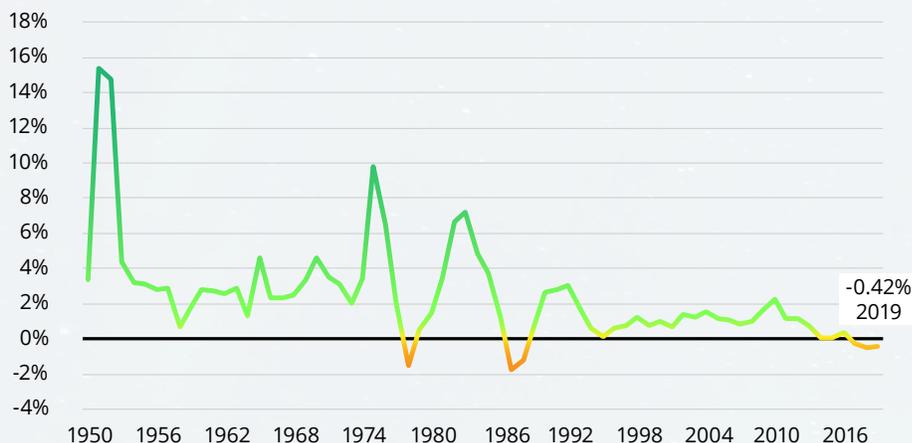
Alaska's crude birth rate (annual births per 1,000

Alaska's number of annual births has dropped in the last few years



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

Alaska's yearly percent change in total population from 1950 to 2019



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

people) was in the mid-30s during much of the 1950s, and it didn't drop below 30 until 1964.

After the early 1990s, Alaska's rate remained around 15 or 16 births per 1,000 for nearly two decades before falling below 15 for the first time in 2017. Last year, the rate dropped to 13.5.

The U.S. rate hasn't topped 20 births per 1,000 since 1964 and has declined steadily in recent years, from 14.3 in 2007 to a 50-year low of 11.6 in 2018.

For many years, Alaska's younger population and higher birth rates helped ensure steady overall growth. Although the state has been losing more movers than we've gained since 2013, natural increase — births minus deaths — more than offset those losses until 2017. That year, the total population declined for the first time since 1988.

Deaths and an older population

Less natural increase can result from more deaths as well as fewer births, and Alaska had about 200 more deaths in 2019 than the year before. The aging population is a factor in both trends, in Alaska and nationwide, as the large baby boomer generation born between 1946 and 1964 moves into the older age groups.

Nationally, deaths rose in 24 states and D.C. in

2019. Four states had more deaths than births: West Virginia, Maine, New Hampshire, and Vermont.

In line with the aging trend, Alaska's 65-plus age group grew by 4,200 people in 2019, reaching 91,278, and is projected to top 136,000 by 2030.

At the same time, Alaska's younger age groups continued to get smaller. The population between 18 and 64 decreased for the sixth year in a row, down nearly 5,000 people to 455,583. The 17-and-younger group decreased for a third year, by 2,400, to 184,146 total children.

Most of these trends aren't unique to Alaska. The U.S. population is aging, its net migration is decreasing, and the national birth rate has trended downward since 2007.

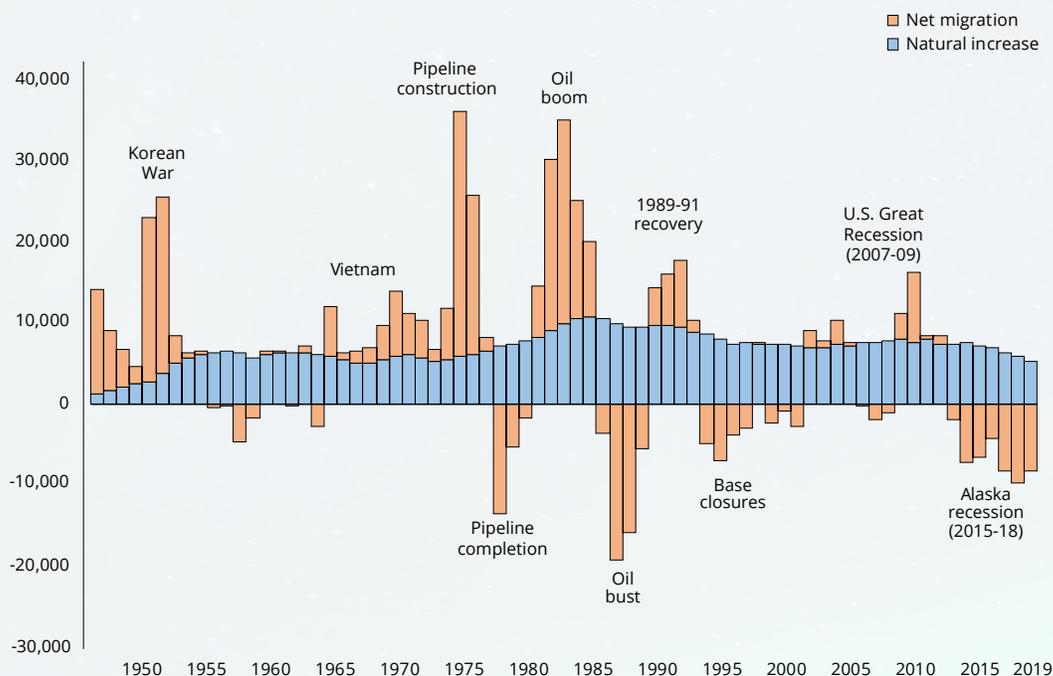
Consistent net migration losses continue

Another year of net migration loss was the main reason Alaska's population decreased, as more people left Alaska than moved in for a seventh straight year. Net migration — in-movers minus out-movers — was -8,300 in 2019, similar to the prior years' losses.

As of 2019, the state has lost more people to net migration over this seven-year stretch than during the deep recession and housing collapse of the 1980s, although that loss was shorter and steeper. Alaska lost 44,081 people to net migration over four years during the '80s, and the current streak's net loss is 45,828.

Speculation that more people were leaving the

Components of Alaska's population change since 1947



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

state was common in recent years, but while it might seem counterintuitive, the opposite is true. Fewer people left Alaska last year than we've seen since 2011 — but drastically fewer moved to the state than is typical.

Large migration flows in and out are normal, but notably fewer are moving in

Large numbers of people moving in and out of the state each year has long been Alaska's norm. In any given year in recent decades, about 40,000 to 50,000 people moved to Alaska and another 40,000 to 50,000 left. (For more on Alaska's historical migration trends, see the March 2018 issue of *Trends*.)

Alaska has the biggest annual migration flows of any state as a percentage of the population, regardless of how the economy is doing. While the population's roots are deeper than they were when oil prices tanked in the 1980s, Alaska is still a young and relatively new state, and around 60 percent of residents weren't born here. Our large military presence is another reason the population is so mobile.

The 10-year average for annual out-movers is 45,000, and 43,000 moved away last year. Conversely, while an average of 42,000 moved in each year over the last decade, just 35,000 people arrived last year.

Those who leave Alaska mainly relocate to Washington, Texas, California, Florida, and Oregon: states that are large and mostly close. The least likely locations are the smaller states on the East Coast. These destinations haven't changed much over the years.

Alaska's migration losses show some similarities to national trends

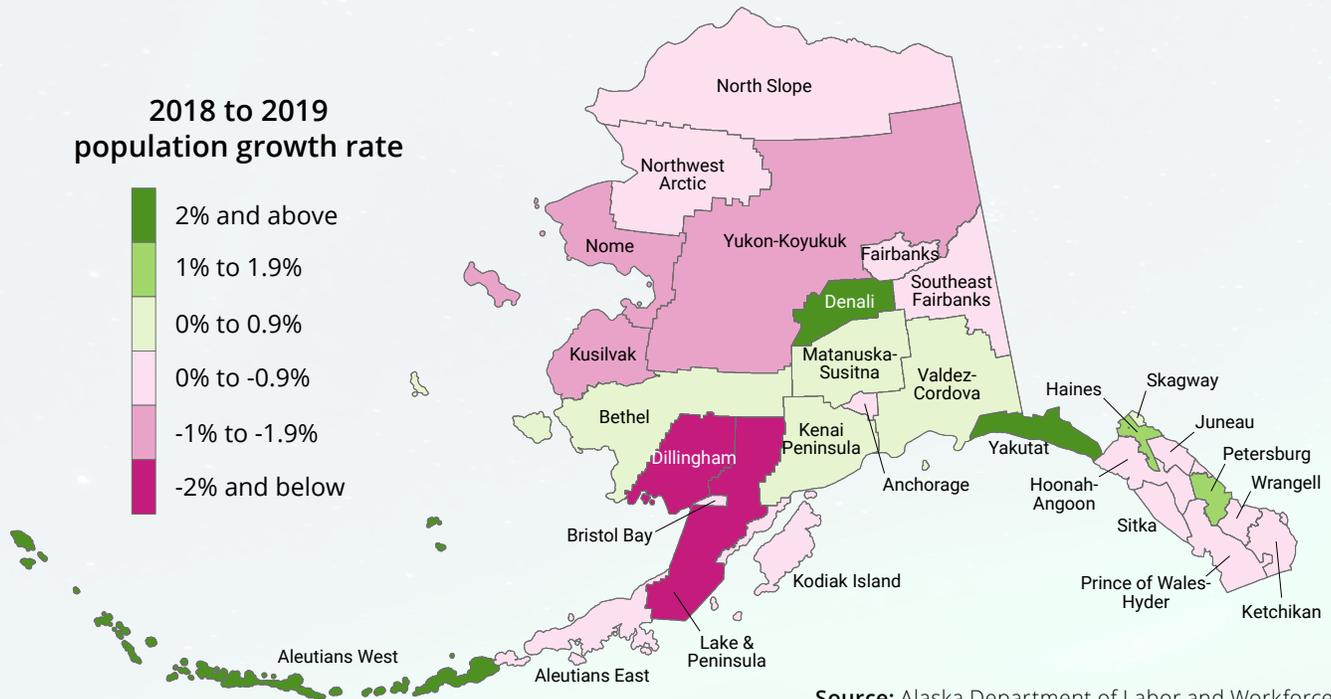
The reasons people move or stay are complex and outside the scope of these data, but an especially strong economy in much of the Lower 48 and a relatively weak economy in Alaska are among the likely factors.

The state gained net movers during the U.S. Great Recession of the late 2000s and its aftermath, which barely scathed Alaska, but Alaska's net migration turned negative soon thereafter — at least two years before the state recession hit.

Similar to the other state population trends mentioned earlier, declining net migration is a larger-scale pattern. Immigration to the United States has been falling since 2016.

Natural increase and immigration did offset the number who left the U.S. in 2019, but not by much.

Most parts of Alaska lost some population between 2018 and 2019



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

The nation grew 0.5 percent overall last year, and growth has slowed each year since the decade's peak growth rate of just 0.73 percent in 2015.

How population change played out around the state from 2018 to 2019

Around the state, most areas showed some population loss in 2019, as the map above shows.

Anchorage, which is home to about 40 percent of Alaskans, lost the largest number of people. The city's population dropped by 2,643 last year, which was a 0.9 percent loss. While that loss was modest in percent terms, it brought Anchorage's population down to its 2010 level.

The Fairbanks area's population fell below its 2010 level, with a decline of 954, although the trend is set to change over the next few years as new military personnel and their families start arriving at Eielson Air Force Base this summer with the F-35 fighter jets. The military expects about 1,300 additional active duty personnel by 2022, and the project will also bring in federal civilian workers and contractors.

The Southeast and Northern regions continued their previous trends of modest loss, with Northern down by 195 people and Southeast by 284. The majority of Southeast's loss was in Juneau (-191).

Several areas' populations ticked up slightly, but the Matanuska-Susitna Borough was the only part of the state to add a significant number of people. The borough grew by 1,024 in 2019, reaching 106,438.

Mat-Su has been the state's strongest source of growth for the past decade, although its growth has slowed. Mat-Su overtook the Fairbanks North Star Borough as the state's second-largest borough equivalent in 2015, when it approached 100,000 people.

For detailed estimates by area and community, see the table on page 8. For complete 2019 data, see: live.laborstats.alaska.gov/pop.

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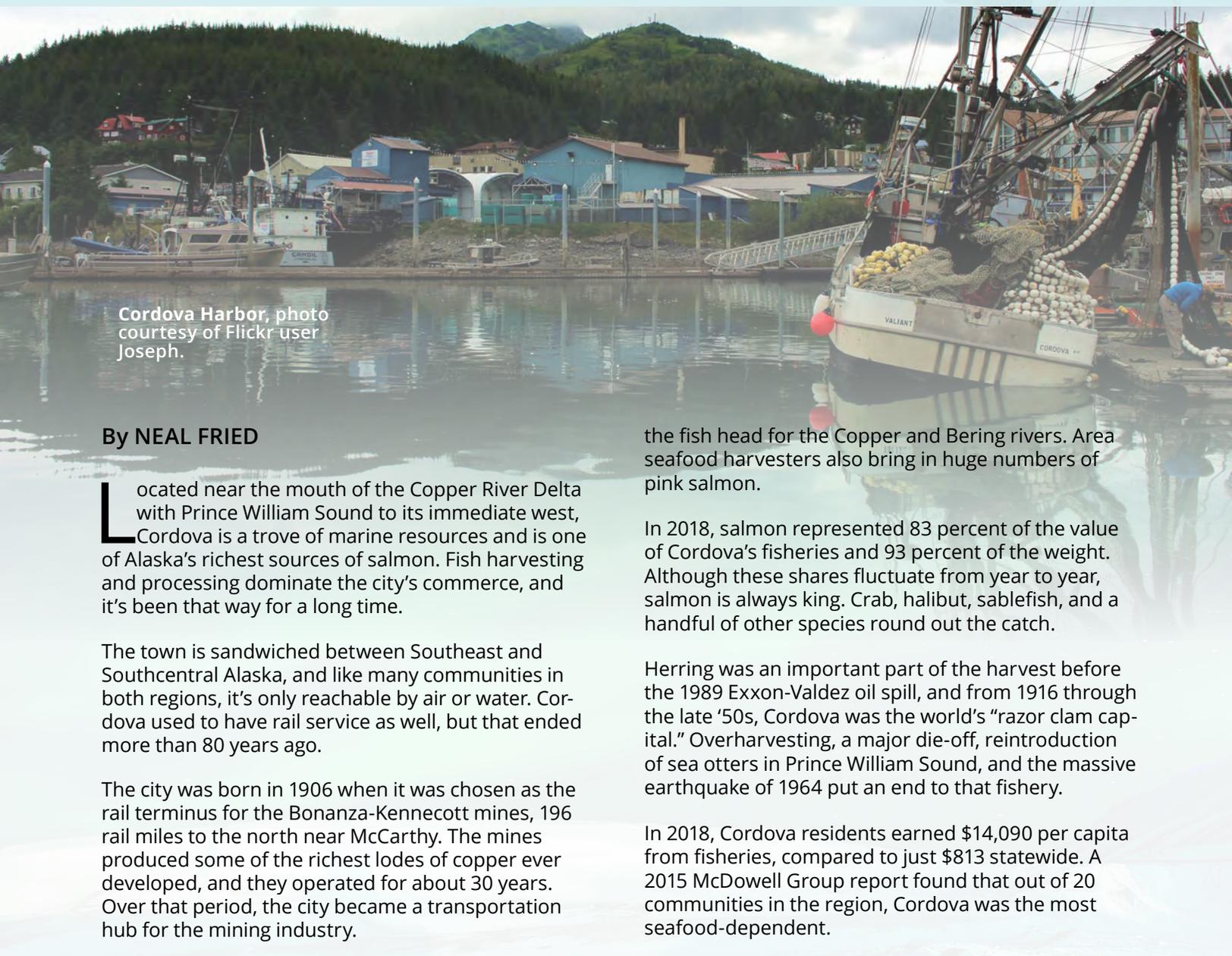
Detailed yearly population change by borough or census area from 2010 to 2019

Area	Census Estimate										Natural Increase		Net Migration		Population Change		Annual Growth Rate (in percent)	
	April 2010	July 2011	July 2012	July 2013	July 2014	July 2015	July 2016	July 2017	July 2018	July 2019	2010 to 2019	2018 to 2019	2010 to 2019	2018 to 2019	2010 to 2019	2018 to 2019		
Alaska	710,231	722,262	730,649	736,077	736,416	736,989	739,649	737,783	734,055	731,007	63,183	5,260	-42,407	-8,308	20,776	-3,048	0.31	-0.42
Anchorage/Mat-Su Region	380,821	387,303	391,767	396,899	398,151	398,597	401,582	402,110	399,902	398,283	34,220	2,829	-16,758	-4,448	17,462	-1,619	0.48	-0.41
Anchorage, Municipality	291,826	295,635	298,164	301,037	300,008	298,637	298,962	297,739	294,488	291,845	26,504	2,102	-26,485	-4,745	19	-2,643	0	-0.90
Matanuska-Susitna Borough	88,995	91,668	93,603	95,862	98,143	99,960	102,620	104,371	105,414	106,438	7,716	727	9,727	297	17,443	1,024	1.93	0.97
Gulf Coast Region	78,631	80,164	80,508	80,495	80,785	80,937	81,062	80,763	80,806	80,866	4,559	281	-2,324	-221	2,235	60	0.30	0.07
Kenai Peninsula Borough	55,400	56,497	56,597	56,873	57,392	57,666	58,034	58,105	58,285	58,367	2,643	171	324	-89	2,967	82	0.56	0.14
Kodiak Island Borough	13,592	13,835	13,974	13,813	13,799	13,747	13,531	13,261	13,099	13,001	1,331	75	-1,922	-173	-591	-98	-0.48	-0.75
Valdez-Cordova CA	9,639	9,832	9,937	9,809	9,594	9,524	9,497	9,397	9,422	9,498	585	35	-726	41	-141	76	-0.16	0.80
Interior Region	112,021	112,852	115,352	114,552	113,019	112,888	113,235	112,020	110,904	109,847	11,937	1,075	-14,111	-2,132	-2,174	-1,057	-0.21	-0.96
Denali Borough	1,826	1,835	1,846	1,780	1,777	1,775	1,871	1,834	1,821	1,860	99	15	-65	24	34	39	0.20	2.12
Fairbanks N Star Borough	97,581	98,263	100,649	100,040	98,757	98,728	98,995	97,850	96,852	95,898	10,998	998	-12,681	-1,952	-1,683	-954	-0.19	-0.99
Southeast Fairbanks CA	7,026	7,103	7,191	7,083	6,976	6,895	6,921	6,980	6,956	6,891	588	40	-723	-105	-135	-65	-0.21	-0.94
Yukon-Koyukuk CA	5,588	5,651	5,666	5,649	5,509	5,490	5,448	5,356	5,275	5,198	252	22	-642	-99	-390	-77	-0.78	-1.47
Northern Region	26,445	26,927	27,260	27,545	27,486	27,783	27,780	27,716	27,627	27,432	3,651	303	-2,664	-498	987	-195	0.40	-0.71
Nome Census Area	9,492	9,711	9,844	9,868	9,962	10,020	10,040	9,994	9,954	9,831	1,343	91	-1,004	-214	339	-123	0.38	-1.24
North Slope Borough	9,430	9,577	9,707	9,872	9,729	9,889	9,804	9,866	9,906	9,886	1,108	106	-652	-126	456	-20	0.51	-0.20
Northwest Arctic Borough	7,523	7,639	7,709	7,805	7,795	7,874	7,936	7,856	7,767	7,715	1,200	106	-1,008	-158	192	-52	0.27	-0.67
Southeast Region	71,664	73,599	74,149	74,319	74,437	74,278	73,742	72,941	72,657	72,373	3,249	205	-2,540	-489	709	-284	0.11	-0.39
Haines Borough	2,508	2,612	2,613	2,531	2,551	2,492	2,464	2,458	2,472	2,516	31	8	-23	36	8	44	0.03	1.76
Hoonah-Angoon CA	2,149	2,152	2,197	2,182	2,139	2,178	2,191	2,127	2,161	2,145	52	9	-56	-25	-4	-16	-0.02	-0.74
Juneau, City and Borough	31,275	32,336	32,659	32,941	32,999	33,128	32,705	32,301	32,177	31,986	1,772	145	-1,061	-336	711	-191	0.24	-0.60
Ketchikan Gateway Borough	13,477	13,724	13,894	13,836	13,889	13,822	13,754	13,785	13,798	13,739	650	37	-388	-96	262	-59	0.21	-0.43
Petersburg Borough	3,203	3,292	3,243	3,200	3,199	3,178	3,175	3,136	3,190	3,226	137	-1	-114	37	23	36	0.04	1.12
Prince of Wales-Hyder CA	6,172	6,460	6,463	6,513	6,515	6,516	6,444	6,380	6,228	6,194	237	2	-215	-36	22	-34	0.04	-0.55
Sitka, City and Borough	8,881	9,010	9,059	9,060	9,071	8,872	8,892	8,733	8,607	8,532	261	1	-610	-76	-349	-75	-0.43	-0.88
Skagway Municipality	968	964	957	982	1,038	1,044	1,071	1,089	1,085	1,095	54	-3	73	13	127	10	1.33	0.92
Wrangell, City and Borough	2,369	2,408	2,443	2,455	2,413	2,444	2,456	2,389	2,418	2,400	16	4	15	-22	31	-18	0.14	-0.75
Yakutat, City and Borough	662	641	621	619	623	604	590	543	521	540	39	3	-161	16	-122	19	-2.19	3.58
Southwest Region	40,649	41,417	41,613	42,267	42,538	42,506	42,248	42,233	42,159	42,206	5,567	567	-4,010	-520	1,557	47	0.41	0.11
Aleutians East Borough	3,141	3,147	3,148	3,151	3,096	3,052	3,002	2,982	2,955	2,938	63	-1	-266	-16	-203	-17	-0.72	-0.58
Aleutians West Census Area	5,561	5,521	5,608	5,621	5,594	5,466	5,348	5,321	5,279	5,179	181	22	-163	-236	18	258	0.03	0.73
Bethel Census Area	17,013	17,440	17,548	17,890	18,073	18,174	18,104	18,145	18,036	18,131	2,921	299	-1,803	-204	1,118	95	0.69	0.43
Bristol Bay Borough	997	1,023	983	933	943	887	875	892	877	869	25	4	-153	-12	-128	-8	-1.48	-0.92
Dillingham Census Area	4,847	4,935	4,978	5,025	5,063	5,008	4,958	4,925	5,007	4,887	600	54	-560	-174	40	-120	0.09	-2.43
Kusilvak Census Area	7,459	7,674	7,669	7,947	8,082	8,195	8,201	8,217	8,305	8,180	1,600	174	-879	-299	721	-125	1.00	-1.52
Lake and Peninsula Borough	1,631	1,677	1,679	1,700	1,687	1,676	1,642	1,724	1,658	1,622	177	15	-186	-51	-9	-36	-0.06	-2.20

Notes: Vintage 2019. All numbers are based on 2019 geography. Natural increase is births minus deaths. Net migration is in-migrants minus out-migrants.

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

Cordova, the fishing mainstay



Cordova Harbor, photo courtesy of Flickr user Joseph.

By NEAL FRIED

Located near the mouth of the Copper River Delta with Prince William Sound to its immediate west, Cordova is a trove of marine resources and is one of Alaska's richest sources of salmon. Fish harvesting and processing dominate the city's commerce, and it's been that way for a long time.

The town is sandwiched between Southeast and Southcentral Alaska, and like many communities in both regions, it's only reachable by air or water. Cordova used to have rail service as well, but that ended more than 80 years ago.

The city was born in 1906 when it was chosen as the rail terminus for the Bonanza-Kennecott mines, 196 rail miles to the north near McCarthy. The mines produced some of the richest lodes of copper ever developed, and they operated for about 30 years. Over that period, the city became a transportation hub for the mining industry.

Because of Cordova's ideal location, commercial fishing developed at the same time, and that nascent industry eventually saved the town from extinction and fueled its second wind. In 1938, the mines closed and the railroad shut down with them. It was a blow to Cordova's economy, but fisheries continued to grow and shape the town into what it is today.

Cordova is a seafood powerhouse

Cordova's Copper River red salmon make up the United States' first wild salmon harvest each year as

the fish head for the Copper and Bering rivers. Area seafood harvesters also bring in huge numbers of pink salmon.

In 2018, salmon represented 83 percent of the value of Cordova's fisheries and 93 percent of the weight. Although these shares fluctuate from year to year, salmon is always king. Crab, halibut, sablefish, and a handful of other species round out the catch.

Herring was an important part of the harvest before the 1989 Exxon-Valdez oil spill, and from 1916 through the late '50s, Cordova was the world's "razor clam capital." Overharvesting, a major die-off, reintroduction of sea otters in Prince William Sound, and the massive earthquake of 1964 put an end to that fishery.

In 2018, Cordova residents earned \$14,090 per capita from fisheries, compared to just \$813 statewide. A 2015 McDowell Group report found that out of 20 communities in the region, Cordova was the most seafood-dependent.

Fisheries dominates employment

Half the city's households have someone working directly in commercial fishing, according to research by the University of Alaska Anchorage.

While commercial fishermen aren't included in regular employment data because they're considered self-employed, permits suggest their numbers. In 2018, 288 permit holders from Cordova fished, representing 88 percent of all permit holders in Valdez and Cordova. Adding their crew members would likely double the number of harvesters.

Cordova is home to five major seafood processors, and seafood processing represented 255 of the city's 1,220 total wage and salary jobs in 2018. A range of other workers support fishing, including fuel and equipment sellers, net and boat repairers, and freight haulers. Another example of related employment is the Prince William Sound Aquaculture Corporation, headquartered in Cordova, which runs five salmon hatcheries and employs 50 full-time staff and 75 to 100 seasonal workers.

Salmon's prominence makes Cordova's employment highly seasonal. For example, seafood processing hit a low of 27 jobs in January of 2018 and a high of 861 in July. For context, the city's total January employment that year was 801.

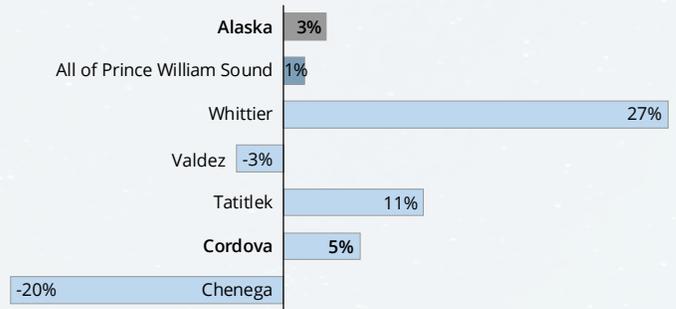
Government is another significant part of the city's employment, representing about a third (350 jobs in 2018). Most is local government, which includes the city, the school district, the Native Village of Eyak, and the Cordova Community Medical Center. Cordova also has a small number of state government jobs in the departments of Fish and Game and Transportation.

Retail and leisure and hospitality employment play a smaller but important role in Cordova's economy, beneficiaries of its growing visitor industry.

Population, jobs have long been stable

Cordova's employment remained steady over the past decade, even through the recent statewide recession. In fact, it grew slightly during that period, from 1,176 jobs in 2016 to 1,220 in 2018. Cordova

Cordova's population growth relatively strong from 2010-19



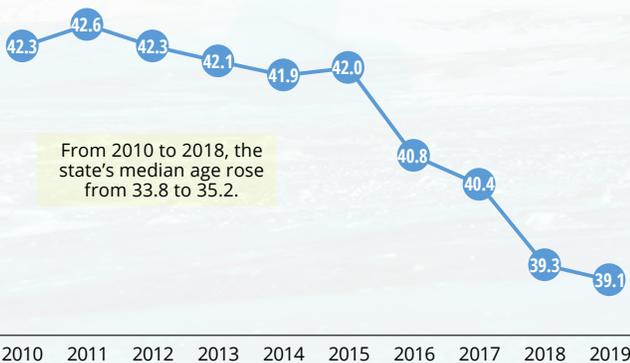
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

lacks economic ties to the oil industry or a large state government presence, which were hit hard during the downturn.

The population has followed a similar path, changing little over the past 20 years. Cordova had an estimated 2,343 people in 2019, and the population hit a decade low of 2,239 in 2010, but since then it's grown faster than the state and most other Prince William Sound communities, as the chart above shows.

Another divergence from the rest of the state is Cordova's age trend. While the city's median age remains older than the state's, it has trended younger in recent years while the state has gotten older. More young people have been moving to Cordova than leaving, and younger adults often bring children as well.

Counter to statewide trend, Cordova is getting younger



From 2010 to 2018, the state's median age rose from 33.8 to 35.2.

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

Loss of ferry service a blow for 2020

While Cordova has seen years of stability, the town faces new uncertainty after the blow to its ferry service last year. Due to budget constraints, the state ended the town's two to three weekly sailings in September 2019, and service won't resume until May.

The full economic effect of the loss isn't yet clear, but with no road link and a dependence on water transportation to move people and freight, Cordova could face significant consequences from the loss of its ferry service as the year progresses.

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Unemployment claims from 2008-2018

How claimants have changed and how Alaska's system ranks

By JENNA LUHRS

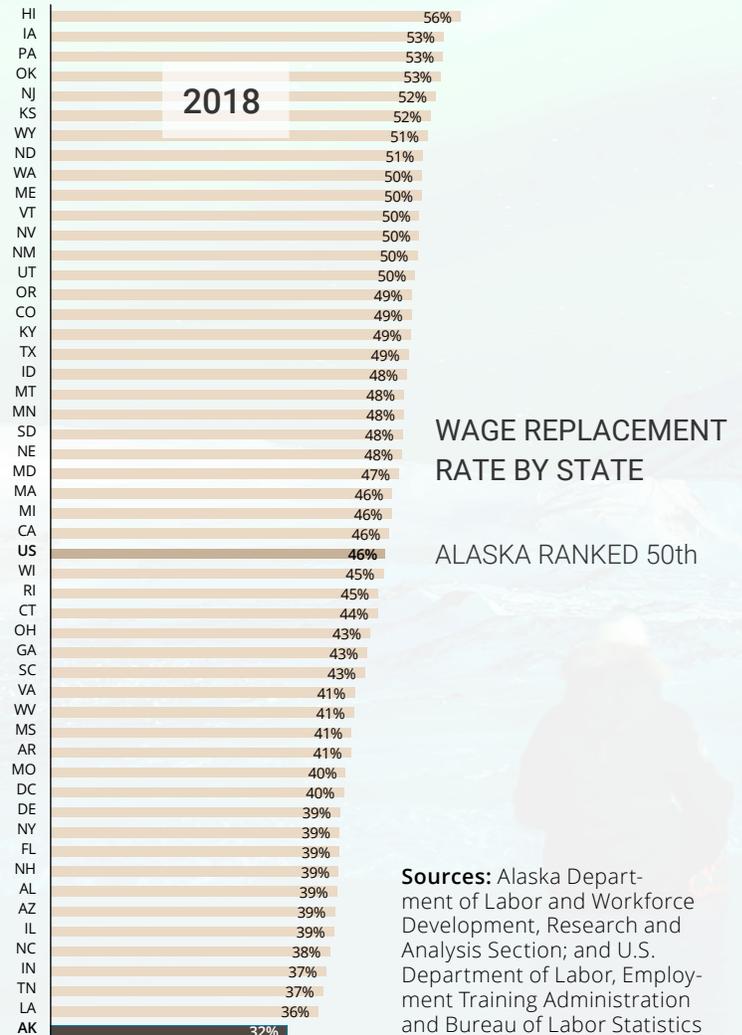
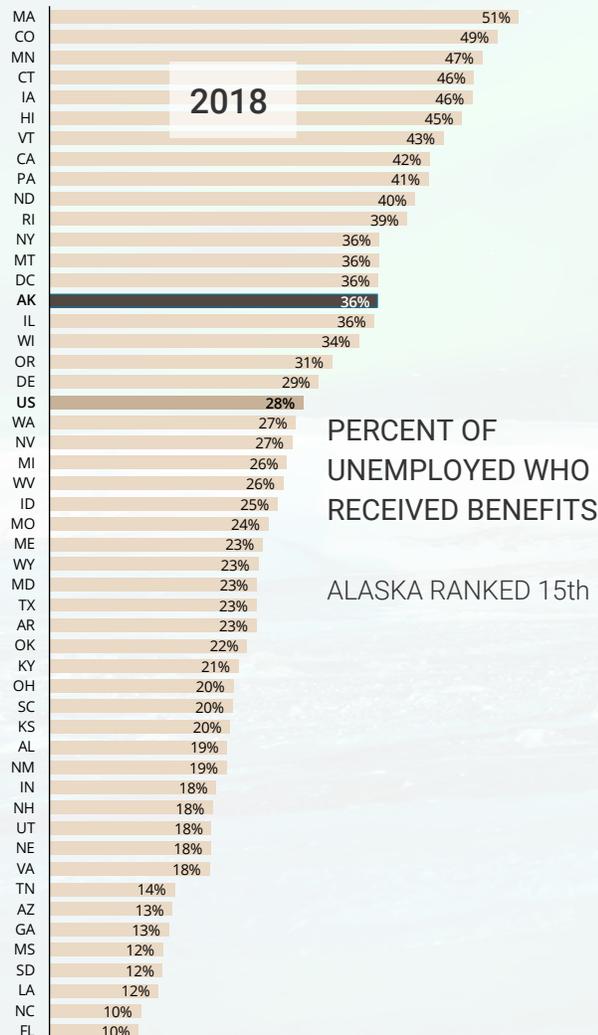
Unemployment insurance has been a fixture of Alaska's economy since 1937, when the territorial legislature enacted the Alaska Employment Security Act. While the share of Alaskans collecting benefits at any given time is small, UI is one of the first lines of defense to keep money circulating in the economy when a downturn hits.

During the 1980s recession, more than 138,000

Alaskans collected UI. According to the U.S. Census Bureau, UI benefits kept at least 11 million people out of poverty nationwide during the Great Recession in the late 2000s.

This article looks at the current system and how claimants have changed in Alaska over the last decade. In general, the claimant population reflects changes in the population between 2008 and 2018. The industry composition for claims has remained fairly consistent, but fewer people are using the UI program in Alaska and nationwide.

Benefits easier to qualify for in Alaska, but payments are smaller



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Employment Training Administration and Bureau of Labor Statistics

The decline in claims and how Alaska compares

Claims increased in 2015 with the state recession, but that was the only year-over-year increase in Alaska since 2011, after the U.S. recession ended.

Except in 2015 and 2016, total claims have decreased every year since 2011. About 34,000 claims were filed in 2018, down from 38,000 the year before.

Similarly, the \$132 million in benefits the state disbursed in 2018 was down nearly 20 percent from the year before and well below the 10-year average of \$238 million.

In terms of the percentage of unemployed workers collecting benefits, 36 percent participated in 2018, down markedly from 53 percent in 2008. Collecting benefits has been on a long-term decline nationally as well, with average U.S. participation falling from 37 percent to 26 percent over that period. While the full explanation isn't clear, we've written about the possible factors in the past, which include fewer people participating in the labor force in general. (See "10 Possible Reasons Unemployment Claims Are Low" in the December 2017 issue of *Trends*.)

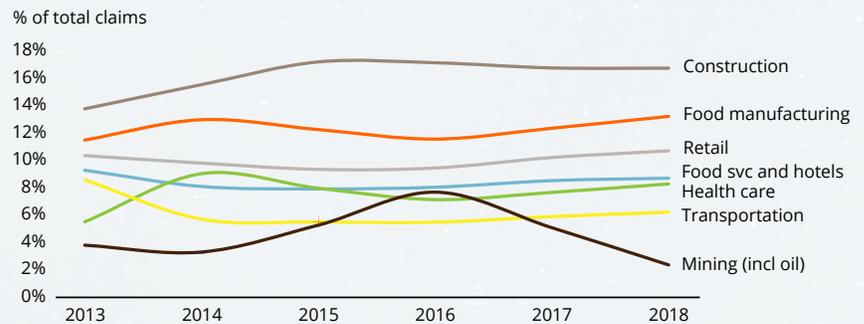
Alaska typically ranks among the top states for the proportion of unemployed workers receiving benefits, although our national ranking dropped from fourth in 2008 to 15th in 2018. Alaska has low barriers to UI compensation, being one of just 16 states that allow seasonal workers to collect benefits and one of 10 that don't disqualify filers who have quit work or been fired.

Alaska ranks last for the percentage of average wages replaced, however. In 2018, Alaska's wage replacement rate of 32 percent was far below the U.S. average of 46 percent.

Industry composition mostly stable

Total claims were down for most industries in 2018 compared to 2008, and the five industries with the highest numbers have been fairly consistent since 2008. Construction, food manufacturing, retail trade, public administration, and private health care and social assistance accounted for 55 percent to 58 percent of claims annually.

Industry mix of claims was steady except for oil during the 2015-2018 state recession



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Employment Training Administration and Bureau of Labor Statistics

About Alaska unemployment insurance

Alaska's unemployment insurance replaces a portion of wages for temporarily unemployed workers with payments from the Unemployment Insurance Trust Fund. Its main source of revenue is employer and employee state taxes.

The Alaska Employment Security Act requires a biennial study of the program's financing and claimant population, which we publish each December. For the most recent report, see: live.laborstats.alaska.gov/uiprog/.

Oil and gas' share of the total rose during the recession, as its number of claims jumped 49 percent in 2016. After 2016, the industry quickly fell from 8 percent of total claims to 2 percent by 2018, which was below its pre-recession levels.

Seafood processing, which makes up the majority of manufacturing in Alaska, increased its share of total claims by 2 percent over the decade. The industry has steadily lost jobs since 2014, with its total employment dropping from 11,000 annualized jobs to 9,400 in 2018.

Percent filing from out of state has risen

Due in part to the high seasonality of Alaska's economy, the state has a relatively large percentage of claimants who file from out of state, and that share has risen modestly since 2008.

Claimants must earn their qualifying wages in Alaska, but they can apply for benefits even after leaving the

state. Over the 10-year period, an average of 20 percent of claimants filed from outside Alaska. The yearly share rose from 17 percent in 2008 to 21 percent in 2018.

Of the interstate claimants in 2018, 42 percent worked in seafood processing. Seafood processing is not only seasonal, but it has the highest percentage of nonresident workers among Alaska industries, at 74.4 percent in 2018.

Claims declined in most areas over the decade

Other than the modest increase in the percentage of interstate claims, the regional composition of claims didn't change much over the period. Unemployed workers remain concentrated in urban areas: Anchorage (26 percent), Mat-Su (13 percent), Fairbanks (9 percent), Juneau (3 percent), and Kodiak (2 percent).

The Matanuska-Susitna Borough's claims increased 1 percent over the decade, but its population grew by about 26 percent over the decade. Aside from Mat-Su, claims in the rest of Alaska fell by 5 percent.

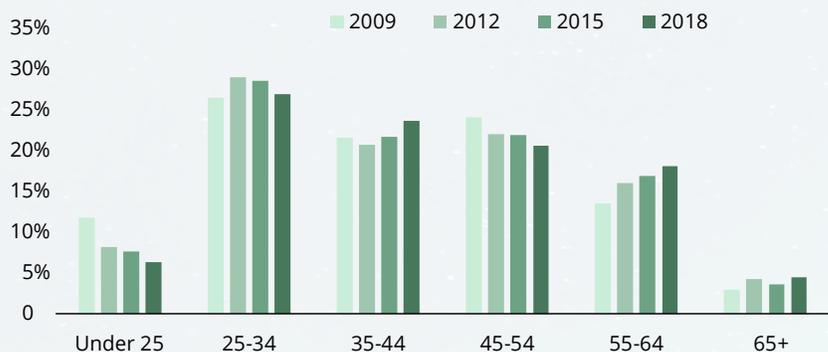
Gender composition shifted briefly during the statewide recession

The gender composition of claimants has been mostly steady, with more men applying than women, largely because of the industries in which they work. The 10-year average for claimants was 62 percent men and 38 percent women.

That ratio shifted moderately in the middle of the recession when oil and gas claims spiked, as nine out of 10 oil and gas workers are men. This led to the highest total proportion of male claimants since 2000 (65 percent). By 2018, the ratio had returned to its previous average.

The majority of 2018 claimants were white or Alaska Native, although both shares have declined slightly since 2008 while the proportions of Asian, Pacific Islander, and black claimants have increased by a combined 3 percent. This reflects the shift in

Older workers represent a larger share of claims, in line with population shift



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Employment Training Administration and Bureau of Labor Statistics

the state's workforce over that time, as Alaska has become more ethnically diverse. Pacific Islanders and Native Hawaiians are one of the state's fastest growing minorities.

Patterns differed by age group

The 25-to-34 age group has consistently produced the largest number of claimants each year, although its share of the total has decreased somewhat since 2008 as older groups' claims have increased.

In 2009, when Alaska briefly lost jobs due to the national recession, claims increased for all age groups and continued to climb in 2010. By 2011, claims had fallen for everyone except those 55 and older. That group's claims continued to increase through 2012.

During the recent state recession, claims increased briefly for all age groups and then began to fall in 2017 for all except the oldest group (65-plus).

The percentage of Alaska claimants who are senior citizens has increased since 2018, in line with older people becoming a larger percentage of the workforce as more baby boomers reach 65. The percentage of claimants who were between 55 and 64 grew 5 percent over the decade, and the percentage who were 65-plus increased 2 percent.

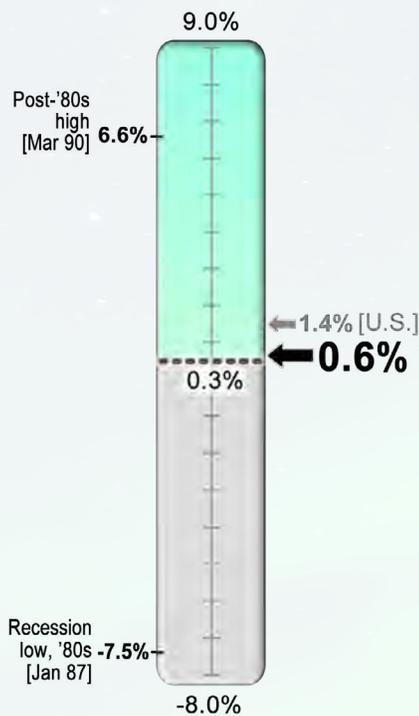
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Gauging The Economy



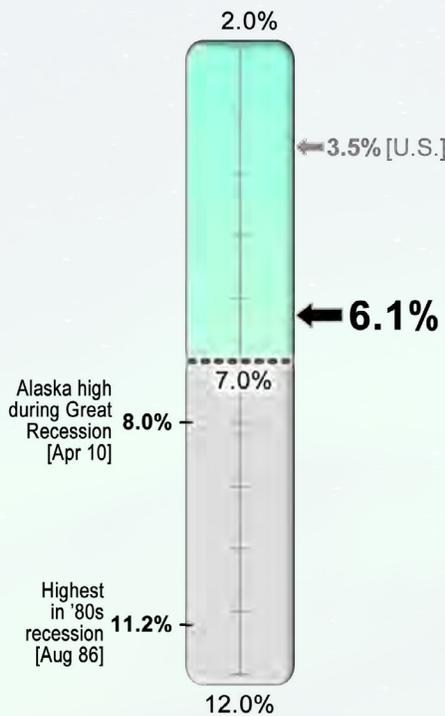
Job Growth

December 2019
Over-the-year percent change



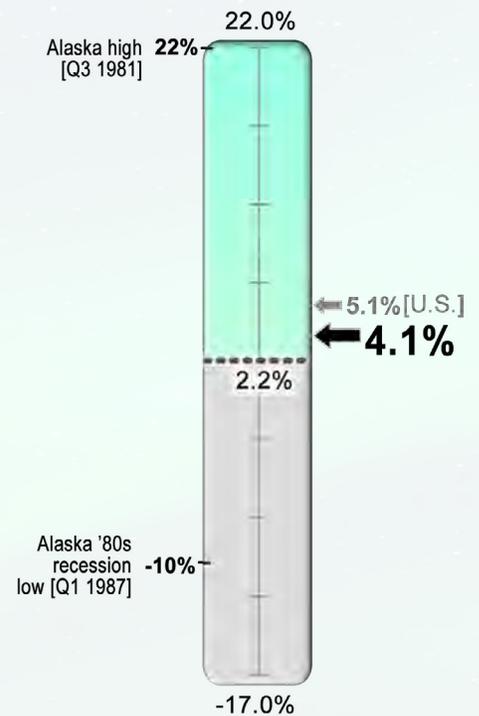
Unemployment Rate

December 2019
Seasonally adjusted



Wage Growth

Revised 2nd Quarter 2019
Over-the-year percent change

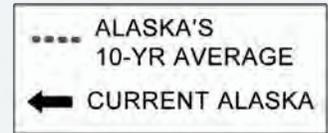


- The state has registered over-the-year job gains for 15 straight months after losing jobs for the prior three years.
- The gains are small so far, hovering around half a percentage point.
- U.S. job growth remains stable and has been positive since 2010, with the strongest growth in 2015.

- Until April, Alaska's seasonally adjusted rate had spent nearly a year at 6.5 percent.
- Unemployment rates are complicated economic measures and generally less telling than job or wage growth as indicators of broad economic health.

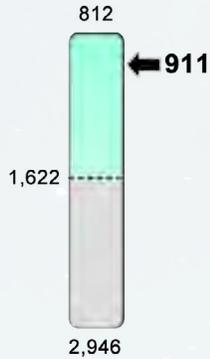
- Wages increased for the seventh straight quarter, and the strongest growth over that period was in 4th quarter 2018.
- Alaska's wage growth rate was slightly below the nation's, but both remained strong, growing at about the same rate from first to second quarter.

Gauging The Economy



Initial Claims

Unemployment, week ending Dec. 14, 2019**

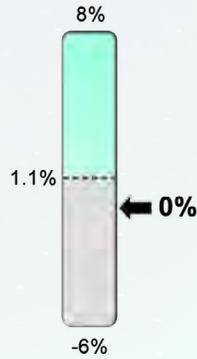


➤ For a variety of reasons, initial claims are well below the 10-year average.

**Four-week moving average ending with the specified week

GDP Growth

3rd Quarter 2019
Over-the-year percent change*

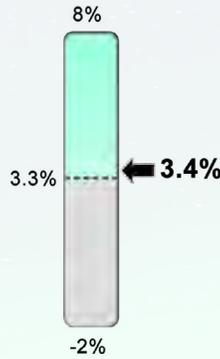


➤ Gross domestic product is the value of the goods and services a state produces. Prior to this quarter, which was flat compared to third quarter 2018, Alaska's GDP was up for 11 straight quarters.

*In current dollars

Personal Income Growth

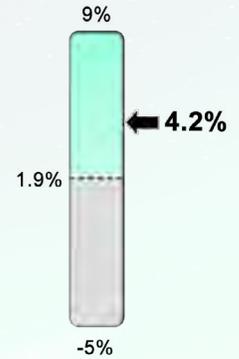
3rd Quarter 2019
Over-the-year percent change



➤ Personal income includes wages as well as transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. After five quarters well above the 10-year average, growth has slowed to average.

Change in Home Prices

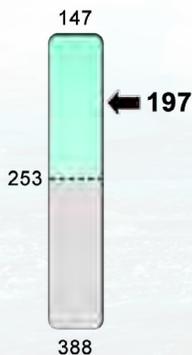
Single-family, 3rd Qtr 2019
Over-the-year percent change



➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

Foreclosures

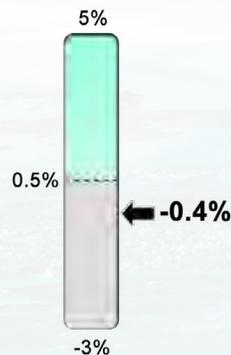
3rd Quarter 2019



➤ Foreclosure rates remain low, highlighting how different the state's recent recession was from the '80s recession when foreclosures exceeded 2,000 in some quarters.

Population Growth

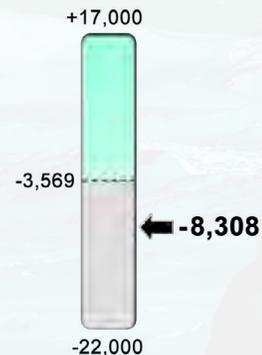
2018 to 2019



➤ This was the third straight year of population decline.

Net Migration

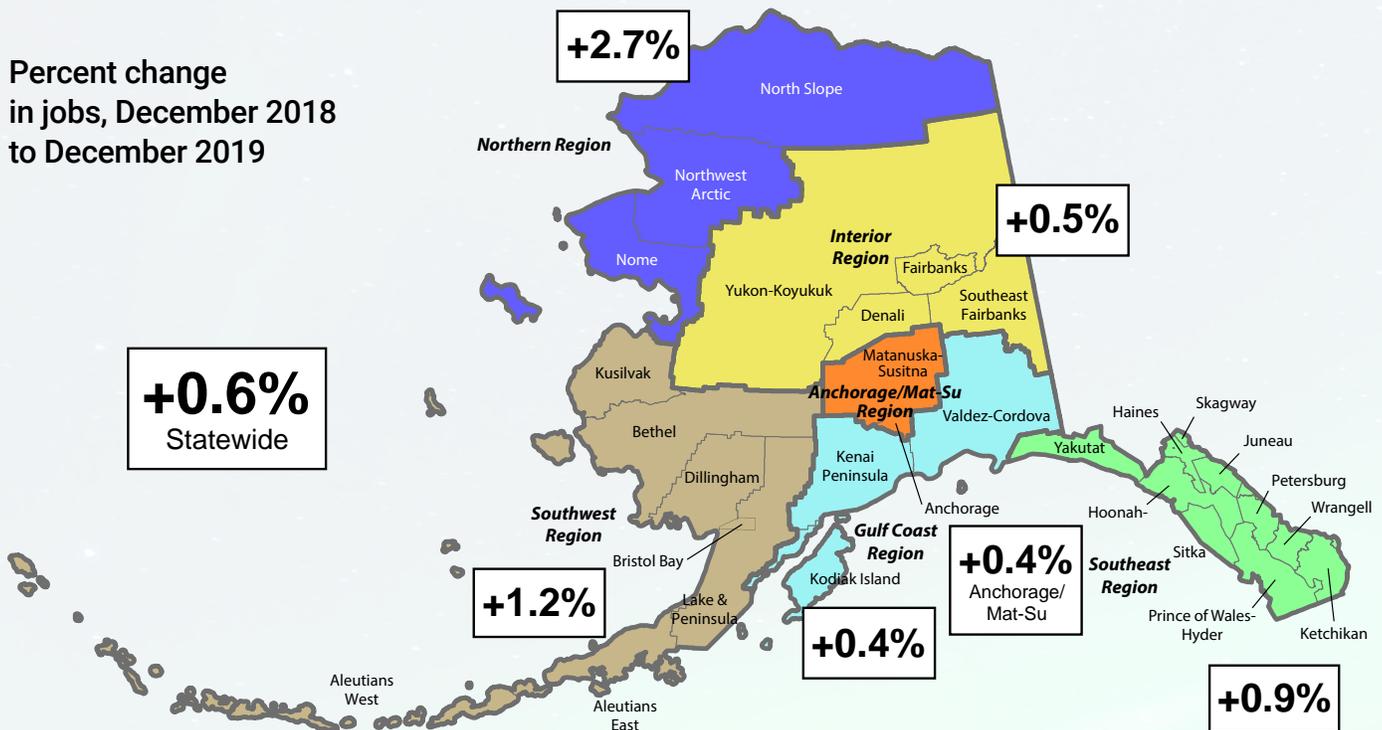
2018 to 2019



➤ The state had net migration losses for the seventh consecutive year in 2019. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change
in jobs, December 2018
to December 2019



Unemployment Rates

Seasonally adjusted

Not seasonally adjusted

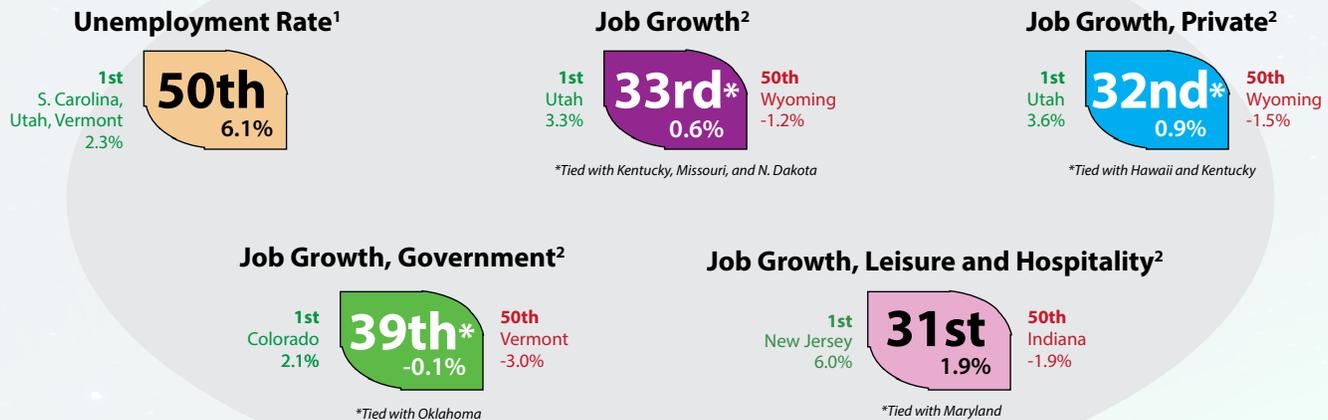
	Prelim.	Revised	
	12/19	11/19	12/18
United States	3.5	3.5	3.9
Alaska	6.1	6.1	6.5

	Prelim.	Revised	
	12/19	11/19	12/18
United States	3.4	3.3	3.7
Alaska	6.1	6.0	6.5

Regional, not seasonally adjusted

	Prelim.	Revised			Prelim.	Revised			Prelim.	Revised	
	12/19	11/19	12/18		12/19	11/19	12/18		12/19	11/19	12/18
Interior Region	6.0	6.0	6.5	Southwest Region	10.3	9.9	11.0	Southeast Region	6.3	6.3	6.7
Denali Borough	19.9	16.8	16.3	Aleutians East Borough	7.1	4.7	7.3	Haines Borough	14.1	13.4	13.0
Fairbanks N Star Borough	5.3	5.3	5.8	Aleutians West Census Area	5.8	5.0	5.4	Hoonah-Angoon Census Area	14.5	14.2	16.0
Southeast Fairbanks Census Area	9.0	8.2	9.7	Bethel Census Area	10.9	11.2	11.3	Juneau, City and Borough	4.4	4.4	5.0
Yukon-Koyukuk Census Area	11.5	12.3	14.1	Bristol Bay Borough	11.8	12.4	14.3	Ketchikan Gateway Borough	6.5	6.8	6.6
Northern Region	9.2	9.8	9.2	Dillingham Census Area	8.3	7.9	8.8	Petersburg Borough	8.5	8.9	9.0
Nome Census Area	9.2	9.4	10.3	Kusilvak Census Area	15.7	15.4	18.0	Prince of Wales-Hyder Census Area	8.8	8.9	10.3
North Slope Borough	5.8	6.5	6.1	Lake and Peninsula Borough	10.1	8.8	12.7	Sitka, City and Borough	4.6	4.6	4.4
Northwest Arctic Borough	13.0	14.0	11.3	Gulf Coast Region	8.0	7.2	8.1	Skagway, Municipality	19.0	19.4	18.3
Anchorage/Mat-Su Region	5.2	5.2	5.6	Kenai Peninsula Borough	7.3	7.1	7.8	Wrangell, City and Borough	8.2	8.0	8.1
Anchorage, Municipality	4.8	4.8	5.1	Kodiak Island Borough	9.5	5.6	9.0	Yakutat, City and Borough	10.0	7.9	10.6
Mat-Su Borough	6.7	6.5	7.1	Valdez-Cordova Census Area	9.6	10.2	8.8				

How Alaska Ranks



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹December seasonally adjusted unemployment rates

²December employment, over-the-year percent change

Sources: U.S. Bureau of Labor Statistics and Alaska Department of Labor and Workforce Development, Research and Analysis Section

Other Economic Indicators

	Current	Year ago	Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	228.858 1st half 2019	223.099	+2.6%
Commodity prices			
Crude oil, Alaska North Slope, * per barrel	\$53.66 Oct 2019	\$69.68	-22.99%
Natural gas, residential, per thousand cubic feet	\$11.48 Oct 2019	\$11.01	+4.27%
Gold, per oz. COMEX	\$1,588.80 1/27/2020	\$1,309.30	+21.35%
Silver, per oz. COMEX	\$18.10 1/27/2020	\$15.77	+14.77%
Copper, per lb. COMEX	\$2.60 1/27/2020	\$2.68	-2.84%
Zinc, per MT	\$2,341.00 1/27/2020	\$2,680.00	-12.65%
Lead, per lb.	\$0.89 1/27/2020	\$0.95	-6.32%
Bankruptcies			
Business	105 Q3 2019	106	-0.94%
Personal	12 Q3 2019	9	+33.33%
Unemployment insurance claims			
Initial filings	5,137 Dec 2019	5,709	-10.02%
Continued filings	45,948 Dec 2019	47,820	-3.91%
Claimant count	10,334 Dec 2019	11,796	-12.39%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Energy Information Administration; Kitco; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

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- Transportable/transferable skills

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